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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



LUGARI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Table of Contents	Page
1. Acronyms and Glossary of terms	ii
2. Key Constituency Information and Management.....	iii
3. NG-CDFC Chairman’s Report	vii
4. Statement Of Performance Against Predetermined Objectives for FY2022/2023.....	x
5. Governance Statement.....	xii
6. Environmental and Sustainability Reporting	xvii
7. Statement Of Management Responsibilities.....	xxi
8. Report Of the Auditor General On The NGCDF- Lugari Constituency.....	xxiii
9. Statement Of Receipts and Payments for the Year Ended 30th June 2023.....	1
10. Statement Of Assets and Liabilities As At 30th June, 2023.....	2
11. Statement Of Cash Flows for The Year Ended 30th June 2023	3
12. Summary Statement of Appropriation for The Year Ended 30 th June 2023	5
13. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	8
14. Significant Accounting Policies	14
15. Notes To the Financial Statements	20
16. Annexes	33

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

1. Acronyms and Glossary of terms

Provide a list of all applicable acronyms and glossary of terms used in the annual report and financial statements e.g.

DA	District Accountant
CDF	Constituency Development Fund
IPSAS	International Public Sector Accounting Standards.
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
PFM	Public Finance Management
FY	Financial Year

2. 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;

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Perez Anyango
2.	Sub-County Accountant	Lawrence Nyangoto
3.	Chairman NGCDFC	Wycliffe Soita
4.	Member NGCDFC	Oliver Amuko

(c) Fiduciary Oversight Arrangements

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

P.O. Box 700 – 30106, Turbo
NGCDF Offices
DCC Office
Lumakanda

(e) Lugari Constituency NGCDF Contacts

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

(f) Lugari Constituency NGCDF Bankers

KCB Bank

Webuye Branch

A/C No. 1312925418

(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

3. NG-CDFC Chairman's Report

It is my pleasure to present to you LUGARI NGCDF's annual report and financial statements for the financial year 2022/2023.

In the year under review, our overall performance has gone down as compared to last financial year due to low disbursement of funds from the CDF Board occasioned by litigation issues that that culminated into the infamous ruling of the Supreme Court on the Constitutionality of the NGCDF Act, 2013.

By the end of the financial year 2022/2023 CDF Board had disbursed Kshs.99,600,000.00 out of a possible Budget of Kshs 163,560,174.00 (151,960,174.00 and 11,600,000.00).

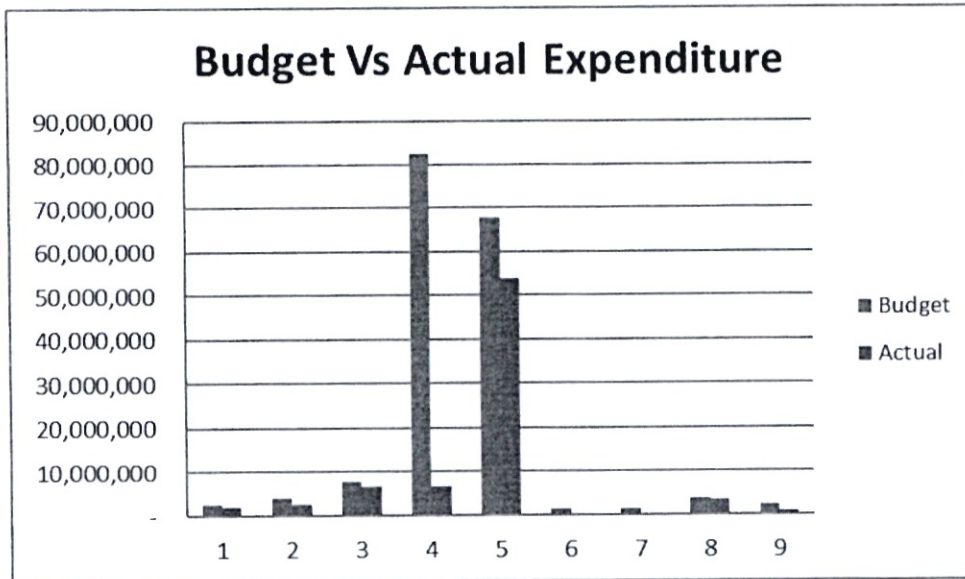
The amount disbursed is way below the disbursement of the in FY 2021/2022 of Kshs 170,577,758.00

From the amount disbursed we managed to spend Kshs 75,252,594.00 which is 76% of the funds received.

Table I – Comparison between the Budget Vs Actual Expenditure

S/No	Item	Budget	Actual
1.	Compensation of Employees	2,715,372	2,012,671
2.	Committee expenses	3,918,255	2,648,509
3.	Use of goods and services	7,898,905	6,687,549
4.	Transfers to Other Government Units	82,696,146	6,505,968
5.	Other grants and transfers	67,748,238	53,897,897
6.	Acquisition of Assets	1,347,100	-
7.	Oversight Committee Expenses	1,519,601	-
8.	Other Payments	3,811,637	3,500,000

Graphical presentation of the Financial Performance:



From the table shown above, we spent more funds on bursary with Kshs 38,786,827.00, going for payment of bursary for needy students in the constituency. This scenario was brought about because of the balances brought forward on bursary vote from the previous year of Kshs 2,283,000.00.

Apart from Bursary, the Administration vote was also expensed by a significant percentage as the funding for Projects was delayed for reasons cited above.

We anticipate to implement the Projects in during the first quarter of FY 2023/2024 now that the Board is releasing the Funds for Financial Year under review.

It is worth noting that a total of Kshs 64, 511,874.00 of this year's Budget has not yet been disbursed by the Board. This Balance also includes Kshs 511,700 .00 being AIA meant for purchase of furniture at the NGCDF Office, as per our proposal for FY 2022/2023.

Despite the challenges in funding, we were able to successfully implement the Bursary Project with a total of 6, 358 beneficiaries reached.

In a big way, were able to keep these learners in School, improve the circulation of money within the local community since a majority of the beneficiaries are schooling within the Constituency and reach out to the most vulnerable groups such as orphans who ranked highly during Bursary award.

We recognize that Sports plays an important role in enhancing cohesion amongst communities while engaging the Youth in meaningful activities hence depriving them the time to engage in unproductive ventures such as alcoholism and drug abuse. We endeavor to support the youth in identifying and nurturing their talents even further.

Hence, we carried out a successful Soccer tournament in December where a total of 48 teams for both male and female participated.

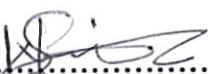
The winners were awarded with trophies, uniforms, balls among others. We intend to diversify the sports activities in future so as to include other Sports and increase participation.

Sports - Winning teams' award



Emerging issues related to NGCDF and implementation challenges experienced during the year:

- Litigation issues that threaten the going concern of the NGCDF.
- Delay in disbursement of Funds
- Insufficient funding of Projects
- Unstable prices of commodities affecting our budget for Projects which are to be implemented for more than one year.

.....


