


REPUBLIC OF KENYA



Enhancing Accountability



 REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2024	DAY OF WEDNESDAY
TABLED BY:	MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	MOSES LOMALE

PARLIAMENT
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THE AUDITOR-GENERAL

ON

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

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



LURAMBI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

AIE - Authority to Incur Expenditure

AIA - Appropriation In Aid

NGCDFB - National Government Constituencies Development Fund Board

NGCDF - National Government Constituency Development Fund

NGCDFC - National Government Constituency Development Fund Committee

NHIF - National Hospital Insurance Fund

FAM - Fund Account Manager

PFM - Public Finance Management

IPSAS - International Public Sector Accounting Standards.

PMC - Project Management Committee

PSASB - Public Sector Accounting Standards Board

FY - Financial Year

ICPAK - Institute of Certified Public Accountants of Kenya

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Lurambi 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	CPA Humphrey Sechero Tieni
2.	Sub-County Accountant	Charles K. Musieka
3.	Chairman NGCDFC	Matias Job Shicele
4.	Member NGCDFC	Christine Otiende

(c) Fiduciary Oversight Arrangements

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

LURAMBI NGCDF Building
P.O. Box 2680 - 50100
Kisumu-Kakamega Highway
KAKAMEGA, KENYA

(e) Lurambi Constituency NGCDF Contacts

Telephone: (254) 0711261664
E-mail: cdfurambi@ngcdf.go.ke
Website: www.ngcdfurambi.go.ke

(f) Lurambi Constituency NGCDF Bankers

EQUITY BANK,
KAKAMEGA BRANCH
A/C NO. 0500280062381
P.O Box 2512-50100
KAKAMEGA

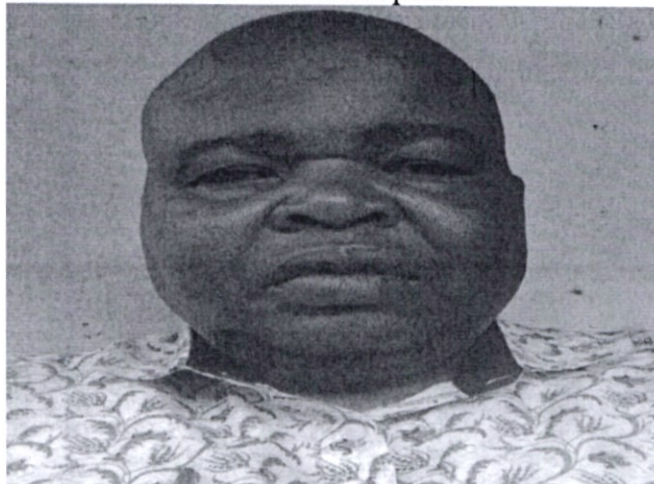
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report

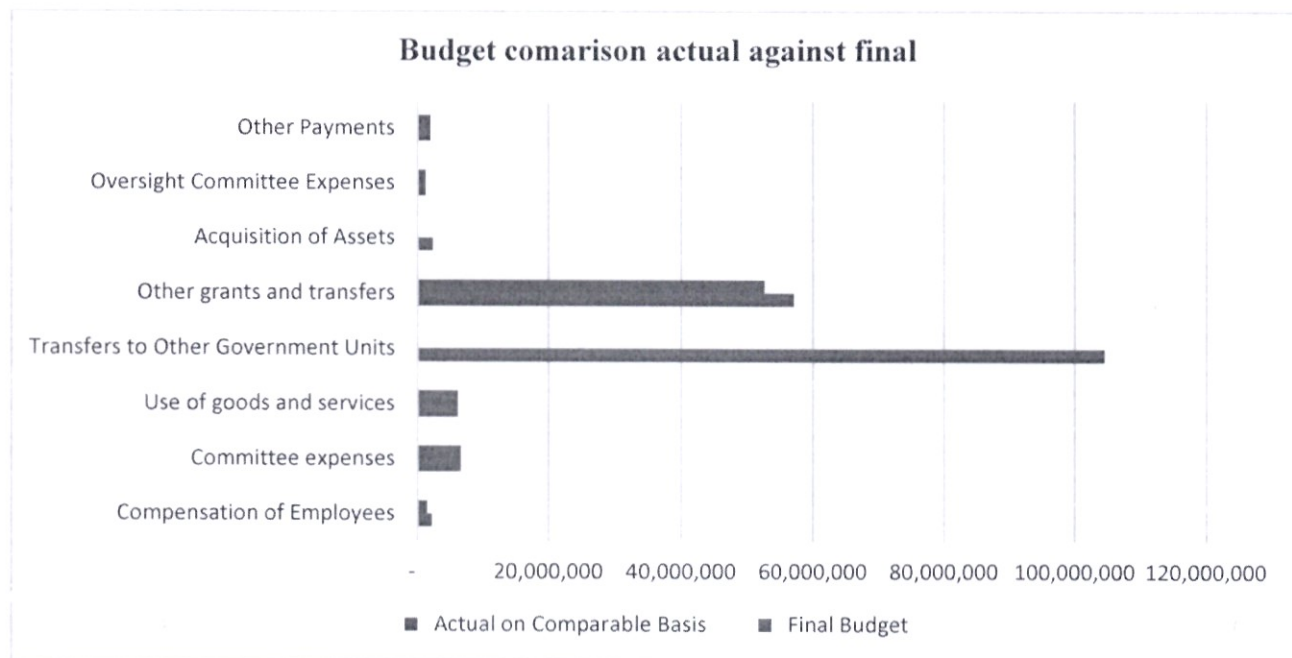


MR. MATIAS JOB SHICELE – NG-CDFC CHAIRPERSON

I am delighted to present our annual financial report for the FY 2022/2023. This year we have witnessed a low performance in the overall management of the fund, we have equally allocated enough funds to some of the projects that had been earlier initiated for completion. We continue to boost of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

BUDGET PERFORMANCE

We had 38.4% utilization of funds received from the NG-CDF Board due to late approval of our budget proposals for 2022/2023. Our budget was approved on 26th June, 2023. Therefore, we underperformed for 2022/2023 financial year.