Wycliffe Soita
CHAIRMAN NGCDF COMMITTEE



Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

4. Statement Of Performance Against Predetermined Objectives for FY2022/2023

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 *Lugari Constituency 2022-2027* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2022/23 -we increased number of classrooms, dormitories, laboratories etc from 86 to 108 at the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	Enhancing security in the constituency by constructing chiefs' and sub-chiefs' offices, AP housing units, police patrol bases; constructing/rehabilitating of administrators', chiefs' offices, police stations, and police housing units, among other initiatives.	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of build chiefs' offices increased from 3 to 4, Number of police posts build are 2
Environment	Improve access to clean water and a more sustainable	Drill boreholes to	Number of water collection tanks in	Number of tanks done were 24 in 2

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

	and conserved environment through natural resources conservation initiatives	promote access to clean and safe water Equip schools and public facilities with sanitation	primary and secondary Number of trees planted	schools
Sports	Empower and develop youth and special groups	to Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 10 to 30

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

5. Governance Statement

Lugari Constituency is in Kakamega County and lies in the Upper Medium ecological zone. This Upper Medium also covers Ikolomani, Lurambi, Malava, Navakholo and Shinyalu and practice intensive maize, sugarcane, banana, tea, beans and horticultural production mainly on small scale. Residents in Lugari and Likuyani practice large scale farming.

The Constituency measures 367.2km² and is made up of six (6) wards (Mautuma, Lugari, Lumakanda, Chekalini, Chevaywa and Lwandeti). Mautuma is the largest with 83.8Km² followed by Lugari at 81.3Km² while Chekalini is the smallest with 41.7Km

The key development objectives of NGCDF-LUGARI Constituency's 2022-2027 plan are to:

In underscoring the above, the key development objectives of NGCDF-LUGARI Constituency's 2022-2027 plan included but not limited to;

The constituency has identified seven (7) strategic Objectives as a guide in developing the constituency. These are:

- i. Access to quality education
- ii. Security
- iii. Youth and Sports
- iv. Environment
- v. Emergency Support
- vi. Tracking of Results
- vii. Institutional Strengthening.

The Committee was well guided by the legal framework establishing the NGCDF, i.e the NGCDF Act, 2015, provides for the establishment of the NGCDF Committee, and the regulations thereof enumerate, the procedure for appointment and removal of Members - Reg. 11 (1).

These regulations enumerate the following as functions of the NGCDF Committee, among others:

- Build capacity for PMCs and sensitize the community on the operation of the Fund.
- Preparation of Project proposals and prioritizing the same for submission to the Board
- Ensure all the Projects proposed meet the legal requirements of the law e.g Sec 24 of the NGCDF Act
- Ensure Project Proposals submitted to the Board include detailed Budgets, Procurement plans and work plans.
- Consult with the relevant Government departments to ensure the Project cost estimates are realistic
- Rank Projects in order of priority while ensuring that ongoing Projects take precedence.
- Monitor and implement Projects in accordance with the Monitoring and Evaluation Framework issued by the Board
- Ensure Project reports are prepared and submitted to the Board.
- Ensure formation of Project Management Committees, Project implementation and closure of Projects.
- Timely submission of Financial Statements to the Board.
- Recommend to the Board removal of a committee member

- Receive and address complaints concerning the implementation of Projects and collectively respond to Audit issues raised against the Fund at the Constituency level.
- Perform any other functions as assigned by the Board.

The NGCDFC Lugari constituency was gazetted in December, 2022 after a rigorous recruitment exercise that was spearheaded by the Deputy County Commissioner and the Fund Account Manager.

An induction of the members was carried out in January, 2023 followed by a series of trainings for the Committee and the Staff, thereby equipping them for the service.

It is worth noting that the Committee has worked together cohesively going by the number of meetings held during the year under review, 22 meetings to be precise, highlighting the need for consultation and teamwork.

We endeavor to continue capacity building of members in order to arrest instances of conflict of interest as per the provisions of the Ethics and Integrity Act.

Environmental and Sustainability Reporting

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

- a. Education and Training:** Lugari 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

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

3. Employee welfare

We invest in providing the best working environment for our employees. Lugari 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. Lugari 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-

LUGARI 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-

LUGARI 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.

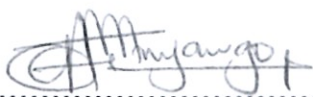
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Perez Anyango
FUND ACCOUNT MANAGER.



6. Environmental and Sustainability Reporting

Environmental and Sustainability Reporting

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Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

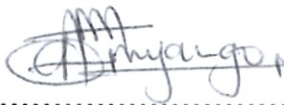
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LUGARI NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



Perez Anyango
Fund Account Manager.



7. 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-LUGARI 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-LUGARI 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- LUGARI 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 LUGARI 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

Lugari Constituency

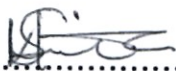
National Government Constituencies Development Fund (NGCDF)

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

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

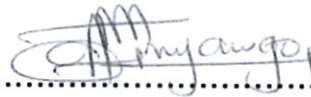
Approval of the financial statements

The NGCDF- LUGARI Constituency financial statements were approved and signed by the Accounting Officer on 27/08/ 2023.



.....
Wycliffe Soita

Chairman – NGCDF Committee



.....
Perez Anyango

Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LUGARI 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 – Lugari Constituency set out on pages 1 to 54, which comprise of the statement of assets and liabilities as at 30 June, 2023, and statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Lugari Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Inaccuracies in the Comparative Fund Balance Brought Forward

The statement of assets and liabilities reflects a comparative fund balance brought forward of Kshs.16,632,984. However, this amount differed with the balance of Kshs.15,586,574 disclosed in Note 15 to the financial statements. The variance of Kshs.1,046,410 was not explained.

In the circumstances, the accuracy and completeness of the comparative fund balance brought forward amounting to Kshs.16,632,984 could not be confirmed.

2. Unsupported Project Management Committee Account Balances

Note 19.4 to the financial statements on Other Disclosures reflects a balance of Kshs.2,534,897 in respect of Project Management Committee (PMC) account balances as disclosed in Annex 5. However, cash books, bank statements, bank reconciliation statements and bank confirmation certificates were not provided for audit verification.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.2,534,897 could not be confirmed.

3. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflects a comparative negative balance of Kshs.61,913 in respect of prior year adjustments and a nil balance for the year under review. However, no documentary evidence including journal entries was provided to show how the balance was cleared.

In the circumstances, the accuracy and completeness of the nil balance in respect of prior year adjustments could not be confirmed.

4. Lack of Ownership Documents

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.6,505,968 which, as disclosed in Note 7 to the financial statements,

includes an amount of Kshs.3,900,000 transferred to primary schools. The latter amount includes Kshs.400,000 and Kshs.300,000 transferred to two primary schools for purchase of 0.5 acre parcel of land for each school. Physical inspection in March, 2024 revealed that title deeds for the purchased two parcels of land had not been obtained.

In the circumstances, ownership of the parcels of land amounting to Kshs.700,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects receipts budget and actual on comparable basis amounts of Kshs.173,463,130 and Kshs.109,502,956 respectively, resulting to under-funding of Kshs.63,960,174 or 37% of the budget. Similarly, the Fund spent Kshs.75,252,594 against actual receipts of Kshs.109,502,956 resulting to an under-utilization of Kshs.34,250,362 or 31% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Construction of a Classroom

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.6,505,968 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.2,605,968 transferred to secondary schools, out of which Kshs.900,000 was transferred to a secondary school for construction of one classroom. However, physical inspection on 7 March, 2024 revealed that the classroom had not been constructed and the amount of Kshs.900,000 was still held in the Project Management Committee account.

In the circumstances, value for money was not obtained from the intended project.