KEY ACHIEVEMENTS

Strong management and governance have been key components of our operational model. This has resulted into the following key achievements during the year:

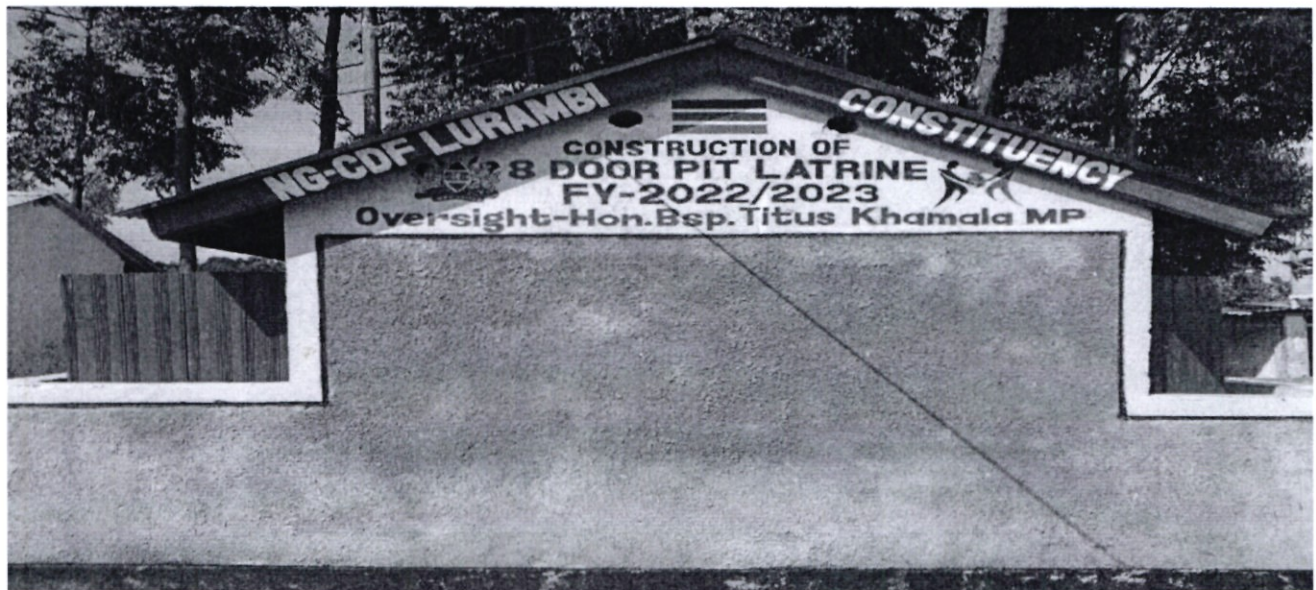
1. Completion of key Flagship Projects: In this financial year, we allocated enough funds to complete a number of key flagship projects but due to delay in project approval we did not implement none of the projects.
2. We prioritized and disbursed Kshs. 46,894,205.00 (Forty-six million eight hundred and ninety-four thousand two hundred and five). These funds have benefited over 10,000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.
3. We also managed to intervene and construct exhaustible pit latrines at, Mahiakalo primary school and Musaa Primary School to a tune of Kshs. 1,988,300 (One Million Nine Hundred Thousand Three Hundred only) from the emergency reserve. The schools had been condemned by the public health department and were facing closure.
4. The constituency procured and had a comprehensive 5-year strategic plan (2023-2027) drawn up that will be the guiding principle in implementation of the fund to achieve social economic development for the people of Lurambi constituency. The plan focuses on thirteen strategic themes including Education and training, agriculture, commerce, urban

development housing and tourism, employment creation and promotion, water, energy, roads, security, environmental management, technology and finally resource mobilization and governance.

5. The constituency also organized and executed a successful soccer tournament in the month of December 2023 that aimed at enhancing youth talent by providing a higher platform for them to showcase their skills to potential professional soccer scouts and big-league teams.



Musaa primary School – construction of 8no. door pit latrine through Emergency Fund



Mahiakalo primary School – construction of 8no. door pit latrine through Emergency Fund



Issuance of bursary cheques to Principals of Day Schools

CHALLENGES, EMERGING ISSUES AND THE WAY FORWARD

- As we appreciate the continued support from the National Government in making slight additions to the kitty we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The national government should seriously consider the re-introduction of the poverty index scheme for distribution of the national cake.
- Its common knowledge that there are certain pockets of regions in this country that have a high poverty index like Lurambi and they have to be jump started economically to catch up with regions that have made huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We also are focused to ensure our constituency achieves the lowest regional and national crime indices.

[Handwritten signature]



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

Name: Mr. Matias Job Shicele
CHAIRMAN NGCDF COMMITTEE

IV. Statement Of Performance Against Predetermined Objectives for FY2022/23

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of Lurambi Constituency 2023-2027 plan are to:

- i. To improve the teaching/learning environment through school infrastructure improvements.
- ii. To invest in community project that improve the condition and position of both men and women in the society
- iii. To sensitize the community on the proper use of available resources
- iv. To involve the community in decision making issues