2. Incomplete Construction of a Multipurpose Hall

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.6,505,968 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.2,605,968 transferred to secondary schools, out of which Kshs.305,968 was a transferred to a high school for construction of a multipurpose hall. However, physical inspection in March, 2024 revealed that the hall had not been completed although the contractor had been paid the full contract sum of Kshs.6,200,092. As at that date, the dais, floor, gables, ceiling and veranda had not been done.

Further, building plans, Bill of Quantities, contract agreement, procurement records, project status record, certificate of completion, inspection and acceptance certificate, Tender Evaluation Committee minutes and handing-over report were not provided for audit verification.

In the circumstances, value for money was not obtained from the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Fixed Assets Register

Annex 4 to the financial statements on summary of fixed assets register reflects a balance of Kshs.30,840,555 being the value of assets owned by the Fund. However, Management did not provide a fixed assets register to support the balance. This is contrary to Regulation 143(1) of the Public Finance Management Regulations, 2015 which states that an Accounting Officer shall be responsible for maintaining an asset register under his or her control or possession.

In the circumstances, the effectiveness of internal controls in respect of fixed assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease its 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the appropriate 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 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 control that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 May, 2024

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

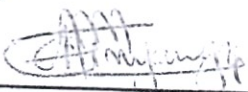
Annual Report and Financial Statements for The Year Ended June 30, 2023

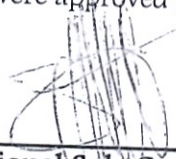
9. Statement Of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	99,600,000	170,577,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	225,100	31,000
Total Receipts		99,825,100	170,608,758
Payments			
Compensation Of Employees	4	2,012,671	2,218,356
Committee expenses	5	2,648,509	4,655,998
Use Of Goods and Services	6	6,472,369	6,854,266
Transfers To Other Government Units	7	6,505,968	56,479,700
Other Grants and Transfers	8	53,897,897	83,309,589
Acquisition Of Assets	9	215,180	-
Other Payments	10	3,500,000	25,566,840
Total Payments		75,252,594	179,084,749
Surplus/(Deficit)		24,572,506	(8,475,991)

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 27/08/2023 2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee



Lawrence Nyangoto
ICPAK M/No: 23371

Wycliffe Soita

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


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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	33,360,742	9,677,856
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		33,360,742	9,677,856
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		33,360,742	9,677,856
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	471,197	1,360,817
Gratuity	14	221,959	221,959
Total Financial Liabilities		693,156	1,582,776
Net Financial Assets		32,667,586	8,095,080
Represented By			
Fund Balance B/Fwd	15	8,095,080	16,632,984
Prior Year Adjustments	16	-	(61,913)
Surplus/Deficit for The Year		24,572,506	(8,475,991)
Net Financial Position		32,667,586	8,095,080

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 27/08/2023 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Perez Anyango

Lawrence Nyangoto
 ICPAK M/No: 23371

Wycliffe Soita



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

11. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	99,600,000	170,577,758
Other Receipts	3	225,100	31,000
Total Receipts		99,825,100	170,608,758
Payments			
Compensation Of Employees	4	2,012,671	2,218,356
Committee Expenses	5	2,648,509	4,655,998
Use Of Goods and Services	6	6,472,369	6,854,266
Transfers To Other Government Units	7	6,505,968	56,479,700
Other Grants and Transfers	8	53,897,897	83,309,589
Other Payments	10	3,500,000	25,566,840
Total Payments		75,037,414	179,084,749
Total Receipts Less Total Payments		24,787,686	(8,475,991)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	(889,620)	634,499
Net Cash Flow from Operating Activities		23,898,066	(7,841,492)
Cashflow From Investing Activities			
Proceeds From Sale of Assets		-	-
Acquisition Of Assets	9	(215,180)	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalents		23,682,886	(7,841,492)
Cash & Cash Equivalent At Start Of The Year	11	9,677,856	17,519,348
Cash & Cash Equivalent At End Of The Year	11	33,360,742	9,677,856

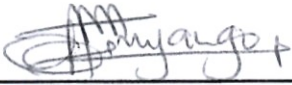
Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

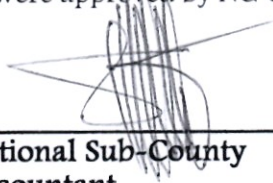
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 21/08 2023 and signed by:



Fund Account Manager

Perez Anyango



**National Sub-County
Accountant**

**Lawrence Nyangoto
ICPAK M/No: 23371**



**Chairman NG-CDF
Committee**

Wycliffe Soita



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

12. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	B		c=a+b	D	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	151,960,174	9,677,856	11,600,000	173,463,030	109,277,856	63,960,174	63%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	225,100	-	225,100	225,100	-	100.0%
Totals	151,960,174	9,902,956	11,600,000	173,463,130	109,502,956	63,960,174	63.7%
Payments							
Compensation Of Employees	2,512,728	2,644	200,000	2,715,372	2,012,671	702,701	74.1%
Committee Expenses	3,548,000	370,255	-	3,918,255	2,648,509	1,269,746	67.6%
Use Of Goods and Services	7,400,507	183,218	100,000	7,683,725	6,472,369	1,211,356	84.7%
Transfers To Other Government Units	75,226,360	2,307,073	5,162,713	82,696,146	6,505,968	76,190,178	7.9%
Other Grants and Transfers	57,712,798	4,248,153	5,787,287	67,748,238	53,897,897	13,850,341	79.6%
Acquisition of Assets	540,180	672,100	350,000	1,562,280	215,180	1,347,100	0.0%
Oversight Committee Expenses	1,519,601	-	-	1,519,601	-	1,519,601	0.0%
Other Payments	3,500,000	311,637	-	3,811,637	3,500,000	311,637	91.8%
Funds Pending Approval**	-	1,807,876	-	1,807,876	-	1,807,876	-
Totals	151,960,174	9,902,956	11,600,000	173,463,130	75,252,594	98,210,536	43.8%

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

Explanatory Notes.

Compensation of employees:

We were unable to absorb 100% of the amount allocated because we required the Balance to be utilised in the new Financial Year as we await the disbursement for FY 2023/2024. The Balance is meant to cushion the Employees during the early stages of the FY 2023/2024.

Committee Expenses

Due to the transition after the 2022 General elections, there was a lull in CDFC activities as members needed to be acquainted with the operations of the Fund first before they could fully take charge. This slowed down the activities of the Committee, hence the inability to absorb the total amount allocated for Committee allowances.

Use of goods and services

Due to the transition after the 2022 General elections, there was a lull in CDFC activities as members needed to be acquainted with the operations of the Fund first before they could fully take charge. This slowed down the activities of the Committee, hence the inability to absorb the total amount allocated for Committee allowances.

Transfers to other Government Agencies

We were unable to absorb the total allocation of Kshs 82,696,146 due to delays in disbursement from the exchequer.

Other grants and other transfers

We were unable to absorb the total allocation due to delays in disbursement from the exchequer

Acquisition of Assets

The allocation of Kshs 551,700 towards purchase of furniture has not yet been approved by the Board, though we secured an approval of Kshs 325,000 which we have not spent because it had not been disbursed by the end of the Financial Year.