Progress on attainment of Strategic development objectives

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

s	Objective	Outcome	Indicator	Performance
Education	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 allocated funds to 15 primary schools, 2 secondary schools and 1 tertiary institution for ongoing construction of 8no. classrooms and 1 lecture hall
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	- Develop and enhance provincial administration and other security organs infrastructure to enhance	- Number of new physical facilities for police officers - Number of new physical facilities for security administrators – DCC, ACCs, Chiefs etc.	In the 2022/2023FY, we did not allocate funds for security projects due to stalled and more ongoing education facilities

		service delivery Improved security in the community		
Environment	To keep the learners learning environment conducive	Increased number of toiletries in schools	Number of toiletries in primary school	In the 2022/20223 FY, we allocated funds for construction of 10 door pit latrines and purchase of water tank at Mahiakalo Primary School
Sports	Empower and develop youth	Reduced dependence and spur economic growth through sports	Number of schools benefiting from sports equipment	In the 2022/20223 FY, we allocated funds for purchase of sports equipment to 10 primary schools
Emergency	To cater for emergency arising issues	Improved infrastructure in 2 schools	Number of usable physical infrastructure build in primary	In the 2022/2023 FY we constructed and pit latrines in several institutions

V. Statement of Governance

According to NG-CDF Act 2016 Sec.43 (1, 2 & 3), There is established a National Government Constituency Development Fund Committee for every constituency. This is done publicly by doing an advertisement so that interested constituents can apply in written to the Fund Account Manager. The requirements are clearly stipulated in the advertisement. Membership is as follows:

- a) the national government official responsible for co-ordination of national government functions;
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
- d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with Regulations made by the Board.

The Fund Account Manager communicates to the Constituency Manager to nominate two members (male & female). He also writes to the DCC requesting for one of the ACCs to chair the selection panel. The Fund Account Manager also writes to the organization for People Living with Disability to nominate a representative (which should be in minuted resolution plus cover letter).

The selection panel then goes through the applications for suitable candidates. Based on regional balance, geographical distribution and gender balance, suitable candidates are selected through set criteria. The details are then forwarded to the NG-CDF Board for gazettelement.

NG-CDF Act Sec.43 (13) clearly stipulates under which circumstances a member may be removed as follows:

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

The roles of NG-CDF Committee are:

- a) Collect public views on what projects to be funded before budgeting through Public Participation
- b) Do budget proposals to the Board based on the official allocations and submit to the Board on timely basis
- c) Manage the fund at the constituency level on behalf of the Board
- d) Co-ordinate the implementation of projects by Project Management Committees
- e) Ensure the Project Management Committees are empowered through training to carry out their mandate.
- f) Ensure accountability in projects is maintained at all times at the Project Management Committees level.

Every financial year, the NG-CDF Committee, staff and Project Management Committees are trained to ensure they understand their roles before funds are released to their respective accounts.

In the financial year under review, we have held at least twelve meetings.

As a committee, we have made it clear to all members that anyone who has interest in any activity e.g. works, supplies must declare in our meetings as a way of avoiding conflict of interest. Apparently, we have never experienced such a case.

On remuneration of members, it is as per the NG-CDF Act 2016 and its regulations. A member is paid sh.5, 000 per sitting whereas the chairperson gets sh.7, 000.

Through our trainings, members and staff as well as Project Management Committees are advised to always ensure that they don't engage in unethical practices as the public is watching on what they do on daily basis. This shall help avoid complaints and conflicts. In fact at the time of recruitment of members, one must avail clearance certificates from Kenya Revenue Authority, Ethics & Anti-Corruption Commission plus Certificate of Good Conduct just to show that one does not have integrity issues before they become NG-CDF Committee member.

The NG-CDF Committee has ensured that risk management is put into consideration e.g. our premises are guarded day and night; our very sensitive offices have doors fitted with steel doors and window grills i.e. for Fund Account Manager & Office Secretary; we also have backup of our official data through flash disks and even saving on the net for safety. Project Management Committees are also advised to ensure that their public facilities are safe (schools and offices).

It is also clear to the members that their term is of two years after which one may be renewed or replaced based on performance.

VI. Environmental and Sustainability Reporting

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

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

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

2. Environmental performance

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 activities for construction of a 10 Door pit latrine with urinals and 3 chambers for Persons With Disabilities at Mahiakalo Primary School.

3. Employee welfare

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

Lurambi 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-

Lurambi 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.

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


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CPA Humphrey Sechero
Fund Account Manager

VII. Statement Of Management Responsibilities

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

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


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

Approval of the financial statements

The NGCDF- Lurambi Constituency financial statements were approved and signed by the Accounting Officer on 31/2024 2023.



.....
Name: Matias J. Shicele
Chairman – NGCDF Committee



.....
Name: CPA Humphrey Sechero
Fund Account Manager



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LURAMBI 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 – Lurambi Constituency set out on pages 1 to 41, 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 – Lurambi Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Project Management Committee Account Balances

Note 14.3 to the financial statements reflects Project Management Committee (PMC) account balances totalling Kshs.4,901,645, as disclosed in Annex 4. However, bank reconciliation statements and cash books were not provided to support the balances.

In the circumstances, the accuracy and completeness of the Project Management Committee bank account balances of Kshs.4,901,645 could not be confirmed.

2. Stale Cheques

The statement of assets and liabilities reflects a balance of Kshs.259,769 in respect of cash and cash equivalents and Note 11 to the financial statements. However, the bank reconciliation statement for the month of June, 2023 reflects unrepresented cheques totalling Kshs.1,948,884, out of which, cheques totalling Kshs.26,845 had gone stale as at 30 June, 2023. No explanation was provided on why the stale cheques had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.259,769 could not be confirmed.

3. Unsupported Bursary Disbursements

Note 7 to the financial statements reflects other grants and transfers amount of Kshs.52,617,705. This amount includes Kshs.31,498,000 and Kshs.15,396,205 in respect to disbursement of bursary funds to Secondary Schools and Tertiary Institutions respectively. However, the award process could not be confirmed as documents such as advertisement, application forms and vetting committee minutes and acknowledgement letters were not provided for audit.