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

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

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


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	98,210,536
Less undisbursed funds receivable from the Board as at 30 th June 2023	63,960,174
	34,250,362
Increase/(decrease) Accounts payable	(889,620)
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	33,360,742

The Constituency financial statements were approved by NGCDFC on 27/08 2023 and signed by:


 Fund Account Manager

Perez Anyango




 National Sub-County Accountant

Lawrence Nyangoto
 ICPAK M/No: 23371


 Chairman NG-CDF Committee

Wycliffe Soita

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,512,728	2,644.00	200,000	2,715,372	2,012,671	702,701
1.2 Committee allowances	1,248,000	200,000.00	-	1,448,000	1,152,000	296,000
1.3 Use of goods and services	5,356,882	82,732.00	100,000	5,539,614	3,728,370	1,811,244
Sub-total	9,117,610	285,376	300,000	9,702,986	6,893,041	2,809,945
2.0 Monitoring and evaluation						
2.1 Capacity building	900,000	20,000.00	-	920,000	915,000	5,000
2.2 Committee allowances	1,400,000	150,255.00	-	1,550,255	1,496,509	53,746
2.3 Use of goods and services	2,258,805	100,486.00	-	2,359,291	2,044,179	315,112
Sub-total	4,558,805	270,741	-	4,829,546	4,455,688	373,858
3.0 Emergency						
3.1 Primary Schools	600,000	600,000.00	-	1,200,000	1,200,000	-
3.2 Secondary schools	4,922,000	-	-	4,922,000	4,922,000	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.5 Unutilised	2,114,191	200,000.00	200,000	2,514,191	-	2,514,191
Sub-total	7,636,191	800,000	200,000	8,636,191	6,122,000	2,514,191
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	27,700,000	2,283,000.00	-	29,983,000	29,935,738	47,262
4.3 Tertiary Institutions	9,000,000	136,091.00	-	9,136,091	8,851,089	285,002
4.4 Special	500,000	-	-	500,000	-	500,000
4.5 Social Security	2,800,000	800,100.00	5,587,287	9,187,387	5,721,589	3,465,798
Sub-total	40,000,000	3,219,191	5,587,287	48,806,478	44,508,416	4,298,062
5.0 Sports						
5.1	3,039,203	-		3,039,203	3,039,000	203
Sub-total	3,039,203	-		3,039,203	3,039,000	203
6.0 Environment						
6.1 Navalayo Primary School	-	228,481.00		228,481	228,481	-
6.2 Mabuye Primary School	-	481.00		481	-	481
6.3 Panpaper Primary School	759,801	-		759,801	-	759,801
6.4 Mukangu Primary School	759,801	-		759,801	-	759,801
6.5 Mukhalanya Primary School	759,801	-		759,801	-	759,801

**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			
6.6 Mautuma DEB Primary School	759,801	-	-	759,801	-	759,801
Sub-total	3,039,203	228,962	-	3,268,165	228,481	3,039,684
7.0 Primary Schools Projects						
7.1 Chamavele Primary School	-	-	-	400,000	400,000	-
Bahati Primary School	-	400,000.00	-	300,000	300,000	-
Kiwanjandegge Primary School	-	300,000.00	-	300,000	300,000	-
Sosiani Primary School	-	300,000.00	1,000,000	1,000,000	1,000,000	-
Muviki Primary School	-	-	900,000	900,000	900,000	-
Itumbu Primary School	1,190,000.00	-	-	1,190,000	-	1,190,000
Locho Primary School	7,500,000.00	-	-	7,500,000	-	7,500,000
Tekoa Primary School	7,500,000.00	-	-	7,500,000	-	7,500,000
Lwandeti DEB Primary School	7,500,000	-	-	7,500,000	-	7,500,000
Panpaper Primary School	7,500,000	-	-	7,500,000	-	7,500,000
Muhomo Primary School	7,500,000	-	-	7,500,000	-	7,500,000
Mlimani Trimary School	2,500,000	-	-	2,500,000	-	2,500,000
Mukuyu Special School	3,000,000	-	-	3,000,000	-	3,000,000
Nzoia DEB Primary School	700,000	-	-	700,000	-	700,000

*Lugari 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			
Mahiga Primary School	6,100,000	-		6,100,000	-	6,100,000
Kwambu Primary School	3,600,000	-		3,600,000	-	3,600,000
Mugunga Primary School	3,300,000	-		3,300,000	-	3,300,000
Muyugi Primary School	3,600,000	-		3,600,000	-	3,600,000
Makhukhuni Primary School	4,800,000	-		4,800,000	-	4,800,000
Frank Primary School	1,200,000	-		1,200,000	-	1,200,000
Mukhalanya Primary School	1,636,360	-		1,636,360	-	1,636,360
Mukhalanya Primary School	800,000	-	1,000,000.00	1,800,000	1,000,000.00	800,000
Sub-total	69,926,360	1,000,000	2,900,000	73,826,360	3,900,000	69,926,360
8.0 Secondary Schools Projects						
Nzoia Girls Secondary School	-	700,000.00		700,000	-	700,000
Mahanga Secondary School	-	1,105.00	262,713.00	263,818	-	263,818
Mautuma Boys Secondary School	-	305,968.00		305,968	305,968.00	-
Vuyika Secondary School	-	300,000.00		300,000	300,000.00	-
St. Cecilia Girls Secondary School	-	-	600,000	600,000	600,000.00	-
Lukhokho Secondary School	2,000,000.00	-		2,000,000	-	2,000,000
Chekalini Secondary School	2,000,000.00	-	500,000.00	2,500,000	500,000.00	2,000,000
Munyuki Secondary School	1,300,000.00	-	900,000.00	2,200,000	900,000.00	1,300,000

Lugenda
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			
Sub-total	5,300,000.00	1,307,073.00	2,262,713.00	8,869,786.00	2,605,968.00	6,263,818.00
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
Sub-total						
10.0 Security Projects						
Chekalini Chiefs Office	1,998,200.00	-	-	1,998,200	-	1,998,200
Panpaper Police Station	2,000,000	-	-	2,000,000	-	2,000,000
Sub-total	3,998,200	-	-	3,998,200	-	3,998,200
11.0 Acquisition of assets						
NGCDF Office - Motorcycle	-		350,000	350,000	-	350,000
NGCDF Office Furniture	325,000		-	325,000	-	325,000
NGCDF Office water pump	-	120,400.00	-	120,400	-	120,400
Sub-total	325,000	120,400	350,000	795,400	-	795,400
12.0 Oversight Committee Expenses						
Travel Costs	120,000	-		120,000	-	120,000
Domestic Travel & Accommodation	300,000	-		300,000	-	300,000
Daily Subsistence Allowance	110,000	-		110,000	-	110,000

*Lugari 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			
Advertising Awareness & Publicity Campaigns	389,601	-	-	389,601	-	389,601
Catering Services	100,000	-	-	100,000	-	100,000
Committee Allowances	300,000	-	-	300,000	-	300,000
Refined Fuel and Lubricants for transport	200,000	-	-	200,000	-	200,000
Sub-total	1,519,601	-	-	1,519,601	-	1,519,601
13.0 Others						
Strategic Plan	3,500,000	-	-	3,500,000.00	3,500,000.00	-
Kiwanjandegge Footbridge	-	86,468.00	-	86,468.00	-	86,468.00
Salama Kiwanjandegge Footbridge	-	146,792.00	-	146,792.00	-	146,792.00
Kiwanjandegge Footbridge land purchase	-	78,377.00	-	78,377.00	-	78,377.00
Sub-total	3,500,000	311,637	-	3,811,637	3,500,000	311,637
Funds pending approval**	-	551,700.00	-	551,700	-	551,700
Retention	-	1,360,817	-	1,360,817	-	1,360,817
Gratuity	-	221,959	-	221,959	-	221,959
AIA	-	225,100.00	-	225,100	-	225,100
Sub-Total	-	2,359,576	-	2,359,576	-	2,379,576
Total	151,960,174	9,902,956	11,600,000	173,463,130	75,252,594	98,210,536

(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

14. 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-LUGARI 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.