In the circumstances, the accuracy and completeness of the amount of Kshs.46,894,205 disbursed as bursaries to secondary schools and tertiary institutions 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 – Lurambi 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.183,209,294 and Kshs.70,560,241 respectively, resulting to under-funding of Kshs.112,649,053 or 61% of the budget. However, the Fund spent Kshs.70,300,472 against actual receipts of Kshs.70,560,241 resulting to under-performance of Kshs.259,769.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the report for the previous year, several issues were raised in the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has indicated in the progress on follow up of the Auditor's recommendations section of the financial statements that one issue has not been resolved. No explanation was provided on the failure to resolve the issue in adherence to the Public Sector Accounting Standards Board templates.

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

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

Projects Implementation Status

During the year under review, the Fund had planned to implement twenty-five (25) projects at a total cost of Kshs.70,040,063. However, twenty-two (22) or 88% of the projects costing Kshs.65,314,563 had not started

In the circumstances, value for money was not obtained from the twenty-two (22) projects that had not started.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, , I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless 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 the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 time period by employees in the normal course of performing their assigned functions.


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

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

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

27 May, 2024

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	57,000,000	176,356,603
Other Receipts	2	-	649,155
Total Receipts		57,000,000	177,005,758
Payments			
Compensation Of Employees	3	1,510,964	3,314,997
Committee expenses	4	6,679,981	0
Use Of Goods and Services	5	6,234,703	6,924,848
Transfers To Other Government Units	6	-	134,385,106
Other Grants and Transfers	7	52,619,705	29,862,140
Acquisition Of Assets	8	-	14,540,673
Oversight Committee Expenses	9	1,261,819	-
Other Payments	10	1,993,300	99,450
Total Payments		70,300,472	189,127,214
Surplus/ (Deficit)		(13,300,472)	(12,121,456)

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 3/4/2024 2023 and signed by:



Fund Account Manager

Name: CPA Humphrey Sechero

FUND ACCOUNT MANAGER
 LURAMBI NG CONSTITUENCY DEV. FUND
 P. O. Box 2680 - 50100
 KAKAMEGA



National Sub-County Accountant

Name: Charles K. Musieka

ICPAK M/No:17705



Chairman NG-CDF Committee

Name: Matias J. Shicele



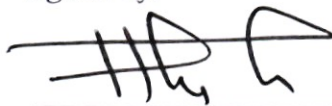
Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11	259,769	13,560,240
Total Cash and Cash Equivalents		259,769	13,560,240
Accounts Receivable			
Total Financial Assets		259,769	13,560,240
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12	-	2,406,066
Total Financial Liabilities		259,769	11,154,174
Net Financial Assets		259,769	11,154,174
Represented By			
Fund Balance B/Fwd	13	13,560,241	23,275,631
Surplus/Deficit for The Year		(13,300,472)	(12,121,456)
Net Financial Position		259,769	11,154,175

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 31/5/2024 2023 and signed by:



Fund Account Manager

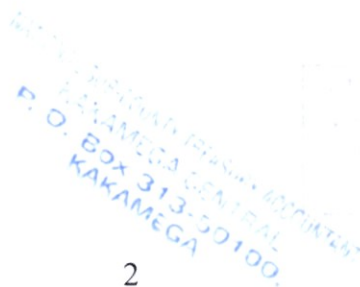
Name: CPA Humphrey
Sechero




National Sub-County
Accountant

Name: Charles K. Musieka

ICPAK M/No:17705




Chairman NG-CDF
Committee

Name: Matias J. Shicele



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

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	57,000,000	176,356,603
Other Receipts	2	-	649,155
Total Receipts		57,000,000	177,005,758
Payments			
Compensation Of Employees	3	1,510,964	3,314,997
Committee Expenses	4	6,679,981	0
Use Of Goods and Services	5	6,234,703	6,924,848
Transfers To Other Government Units	6	-	134,385,106
Other Grants and Transfers	7	52,619,705	29,862,140
Oversight Committee Expenses	8	1,261,819	-
Other Payments	10	1,993,300	99,450
Total Payments		70,300,472	174,586,541
Total Receipts Less Total Payments		(13,300,472)	2,419,217
Adjusted For:			
Increase/(Decrease) In Accounts Payable	14	-	2,406,065
Net Cash Flow from Operating Activities		(13,300,472)	4,825,282
Cashflow From Investing Activities			
Acquisition Of Assets	8	-	(14,540,673)
Net Cash Flows from Investing Activities		-	(14,540,673)
Net Increase In Cash And Cash Equivalent		(13,300,472)	(9,715,391)
Cash & Cash Equivalent At Start Of The Year	12	13,560,241	23,275,631
Cash & Cash Equivalent At End Of The Year	11	259,769	13,560,240

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 3/5/2024 2023 and signed by:



Fund Account Manager

Name: CPA Humphrey
Sechero



National Sub-County
Accountant

Name: Charles K. Musieka



Chairman NG-CDF
Committee

Name: Matias J. Shicile

ICPAK M/No:17705

FUND ACCOUNT MANAGER
LURAMBI NG CONSTITUENCY DEV. FUND
P. O. Box 2680 - 50100
KAKAMEGA

NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
KAKAMEGA CENTRAL
P. O. BOX 2313-50100
KAKAMEGA



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

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023 FY	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023 FY	2022-2023 FY		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	151,960,174	13,560,241	17,688,879	183,209,294	70,560,241	112,649,053.35	38.5%
Proceeds From Sale of Assets				-	-	-	0.0%
Other Receipts				-	-	-	
Totals	151,960,174	13,560,241	17,688,879	183,209,294	70,560,241	112,649,053	38.5%
Payments							
Compensation Of Employees	2,252,718			2,252,718	1,510,964	741,754	67.1%
Committee Expenses	3,894,219	2,787,782		6,682,001	6,679,981	2,020	100.0%
Use Of Goods and Services	5,405,566	829,137		6,234,703	6,234,703	0	100.0%
Transfers To Other Government Units	97,097,969	-	7,500,000	104,597,969	-	104,597,969	0.0%
Other Grants and Transfers	40,047,884	6,888,101	10,188,879	57,124,864	52,619,705	4,505,159	92.1%
Acquisition of Assets		2,406,066		2,406,066	-	2,406,066	0.0%
Oversight Committee Expenses	1,261,819			1,261,819	1,261,819	0	100.0%
Other Payments	2,000,000			2,000,000	1,993,300	6,700	99.7%
Funds Pending Approval**		649,155		649,155		649,155	
Totals	151,960,174	13,560,241	17,688,879	183,209,294	70,300,472	112,908,823	38.4%

***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.*

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

Explanatory Notes.

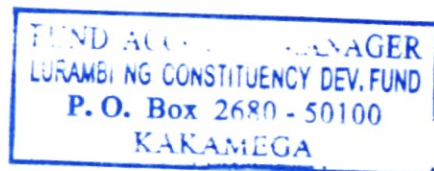
1. Compensation Of Employees: The Fund utilized 67.1% under this category due to delay in recruitment of NGCDFC staff.
2. Transfers To Other Government Units: There was no utilization of funds allocated due to delay in disbursement of funds from the Board.
3. Acquisition of Assets: The fund did not spend the money due delay in requestion of the funds from the contractor.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	112,908,823
Less undisbursed funds receivable from the Board as at 30 th June 2023	112,649,053
	259,769
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	259,769

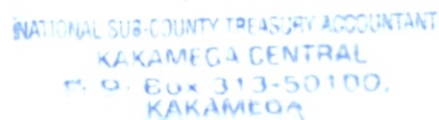
The Constituency financial statements were approved by NG CDFC on 3/5/2024 2023 and signed by:



Fund Account Manager
 Name: CPA Humphrey Sechero




National Sub-County Accountant
 Name: Charles K. Musieka
 ICPAK M/No:17705




Chairman NG-CDF Committee
 Name: Matias J. Shicele



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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,252,718			2,252,718	1,510,964	741,754
1.2 Committee allowances	1,248,000			1,248,000	1,248,000	-
1.3 Use of goods and services	2,175,566	829,137		3,004,703	3,004,703	-
Sub-total	5,676,284	829,137	-	6,505,421	5,763,667	741,754
2.0 Monitoring and evaluation						
2.1 Capacity building						
2.2 Committee allowances	2,646,219	2,787,782		5,434,001	5,431,981	2,020
2.3 Use of goods and services	3,230,000			3,230,000	3,230,000	-
Sub-total	5,876,219	2,787,782	-	8,664,001	8,661,981	2,020
3.0 Emergency						
3.1 Primary Schools						
Geolate Investment Company	220,000.00			220,000	220,000.00	-
Dipal Associates Limited	1,435,344.00			1,435,344	1,435,344.00	-
Commissioner Of VAT	25,862.00			25,862	25,862.00	-
Commissioner Of Domestic Tax	38,794.00			38,794	38,794.00	-
Mulon Investments	1,531,034.00			1,531,034	1,531,034.00	-

**Lurambi 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			
Commissioner Of VAT	27,586.00			27,586	27,586.00	-
Commissioner Of Domestic Tax	41,380.00			41,380	41,380.00	-
Salamu Ventures Limited	397,491.00			397,491	397,491.00	-
Commissioner Of VAT	7,193.00			7,193	7,193.00	-
Commissioner Of Domestic Tax	12,516.00			12,516	12,516.00	-
Mulon Investment Ltd	947,184.00			947,184	947,184.00	-
Commissioner Domestic Tax	29,825.00			29,825	29,825.00	-
Commissioner Vat	17,141.00			17,141	17,141.00	-
Mulon Investment Ltd	947,184.00			947,184	947,184.00	-
Commissioner Vat	17,141.00			17,141	17,141.00	-
Commissioner Domestic Tax	29,825.00			29,825	29,825.00	-
3.2 Secondary schools						
3.3 Tertiary institutions						
Unutilized	1,803,690			1,803,690		1,803,690
Sub-total	7,529,190			7,529,190	5,725,500	1,803,690
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	20,000,000	1,498,000	10,188,879	31,686,879	31,498,000	188,879
4.3 Tertiary Institutions	10,107,000	5,289,551		15,396,551	15,396,205	346

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.4 Social Security (NHIF)		100,550		100,550		100,550
4.5 Special Needs	-			-	-	-
Sub-total	30,107,000	6,888,101	10,188,879	47,183,980	46,894,205	289,775
5.0 Sports						
Constituency Sports Tournament	1,000,000			1,000,000		1,000,000
Regional Sports Tournament	300,000			300,000		300,000
Sub-total	1,300,000	-	-	1,300,000	-	1,300,000
6.0 Environment						
Mahiakalo primary school	1,111,694			1,111,694		1,111,694
6.2						
Sub-total	1,111,694			1,111,694		1,111,694
7.0 Primary Schools Projects (List all the Projects)						
Ebwambwa Primary school	10,062,444.80			10,062,445	-	10,062,445
Hirumbi Primary School	1,990,055.20			1,990,055	-	1,990,055
Ikonyero Primary school	6,700,000.00			6,700,000	-	6,700,000
Shisasari Primary school	8,900,000.00			8,900,000	-	8,900,000
Lurambi Primary school	6,400,000.00			6,400,000	-	6,400,000
St Lawrence Ichina Primary School	5,300,000.00			5,300,000	-	5,300,000