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

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 receive

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 30th June 2023 for the period 1st July 2023 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Prior period 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.

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

15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
	Kshs	Kshs
NGCDF Board		
AIE NO B105497		44,000,000
AIE NO B105848		22,000,000
AIE NO B128596		5,000,000
AIE NO B128908		14,000,000
AIE NO B140985		33,000,000
AIE NO B154106		12,000,000
AIE NO B155874		10,488,879
AIE NO B155988		12,088,879
AIE NO B164439		18,000,000
AIE NO. B B895088	11,600,000.00	
AIE NO. B 185300	7,000,000.00	
AIE NO. B 185550	6,000,000.00	
AIE NO. B 185688	15,000,000.00	
AIE NO. B 206006	5,000,000.00	
AIE NO. B 205963	12,000,000.00	
AIE NO. B 206453	12,000,000.00	
AIE NO. B B207561	16,000,000.00	
AIE NO. B 207842	15,000,000.00	
TOTAL	99,600,000.00	170,577,758

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

Notes To the Financial Statements (Continued)

2. Proceeds From Sale of Assets

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
Total		

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	225,000	31,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	100	-
Total	225,100	31,000

Lugari 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

	2022/2023	2021/2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,441,231	1,517,500
House Allowance	403,200	403,500
Gratuity to contractual employees	-	147,356
Employer Contributions Compulsory national social security schemes	168,240	150,000
Total	2,012,671	2,218,356

5. Committee Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Sitting allowance	1,988,000	4,655,998
Other committee expenses	660,509	-
Total	2,648,509	4,655,998

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

Notes To the Financial Statements (Continued)

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	310,000	180,000
Communication, supplies and services	712,585	500,000
Domestic travel and subsistence	1,791,273	1,340,000
Printing, advertising and information supplies & services	-	374,668
Rentals of produced assets		
Training expenses	915,000	1,800,000
Hospitality supplies and services	345,670	-
Insurance costs		
Specialised materials and services		
Office and general supplies and services	674,009	922,330
Fuel , oil & lubricants	800,000	1,450,000
Other operating expenses	224,500	-
Bank Charges	101,432	-
Security operations		
Routine maintenance - vehicles and other transport equipment	267,900	287,268
Routine maintenance- other assets	330,000	-
Total	6,472,369	6,854,266

Lugari 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)	3,900,000	41,630,000
Transfers To Secondary Schools (See Attached List)	2,605,968	12,537,913
Transfers To Tertiary Institutions (See Attached List)	-	2,311,787
Total	6,505,968	56,479,700

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,935,738	34,107,987
Bursary – tertiary institutions (see attached list)	8,851,089	21,215,426
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NIIF)	5,721,589	-
Security projects (see attached list)	-	12,800,000
Sports projects (see attached list)	3,039,000	5,481,154
Environment projects (see attached list)	228,481	2,512,815
Emergency projects (see attached list)	6,122,000	7,192,207
Roads projects (see attached list)	-	-
Total	53,897,897	83,309,589

*Lugari 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

	<i>2022/2023</i>	<i>2021/2022</i>
	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	215,180	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	215,180	-

10. Other Payments

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDF Office	-	2,000,000
Roads and Bridges	-	23,566,840
Strategic Plan	3,500,000	-
Total	3,500,000	25,566,840

Lugari 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)

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank, A/C no. 1312925418- Webuye Branch</i>	33,347,158	-
<i>Co-operative Bank A/C No.1120086153600 - Webuye Branch</i>	13,584	9,677,856
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	33,360,742	9,677,856
11 B: Cash on Hand	-	-
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. 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>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer</i>	dd/mm/yy	xxx	xxx	xxx
Total		xxx	xxx	xxx

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

*Lugari 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

13. Deposits and retention

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	KShs	KShs
Retention as at 1 st July (A)	1,360,817	886,364
Retention held during the year (B)	63,411	1,660,944
Retention paid during the Year (C)	953,031	1,186,491
Closing Retention as at 30th June D= A+B-C	471,197	1,360,817

Deposits and Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx		xxx	

14. Gratuity

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	KShs	KShs
Gratuity as at 1 st July (A)	221,959	61,913
Gratuity held during the year (B)	-	160,046
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30th June D= A+B-C	221,959	221,959

(Provide details of any dormant gratuity account)

Notes to the Financial Statement Continued

15. Fund Balance B/F

	1 st July 2022	1 st July 2021
	Kshs	Kshs
Bank accounts	9,677,856.13	16,632,984
Cash in hand		
Imprest		
Total	9,677,856.13	16,632,984
Less		
Payables: - Retention	1,360,817	886,364
Payables – Gratuity	221,959	160,046
Fund Balance Brought Forward	8,095,080	15,586,574

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	xxx	xxx	Xxx
Cash in hand	xxx	xxx	Xxx
Imprests and advances	(xxx)	xxx	(Xxx)
Deposits and retentions	xxx	xxx	Xxx
Gratuity	xxx	xxx	Xxx
Others (<i>specify</i>)	xxx	xxx	Xxx
Total	xxx	xxx	Xxx

** 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

	Insert current FY	Insert Comparative FY
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	xxx	xxx
Imprest issued during the year (B)	xxx	xxx
Imprest surrendered during the Year (C)	xxx	xxx
closing accounts in account receivables D= A+B-C	xxx	xxx
Net changes in accounts Receivables D – A	xxx	xxx

Lugari 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

18. Changes In Accounts Payable – Deposits and Retentions

	<i>2022/2023</i>	<i>2021/2022</i>
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	1,360,817.00	886,364
Deposit and Retentions held during the year (B)	63,411.00	1,660,944
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C	953,031.00	1,186,491
Net changes in accounts payables D-A	471,197.00	1,360,817

Lugari 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)

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Construction of buildings	xx	xx
Construction of civil works	xx	xx
Supply of goods	xx	xx
Supply of services	xx	xx
Total	xx	xx

Aging Analysis for Pending Accounts Payables

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx		xxx	

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	221,959.00	221,959
Others (<i>specify</i>)	-	-
Total	221,959.00	221,959

Aging Analysis for staff Payables

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx		xxx	

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

Other important disclosures (continued)

19.3: Unutilized Fund (See Annex 3)

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Compensation of employees	702,701	231,644
Committee expense	2,481,102	-
Use of goods and services		
Amounts due to other Government entities (see attached list)	76,190,448	4,221,713
Amounts due to other grants and other transfers (see attached list)	13,850,340	15,272,636
Acquisition of assets	1,347,100	0
Oversight Committee Expenses	1,519,601	-
Other Payments (specify)	311,637	-
Funds pending approval	225,100	31,000
Retention	1,360,817	-
Gratuity	221,959	-
Total	98,210,805	19,756,993

19.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	2,534,897	4,033,439
Total	2,534,897	4,033,439

Other important disclosures (continued)

19.5 Related Party Transactions

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year		
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year		
Total		

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

16. 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	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4. Josepaht Hardware				59,999	
5. Maropa Supplies				50,000	
6. Shil Trading Logistics				20,000	
7. Hidaya Enterprises				124,889	
8. Benra Supplies Limited				13,411	
9. Beryluck Investment Limited				121,176	
10. Nownop Holdings Limited				81,722	
Sub-Total				471,197	
Supply of goods					
11.					
12.					
13.					
Sub-Total					
Supply of services					

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
14.					
Sub-Total					
Grand Total					

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2023	Comments
NG-CDFC Staff				
Catherine M. Kilwake	Accounts Assistant	1/04/2021	37,480	-
Violet J. Karani	Secretary	1/04/2021	31,000	-
Douglas K. Nyongesa	Driver	1/04/2021	37,479	-
Wilson O. Injera	File Management Officer	1/04/2021	31,000	-
Moureen N. Musumba	Office Clerk	01/06/2021	31,000	-
Sheila K. Lubanga	Office Help	01/06/2021	27,000	-
William O. Wanyama	Office Help	01/06/2021	27,000	-
Sub-Total			221,959	
Grand Total				

Lugari 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 2022-2023	Outstanding Balance 2021-2022	Comments
Administration and Recurrent				
Compensation of employees	Payment of Staff salaries	702,701	231,644	To be spent in FY 2023/2024
Committee Expenses	Payment of Committee allowances	296,000		To be spent in FY 2023/2024
Use of goods and services	Stationery, Fuel and other office running expenses	1,811,244	350,000	To be spent in FY 2023/2024
Sub-Total		2,809,945		To be spent in FY 2023/2024
Monitoring and Evaluation				
Capacity building	Capacity building of NGCDFs, PMCs and Staff	5,000	0	To be spent in FY 2023/2024
Committee allowances	Payment of Committee Allowances	53,746	0	To be spent in FY 2023/2024
Use of goods and services	Stationery, Fuel and other office running expenses	315,112	0	To be spent in FY 2023/2024
Sub-Total		373,858	0	To be spent in FY 2023/2024
Emergency	To cater for unforeseen occurrences in the Constituency	2,514,191	200,000	To be spent in FY 2023/2024
Sub-total		2,514,191	200,00	To be spent in FY 2023/2024
Bursary and Social Security				
Secondary Schools	Payment for Bursary needy students in Secondary Schools	47,262		To be spent in FY 2023/2024
Tertiary Institutions	Payment for Bursary needy students in Tertiary Institutions	285,002		To be spent in FY 2023/2024
Social Security	Payment of NHIF for vulnerable members within the Constituency	3,465,798	8,155,620	To be spent in FY 2023/2024
Special Needs	Payment for Bursary needy students in Special Schools	500,000	0	To be spent in FY 2023/2024
Sub-Total		4,298,062		To be spent in FY 2023/2024
Sports	Constituency Sports Tournament	203		To be spent in FY 2023/2024

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Sub-total		203		
Mabuye Primary School	Construction to completion of 4-door Eco-toilet, (1 chamber for Persons with Disabilities) for Boys – to completion	481	481	To be implemented in FY 2023/2024
Panpaper Primary School	Construction to completion of 4-door Eco-toilet, (1 chamber for Persons with Disabilities) for Boys – to completion	759,801	0	To be implemented in FY 2023/2024
Mukangu Primary School	Construction to completion of 4-door Eco-toilet, (1 chamber for Persons with Disabilities) for Boys – to completion	759,801	0	To be implemented in FY 2023/2024
Mukhalanya Primary School	Construction to completion of 4-door Eco-toilet, (1 chamber for Persons with Disabilities) for Boys – to completion	759,801	0	To be implemented in FY 2023/2024
Mautuma DEB Primary School	Construction to completion of 4-door Eco-toilet, (1 chamber for Persons with Disabilities) for Boys – to completion	759,801	0	To be implemented in FY 2023/2024
Sub-total		3,039,684		
Primary Schools Projects		1,190,000		To be implemented in FY 2023/2024
Itumbu Primary School	Additional funds for completion of construction of an administration block containing staff room for	7,500,000	0	To be implemented in FY 2023/2024

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Head teacher, deputy and two head of departments, 40% complete - (Plastering, fittings, facial board, glazing & painting)			
Locho Primary School	Construction of a storey building housing 8No Classrooms up to laying of first floor - Phase I (Sub-structure, walling and slabbing, at 30% completion level)	7,500,000	0	To be implemented in FY 2023/2024
Tekoa Primary School	Construction of a storey building housing 8No Classrooms up to laying of first floor - Phase I (Sub-Ostructure, walling and slabbing, at 30% completion level)	7,500,000	0	To be implemented in FY 2023/2024
Lwandeti DEB Primary School	Construction of a storey building housing 8No Classrooms up to laying of first floor - Phase I (Sub-structure, walling and slabbing, at 30% completion level)	7,500,000	0	To be implemented in FY 2023/2024
Panpaper Primary School	Construction of a storey building housing 8No Classrooms up to laying of first floor - Phase I (Sub-structure, walling and slabbing, at 30% completion level)	7,500,000	0	To be implemented in FY 2023/2024
Muhomo Primary School	Construction of a storey building housing 8No Classrooms up to laying of first floor - Phase I (Sub-structure, walling and slabbing, at	7,500,000	0	To be implemented in FY 2023/2024

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	30% completion level)			
Mlimani Primary School	Renovation of 6No. Classrooms - Roofing, fittings, painting, flooring and wiring.	2,500,000	0	To be implemented in FY 2023/2024
Mukuyu Special School	Construction of 200 capacity dormitory to completion	3,000,000	0	To be implemented in FY 2023/2024
Nzoia DEB Primary School	Additional funds for completion of construction of 2No. Classrooms - Plastering, fittings, painting and wiring.	700,000	0	To be implemented in FY 2023/2024
Mahiga Primary School	Construction of 8No. storey building - Substructure, walling	6,100,000	0	To be implemented in FY 2023/2024
Kwambu Primary School	Construction of 3No. Classrooms to completion	3,600,000	0	To be implemented in FY 2023/2024
Mugunga Primary School	Renovation of 8No. Classrooms - Roofing, fittings, painting, flooring and wiring.	3,300,000	0	To be implemented in FY 2023/2024
Muyugi Primary School	Construction of 3No. Classrooms to completion	3,600,000	0	To be implemented in FY 2023/2024
Makhukhuni Primary School	Construction of 4No. Classrooms to completion	4,800,000	0	To be implemented in FY 2023/2024
Frank Primary School	Construction of 1No. Classrooms to completion	4,800,000	0	To be implemented in FY 2023/2024
Mukhalanya Primary School	Renovation of 5 No. Classrooms - Roofing, fittings, painting, flooring and wiring	1,200,000	0	To be implemented in FY 2023/2024
Mukhalanya Primary School	Construction of Administration		0	To be implemented in FY