Lurambi 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			
Muslim Primary School	8,944,945.00			8,944,945	-	8,944,945
Mwiyala Primary School	2,272,180.00			2,272,180	-	2,272,180
Mwiyenga primary School	4,000,000.00			4,000,000	-	4,000,000
Shikoti primary School	4,000,000.00			4,000,000	-	4,000,000
Daisy Special School	4,131,789.00			4,131,789	-	4,131,789
Eshibeye Primary School	10,900,000.00			10,900,000	-	10,900,000
Emukangu Primary school	4,396,555.00			4,396,555	-	4,396,555
Daisy Special School			2,000,000	2,000,000		2,000,000
Ebuhayi Primary			3,000,000	3,000,000		3,000,000
						-
Sub-total	77,997,969	-	5,000,000	82,997,969	-	82,997,969
8.0 Secondary Schools Projects (List all the Projects)						
Muslim Secondary School	5,300,000			5,300,000		5,300,000
Shieywe secondary school	10,000,000			10,000,000		10,000,000
St. Titus Emasera Secondary			2,500,000.00	2,500,000		2,500,000
8.2						
Sub-total	15,300,000	-	2,500,000	17,800,000	-	17,800,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.0 Tertiary institutions Projects (List all the Projects)						
Kakamega Kenya Medical Training College	3,800,000			3,800,000	-	3,800,000
Sub-total	3,800,000		-	3,800,000	-	3,800,000
10.0 Security Projects						
Sub-total						
11.0 Acquisition of assets						
11.2 Construction of CDF office		2,406,066		2,406,066		2,406,066
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total		2,406,066	-	2,406,066	-	2,406,066
12.0 Oversight Committee Expenses (itemize)						
Constituency oversight Committee allowance	300,000			300,000	300,000	-
Travel Costs (Airlines, Bus, Railway, Mileage Allowances.)	240,000		-	240,000	240,000	-
Accommodation - Domestic Travel	300,000			300,000	300,000	-

Lurambi 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			
Daily Subsistence Allowance	165,000			165,000	165,000	-
Advertising, Awareness and Publicity Campaigns	106,819			106,819	106,819	-
Refined Fuels and Lubricants for Transport	150,000			150,000	150,000	-
Sub-total	1,261,819		-	1,261,819	1,261,819	
13.0 Others						
13.1 Strategic Plan	2,000,000			2,000,000.00	1,993,300	6,700
13.2 Innovation Hub						
13.2						
Sub-total						
Funds pending approval**		649,155		649,155		649,155
Sub-total		649,155		649,155		649,155
Total	151,960,174	13,560,241	17,688,879	183,209,294	70,300,471.60	112,908,823

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

Lurambi Constituency
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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B206008	5,000,000	-
AIE NO. B185302	7,000,000	-
AIE NO. B185690	21,000,000	-
AIE NO. B205965	12,000,000	-
AIE NO. B206455	12,000,000	-
AIE NO. B140987	-	33,000,000
AIE NO. B140813	-	4,967,724
AIE NO. B105690	-	34,000,000
AIE NO. B105850	-	30,000,000
AIE NO. B128598	-	6,000,000
AIE NO. B154108	-	12,000,000
AIE NO. B128910	-	12,000,000
AIE NO. B164441	-	20,000,000
AIE NO. B155875	-	10,939,135
AIE NO. A895031	-	800,000
AIE NO. A889000	-	500,000
AIE NO. A895015	-	12,149,744
TOTAL	57,000,000	176,356,603

2. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of tender documents		12,000
Other Receipts Not Classified Elsewhere		637,155
Total		649,155

Notes To the Financial Statements (Continued)

3. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,476,224	3,047,895
Employer Contributions Compulsory national social security schemes	34,740.00	267,102
Total	1,510,964	3,314,997

4. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	4,028,181	1,670,000
Other committee expenses	2,651,800	1,495,252
Total	6,679,981	3,165,252

*Lurambi Constituency
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5. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	319,191	-
Communication, supplies and services	214,000	-
Domestic travel and subsistence	127,200	-
Training expenses	2,570,500	1,077,800
Hospitality supplies and services	306,400	-
Office and general supplies and services	1,546,975	1,810,891
Fuel, oil & lubricants	650,000	-
Other operating expenses	450,000	870,905
Bank Charges	50,437	-
Total	6,234,703	3,759,596

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools	-	110,432,033
Transfers To Secondary Schools	-	22,753,073
Transfers To Tertiary Institutions	-	1,200,000
Total	-	134,385,106

7. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools	31,498,000	12,675,412
Bursary – tertiary institutions	15,396,205	2,826,000
Security projects	-	6,000,000
Sports projects	-	1,165,256
Emergency projects	5,725,500	7,195,472
Total	52,619,705	29,862,140

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Notes To the Financial Statements (Continued)

8. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	14,540,673
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	14,540,673

9. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
COC Members allowance	300,000	-
Other COC expenses	961,819	-
TOTAL	1,261,819	-

10. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	1,993,300	-
ICT Hub	-	99,450
	1,993,300	99,450

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11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
11: Bank Accounts (Cash Book Bank Balance)		
EQUITY BANK KAKAMEGA, Account No. 0500280062381	259,769	13,560,240
	-	-
Total	259,769	13,560,240

12. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	13,560,241	23,275,631
Total	13,560,241	23,275,631
Less		
Payables: - Retention	2,406,066	-
Fund Balance Brought Forward	11,154,175	23,275,631

13. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	2,406,066	
Deposit and Retentions held during the year (B)	-	2,406,066
closing account payables D= A+B-C	2,406,066	2,406,066
Net changes in accounts payables D-A	-	2,406,066

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Notes To the Financial Statements (Continued)

14. Other Important Disclosures

14.1: Pending Staff Payables (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	309,782
Others (<i>specify</i>)	-	-
Total	-	309,782

14.2: Unutilized Fund (See Annex 2)

	2022-2023	Restated 2021-2022	2021-2022
	Kshs	Kshs.	Kshs
Compensation of employees	741,754	0	1,068,419
Committee expense	2,020	2,787,782	0
Use of goods and services		829,137	2,787,782
Amounts due to other Government entities (see attached list)	104,597,969	7,500,000	8,660,320
Amounts due to other grants and other transfers (see attached list)	4,505,159	16,888,101	14,857,333
Acquisition of assets	2,406,066	2,406,066	319,495
Other Payments (<i>specify</i>)	6,700		100,000
Funds pending approval	649,155	649,155	649,155
Total	112,908,823	31,060,241	28,442,504