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Block, 4 offices - Head Teachers' office, Deputy Head Teachers' office, Staff Room and store, (Substructure, walling, at 25% completion level)	1,636,360		2023/2024
Sub-total		69,926,630		
Secondary Schools Projects				
Nzoia Girls Secondary School	Construction of 1No. classroom	700,000	700,000	Project not yet implemented
Mahanga Secondary School	Renovation of Classrooms	263,818	263,818	Project implemented to completion
Lukhokho Secondary School	Renovation of 5No. Classrooms - roofing, plastering, flooring, wiring and painting.	2,000,000	0	To be implemented in FY 2023/2024
Chekalimi Secondary School	Additional funds for completion of construction of one 45 capacity Dormitory - Roofing, plastering, fittings, wiring and painting	2,000,000	0	To be implemented in FY 2023/2024
Munyuki Secondary School	Purchase 1.5-acre piece of land.	1,300,000		
Sub-total		6,263,818		
Security Projects				
Chekalimi Chiefs Office	Additional funds for completion of construction of Chief's Office - Roofing, plastering, fittings wiring and painting	1,998,200	0	To be implemented in FY 2023/2024
Panpaper Police Station	Construction of Administration Block (5 offices, children's cell,	2,000,000	0	To be implemented in FY 2023/2024

Lugari Constituency

National Government Constituencies Development Fund (NGCDF)

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	men's cell, female cell and armory) – substructure , at 10% completion level)			
Sub-total		3,998,200		
Acquisition of assets				
NGCDF Office – Motorcycle	Purchase of NGCDF Motor cycle	350,000	350,000	Motorcycle not yet procured
NGCDF Office Furniture	Purchase of Office furniture	325,000	0	Funds not yet disbursed by the Board
NGCDF Office water pump	Purchase of Water pump	120,400	120,400	Project implemented to completion
Sub-total		795,400	470,400	
Oversight Committee Expenses				
Travel Costs	Travel Costs (Airlines, Bus, Railway, Mileage Allowances, etc.)	120,000	0	To be spent in FY 2023/2024
Domestic Travel & Accommodation	Payment of accommodation - Domestic Travel	300,000	0	To be spent in FY 2023/2024
Daily Subsistence Allowance	Payment of Daily Subsistence Allowance for COC members	110,000	0	To be spent in FY 2023/2024
Advertising Awareness & Publicity Campaigns	Advertising, Awareness and Publicity Campaigns	389,601	0	To be spent in FY 2023/2024
Catering Services	Catering Services (reception), Accommodation, gifts, food and drinks	100,000	0	To be spent in FY 2023/2024
Committee Allowances	Payment of COC members Allowances	300,000	0	To be spent in FY 2023/2024
Refined Fuel and Lubricants for transport	Advertising, Awareness and Publicity Campaigns	200,000	0	To be spent in FY 2023/2024

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Sub-total		1,519,601		
Other payments				
Kiwanjandege Footbridge	Construction of Footbridge	86,468	86,468	Project implemented to completion
Salama Kiwanjandege Footbridge	Construction of Footbridge	146,792	146,792	Project implemented to completion
Kiwanjandege Footbridge land purchase	Purchase of land for Kiwanja Ndege Footbridge	78,377	78,377	Project implemented to completion
Sub-total		311,637	311,637	
Retention				
Retention	Retention	1,360,817		
Sub-total		1,360,817		
AIA	AIA	225,100		
Gratuity	Gratuity	221,959		
Funds pending approval	Purchase of Office Furniture	551,700		
Grand Total		98,210,805	19,756,993.00	

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

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	3,024,000	0	0	3,024,000
Buildings and structures	11,228,690	0	0	11,228,690
Transport equipment	9,912,936	0	0	9,912,936
Office equipment, furniture and fittings	1,921,000	215,180	0	2,136,180
ICT Equipment, Software and Other ICT Assets	0	0	0	0
Other Machinery and Equipment	4,565,749	0	0	4,565,749
Heritage and cultural assets		0	0	0
Intangible assets		0	0	0
Total	30,652,375	215,180	0	30,840,555

Lugari 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 30th June 2023

FMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Bahati Primary School	Co-Operative	1139411006200	7,736	7,736.00
Chamavele Primary School	Co-Operative	1139744466300	5,130	5,029.50
Itumbu Primary School	Co-Operative	1139411045100	8,996	8,996.00
Jirongo Deb Primary School	Co-Operative	1139182714000	2,395	244,371.00
Kewa Primary School	Co-Operative	1139340405201	2,140	2,140.00
Kipkarren Rural P. School	Co-Operative	1139745360200	12,401	12,400.50
Kiwanja Ndege Primary School	Co-Operative	1139182987000	72,558	11,500.00
Kwambu Primary School	Co-Operative	1139610604800	2,684	2,684.00
Lugari Township Primary School	Co-Operative	1139745094700	1,240	451,220.00
Lukova Primary School	Co-Operative	1139411175400	2,172	2,172.00
Mahiga Primary School	Co-Operative	1141443536500	366	9,365.00
Murram Primary School	Co-Operative	1139086723100	60,346	60,346.00
Maweni Primary School	Co-Operative	1141745615700	4,956	4,956.00
Mayoyo Mhm Primary School	Co-Operative	1139744263900	5,618	5,617.00
Mbajo Primary School	Co-Operative	1139183175600	2,408	2,407.00
Mugumu Primary School	Co-Operative	1139045026800	41,777	41,777.00
Muhomo Primary School	Co-Operative	1139610750200	773	772.50
Mukavane Primary School	Co-Operative	1139744572600	8,154	8,153.00

*Lugari 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 2022-2023	Bank Balance 2021-2022
Mulwanda Primary School	Co-Operative	1139046709401	1,492	1,492.00
Munyuki Primary School	Co-Operative	1141672655000	1,404	57,404.00
Muviki Primary School	Co-Operative	1141672879400	2,283	742
Muyugi Primary School	Co-Operative	1139744472900	54,103	651,476.00
St. Michael Mwilolo Primary School	Co-Operative	1139745779700	15,163	15,163.00
Nzoia Bridge Primary School	Co-Operative	1141745603400	5,551	5,551.00
Nzoia Deb Primary School	Co-Operative	1139610715800	1,025	1,025.00
Sango Primary School	Co-Operative	1139435142200	2,092	2,092.00
St. Mary's Mutenyo Primary School	Co-Operative	1139610485700	1,981	1,981.00
Tekoa Primary School	Co-Operative	1139534594700	1,087	1,086.00
Mbaya Secondary School	Co-Operative	1141673607900	751	190,251.00
Ivona Mixed Secondary School	Co-Operative	1139435717700	6,411	6,410.00
Chekalini Secondary School	Co-Operative	1139744233400	999,880	500,600.00
Mabuye Secondary School	Co-Operative	1141745968900	1,763	1,762.00
Mugunga Secondary School	Co-Operative	1141598480500	1,295	1,295.00
St. Bonface Mbagara Sec. School	Co-Operative	1139745793100	11,245	237,244.00
St. Francis Majengo Sec. School	Co-Operative	1141441671800	1,083	1,443.00
Mautuma M.T.C.	Co-Operative	1139411006200	5,806	5,805.00
Angayu Primary School	Co-Operative	1139610306900	7,736	7,736.00
Lumakanda Township Sec. School	Co-Operative	1141411172800	1,683	1,682.00

*Lugari 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 2022-2023	Bank Balance 2021-2022
Lumani P. School	Co-Operative	1141881386800	3,811	3,811.00
Macho Muslim Secondary School	Co-Operative	1141745785100	46,603	46,602.00
Lugari Police Post	Co-Operative	1141745807500	8,195	8,195.00
Mautuma Chief's Office	Co-Operative	1141745807600	75	75
Mlimani Patrol Base	Co-Operative	1141744058200	6,975	6,975.00
Matete Police Station	Co-Operative	1139457952400	1,962	1,692.00
St. Cecilia G. Secondary School	Co-Operative	1139086833602	5,963	604,582.00
Munyuki Secondary School	Co-Operative	01139411174100	901,845	1,745.00
Chepsai Primary School	Co-Operative	1141951050900	3,033	3032.5
Chekalini Chief's Office	Co-Operative	01141745698200	2,950	2,950.00
Lugari Chief's Office	Co-Operative	01141745550400	1,475	1,475
Matete Administration Police	Co-Operative	1172671079	2,475	2,475
Locho Primary School	KCB	1151792381	5,037	5,037.00
Navalayo Primary School	KCB	1129093638	4,605	5,350.00
St. Charles Lwanga Koromaiti Sec. School	KCB	1139411477900	35,927	353,727.00
Vuyika Primary School	Coop Bank	1141745833000	9,987	409026
Mukuyu Sublocation Chiefs Office	Coop Bank	1108060496	2,807	2,807
Kivaywa Boys High School	KCB	1314024949	375	0
Masasuli Primary School	KCB	1314881345	2,350	0
St. Cecilia Mautuma Girls Secondary School	KCB	1139411006200	18,549	0

*Lugari 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 2022-2023	Bank Balance 2021-2022
St. Pauls Lugari Boys High School	KCB	1132066921	104,214	0
Total			2,534,897	4,033,439

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)
1.	<p>1. Stale Cheques</p> <p>The Statement of Assets and Liabilities reflects a bank balance of Kshs 9,677,856 as detailed in Note 10A to the Financial Statements The Statement of Assets and Liabilities reflects a bank balance of Kshs 9,677,856 as detailed in Note 10A to the financial statements. However, review of bank reconciliation statements indicated stale cheques totalling to Kshs 317,600 which had not been reversed in the cashbook as at 30 June, 2022.</p> <p>In the circumstances, the accuracy and completeness of the bank balances of Kshs 9,677,856 as at 30 June, 2022 could not be confirmed.</p>	<p>We acknowledge that the stale cheques had not been reversed within the Financial Year under review.</p> <p>The Stale cheques were made up of Bursary cheques that had not been presented to the Bank by the beneficiaries. The cheques were later reversed, replaced and paid to new beneficiaries.</p>	Resolved	N/A
2	<p>2. Unsupported prior year adjustments</p> <p>The statement of assets and</p>	<p>Te relevant journal entry was provided to the Auditors for verification</p>	Resolved	N/A

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)
	liabilities reflects a prior year adjustment balance of Kshs 61,913 as disclosed in Note 14 to the Financial Statements. However, the balance was not supported with relevant journal entries			
3.	<p>3. Inaccuracy of the statement of cash flows</p> <p>The Statement of cashflows for the year under review reflects a balance of Kshs 634,499 in respect of increase in accounts payable. However, re-computation of the item reflects a balance of Kshs 696,413 resulting to an unexplained and unreconciled difference of Kshs 61,913.</p> <p>In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.</p>	The amount in question Kshs 61,913 is a prior year adjustment.	Resolved	N/A
4.	<p>4. Summary of Fixed Asset Register</p> <p>Note 17.5 to the Financial Statements on summary of fixed assets register reflects assets balance</p>	It is true that the computers in question were donated by the NGCDF Board. The value of the computers was not indicated because the	Not resolved – still waiting for the Board’s communication	2 Months

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>of Kshs 30,652,375 as disclosed in Annex 5 to the financial statements. However, the register includes four computers donated by the National Government Constituencies Development Fund Board whose values are not reflected.</p> <p>Further, the assets register includes one motorbike, a Toyota Pick-up with value of Kshs 3,700,000 which is indicated as having been sold. However, the details relating to the sale were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the assets amounting to Kshs 30,652,375 as at 30 June, 2022 could not be confirmed.</p> <p>Further, the assets register includes one motorbike, a Toyota Pick-up with value of Kshs 3,700,000 which is indicated as having been sold. However, the details relating to the sale were not provided for audit review.</p>	<p>information is not with us. We are liaising with the Board on the same and the Asset register will be updated once the information is availed.</p> <p>The disposal was done by the NGCDF Board since the assets are registered in the name of the NGCDF Board. We are liaising with the Board to furnish us with information on the disposal of the Assets and it will be availed for Audit review once we receive the information.</p>		
5.	5. Unsupported Bursaries to Secondary Schools	The list of all the	Resolved	N/A

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The Statement of receipts and payments and as disclosed in Note 7 to the Financial Statements reflects an amount of Kshs 83,309,589 in respect to other grants and transfers which includes Kshs 34,107,987 in respect of bursaries to Secondary Schools. However, the list of all applicants, successful applicants and unsuccessful applicants were not provided for audit review.</p> <p>In the circumstances, the propriety of the expenditure of Kshs 34,107,987 could not be confirmed.</p>	<p>applicants was provided to the auditors for verification</p>		
6.	<p>6. Unsurported procurement of Sports Supplies</p> <p>The Statement of receipts and payments and as disclosed in Note 7 to the Financial Statement reflects an amount of Kshs 83, 309,589 in respect to grants and transfers which includes an amount of Kshs 5,481,154 spent on sports</p>	<p>The documents were availed for Audit review</p>	Resolved	N/A

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>activities. However, the Annual Procurement Plan and the details of the procurement method used were not provided for audit review. Further, appointment letters for the Tender Evaluation Committee and the signed tender evaluation report were also not provided for audit. In addition, the professional opinion prepared by the Supply Chain Management Officer (SCMO) was not provided.</p> <p>In the circumstances, the propriety of the expenditure of Kshs 5,481,154 could not be confirmed.</p>			
7.	<p>7. Unsupported PMC Account Balances</p> <p>Note 17.4 and Annex 4 to the financial statements reflects Kshs 4,033,439 in respect to Project Management Committees (PMC) account balances. However, the cash books, bank reconciliation statements and bank confirmation certificates were</p>	The certificates were availed for Audit review	Resolved	N/A

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)
	not provided for audit review			
8.	<p>8. Budgetary Control and Performance</p> <p>The summary Statement of appropriation reflects receipts budget and actual on comparable basis of Kshs 198,841,724 and Kshs 187,241,742 respectively, resulting to an under-funding of Kshs 11,600,000 or 6% of the budget.</p> <p>Similarly, the statement reflects actual expenditure of Kshs 179,084,749 against an approved budget of Kshs 198,841,742 resulting to an under-performance of Kshs 19,756,993 or 10%.</p> <p>The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery</p>	<p>The Auditors confirmed that Funds were received late vide AIE Nos B985088 OF Kshs 11,600,000.00 on 2.08.2022</p>	Resolved	N/A
9.	9. Unresolved Prior Year	We have always been guided by the provisions	Resolved	N/A

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Audit Matters</p> <p>In the Audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on the Lawfulness and Effectiveness in Use of Public Resources.</p> <p>However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template</p>	<p>of the International Public Sector Accounting Standards while preparing our Financial Statements. Any deviation from the same may have been an oversight which we have addressed in the subsequent Financial Statements, which we believe have strictly adhered to IPSAS.</p>		



[Signature]

 Name
 Fund Account Manager.