14.3: PMC account balances (See Annex 3)

	2022-2023	2022-2021
	Kshs	Kshs
PMC account balances (see attached list)	4,901,645	2,238,619
Total	4,901,645	2,238,619

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Annex 2 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		741,754		
Use of goods & services		2,020	3,616,919	
Sub-total		743,774	3,616,919	
Amounts due to other Government entities				
Primary Schools				
1. Ebwambwa Primary school		10,062,445		
2. Hirumbi Primary School		1,990,055		
3. Ikonyero Primary school		6,700,000		
4. Shisasari Primary school		8,900,000		
5. Lurambi Primary school		6,400,000		
6. St Lawrence Ichina Primary School		5,300,000		
7. Muslim Primary School		8,944,945		
8. Mwiwala Primary School		2,272,180		
9. Mwiwenga primary School		4,000,000		
10. Shikoti primary School		4,000,000		
11. Daisy Special School		4,131,789		
12. Eshibeye Primary School		10,900,000		
13. Emukangu Primary school		4,396,555		
14. Daisy Special School		2,000,000	2,000,000	
15. Ebuhayi Primary		3,000,000	3,000,000	
Sub-total		82,997,969	5,000,000	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Secondary Schools Projects				
1.	Muslim Secondary School	5,300,000		
2.	Shieywe secondary school	10,000,000		
3.	St. Titus Emasera Secondary	2,500,000	2,500,000	
	Sub-total	17,800,000	2,500,000	
Tertiary institutions Projects				
	Kakamega Kenya Medical Training College	3,800,000		
	Total to other Government entities	104,597,969	7,500,000	
Amounts due to other grants and other transfers				
Bursary				
	Secondary Schools	188,879	11,498,000	
	Tertiary Institution	346	5,289,551	
	Social security (NHIF)	100,550	100,550	
Sports				
	Constituency Sports Tournament	1,000,000		
	Regional Sports Tournament	300,000		
Environment				
	Mahiakalo primary school	1,111,694		
	Emergency	1,803,690		

Lurambi Constituency

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Sub-Total		4,316,280	16,888,101	
Acquisition of assets				
Construction of CDF Office		2,406,066	2,406,066	
Others (<i>specify</i>)				
Lurambi Constituency NG-CDF Strategic Plan		6,700		
Sub-Total		2,412,766	2,406,066	
Funds pending approval (PMC Savings)		649,155	649,155	
Grand Total		112,719,943	31,060,241	

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Annex 3 – 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	64,886,754			64,886,754
Buildings and structures	33,379,217			33,379,217
Transport equipment	796,246			796,246
Office equipment, furniture and fittings	504,000			504,000
ICT Equipment, Software and Other ICT Assets	400,992			400,992
Total	99,967,209			99,967,209

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Annex 4 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Lwesero Health Center	KCB	1164065955	14-11-2014	1,051	0
Matioli Dispensary	KCB	1174053585	01-09-2015	3,948	0
Shiyunzu Dispensary	KCB	1183833288	01-09-2015	3,880	0
Kakamega Primary School	KCB	074147101043	20-09-2016	310,387	0
Shisasari Primary School	KCB	1174095636	02-09-2015	9,908	0
Shitungu AP Camp	KCB	1183261608	05-08-2016	6,181	0
Emulundu Primary School	KCB	1177783908	09-01-2016	338	0
Eshibeye Primary School	KCB	1183841531	21-07-2016	56	0
Emukangu Primary School	KCB	1184057648	27-07-2016	656	0
Ebung'aya Primary School	KCB	1183803982	20-07-2016	928	0
St. Lawrence Ichina Primary School	KCB	1156021332	03-07-2014	2,967	2,967
Nyayo Tea Zone Primary School	KCB	1171045689	04-06-2015	1,092	1,092.80
Lyanungu Primary School	KCB	1183342608	08-07-2016	278	0
Ebwambwa Primary School	KCB	1101561785	18-07-2008	66	192.10
Lurambi Primary School	KCB	1174031433	31-08-2015	95	95.15
Shitaho Primary School	KCB	1183301421	06-07-2016	1,021	0
Amalemba Primary School	KCB	1168158354	06-03-2015	444	0
Shitaho Primary School	KCB	1171494858	19-06-2016	1,404	0

**Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Hirumbi Primary School	KCB	1109549768	30-10-2018	19	145.10
Musaa Primary School	KCB	1126900141	06-05-2011	1,237	0
Shivakala Primary School	KCB	1183671725	18-07-2016	16,213	0
Kilimo Girls Secondary School	KCB	1174508957	11-09-2015	1,681	1,807
Matende Girls Secondary School	KCB	1156009936	30-03-2021	112	112
Matioli Secondary School	KCB	1174063610	01-09-2015	60	186
Mwangaza Secondary School	KCB	1171039883	04-06-2015	1,248	0
Eshisiru Secondary School	KCB	1183320183	06-07-2016	71	0
Mwiyala Mixed Secondary School	KCB	1120030854	28-01-2021	84,618	84,618.70
Mwiyala Primary School	KCB	1234692414	03-02-2020	6,954	6,954.50
Shueywe Secondary School	KCB	1133632998	26-03-2012	4,874	0
Rosterman Secondary School	KCB	1183317611	06-07-2016	1,025,362	1,025,488
Butotso East AP Line	KCB	1156135680	04-07-2014	433	0
Kakamega Township Secondary School	KCB	1103431080	20-07-2007	5,691	0
Ebwambwa Secondary School	KCB	1206396792	22-02-2017	4,767	36,713
Emulele Primary School	KCB	1204291322	06-01-2017	1,630	0
Lurambi CDF Office Fence PMC	KCB	1203861397	22-12-2016	715	0
Eshibeye Secondary School	KCB	1134251025	07-05-2012	6,873	0
Lurambi Solar Lights PMC	KCB	1205888780	09-02-2017	993	0

**Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Ekapwonje Primary School	KCB	1183366299	17-04-2019	24	24
Shikoti Girls Secondary School	KCB	1135612498	05-02-2021	261,371	261,371
Bukura Police Post	KCB	125234846	29-08-2016	97,741	97,741
Elukho Primary School	KCB	1240123752	10-07-2018	1,112	1,112.50
Bishop Sulumeti Girls	KCB	1257267833	22-03-2016	120	120
Bukhulunya Primary School	KCB	1184416125	24.10.2014	3	3.95
Elukho Secondary School	KCB	1256464732	07-01-2018	723	723
Shisango Girls Secondary School	KCB	1177472228	16-07-2020	0	108
St. Patrick's Ikonyero Secondary School	Co-operative	01109023568900	28-04-2018	75,152	75,152
Kakamega Muslim Secondary School	Co-operative	01139165026500	01-01-2018	455	455
Ematietie Secondary School	Co-operative	01139165009902	07-01-2021	10,358	10,358.20
Chief Mutsembi Primary School	EQUITY	0500299776016	29.05.2020	165,725	165,725.62
Daisy Special School	EQUITY	0500277439663	12-07-2018	28,430	28,430
Emasera Community School	EQUITY	05002798555601	04-06-2020	248	249
Emmachembe Primary School	EQUITY	0500278882916	20-05-2019	1,318	30,438
Emmachembe Primary School	EQUITY	0500277323993	05-06-2018	390	390
Emukaba Primary School	EQUITY	0500280007424	10-08-2020	414	414
Emulundu Primary School	EQUITY	0500279550696	24-06-2019	109,584	109,584
Emurumba Primary School	EQUITY	0500278905072	28-05-2019	838	838

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Emurumba Primary School	EQUITY	0500281762907	21-01-2023	550	0
Eshiamboko Primary School	EQUITY	0500279819677	15-05-2020	9,005	5,343
Eshiandukushi Primary School	EQUITY	0500280084148	02-09-2022	159,102	159,102
Indangalasia Primary School	EQUITY	0500277223573	16-01-2022	22,228	22,228
Indangalasia Chiefs Camp	EQUITY	0500277347874	12-03-2022	14,040	14,040
Maraba Primary School	EQUITY	0500279686145	03-06-2022	6,855	6,855
Mungulu Primary School	EQUITY	0500278882916	14-08-2022	1,318	1,318
Nabongo Primary School	EQUITY	0500278915173	14-10-2022	981	981
Shisango Primary School	EQUITY	0500277375065	29-06-2022	35,472	35,472
Shisasari Primary School	EQUITY	0500279895091	25-06-2020	1,006	1,006
Shivakala Primary School	EQUITY	0500279099320	06-08-2019	48,665	48,665
Eshilibo Primary School	EQUITY	0500278912469	30-05-2019	1,887	0
Kakamega Central Police	EQUITY	0500279557643	15-11-2020	18,402	0
St. Caroli Lwanga Maraba	EQUITY	0500279995310	05-08-2020	3,855	0
Hirumbi Primary School	EQUITY	0500280088267	10-09-2020	48,767	0
Ebwambwa Primary School	EQUITY	0500280133163	23-09-2020	73,966	0
St. Basil Lurambi Primary School	EQUITY	0500280174251	07-10-2020	5,000	0
Mwiyala Primary School	EQUITY	0500280174823	07-10-2020	241,247	0
Elufwafwa Primary School	EQUITY	0500280324911	26-11-2020	2,370	0

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PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Emukangu KAG Primary School	EQUITY	0500280379453	15-12-2020	429	0
Esokone Primary School	EQUITY	0500280466500	13-01-2021	32,235	0
Eshibeye Primary School	EQUITY	0500280580844	12-08-2020	145,425	0
St. Mary Goretti Shikoti Girls	EQUITY	0500280668645	10-03-2021	16,238	0
Bishop Sulumeti Girls High School	EQUITY	0500280668892	10-03-2021	4,624	0
Kenya Medical Training College	EQUITY	0500280835709	27-04-2021	3,980	0
St. Peter's Ebuhayi Primary School	EQUITY	0500280924785	28-05-2021	690	0
Shieywe Secondary School	EQUITY	0500280944048	04-06-2021	197,771	0
FGCK Daisy Special School	EQUITY	0500280968364	11-06-2021	2,000	28,430
Shiyunzu Primary School	EQUITY	0500280985198	17-06-2021	5,483	0
Emulele Primary School	EQUITY	0500280988686	18-06-2021	53,137	0
Ebwambwa Primary School	EQUITY	0500281020323	29-06-2021	2,887	0
Kakamega Muslim Primary School	EQUITY	0500281040761	06-07-2021	26,477	0
Mwiyenga Primary School	EQUITY	0500281118521	30-07-2021	8,228	0
Shikoti Mixed Primary School	EQUITY	0500281150683	10-08-2021	1,475	0
Emahungu Primary School	EQUITY	0500282028823	22-11-2021	2,000	0
Mahiakalo Primary School	EQUITY	0500284300316	16-06-2023	1,111,055	0
Eshiandukusi Secondary School	EQUITY	0500282493286	06-04-2022	1,000	0
Eshiandukusi Secondary School	EQUITY	0500280978726	15-06-2021	1,919	0

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PMC	Bank	Account number	Date A/C opened	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
Ebuchira Primary School	EQUITY	0500282279021	08-02-2022	1,000	0
Ebuchinga Primary School	EQUITY	0500282244504	28-01-2022	89,026	0
Eshiyunzu Assistant Chiefs Office	EQUITY	0500282202037	15-01-2022	45,805	0
Kakamega School for The Deaf	EQUITY	0500282119052	18-12-2021	1,000	0
Kilimo DEB Primary School	EQUITY	0500282079523	06-12-2021	48,980	0
Kakamega Muslim Secondary School	EQUITY	0500282034368	23-11-2021	141,258	0
Shisasari Primary School	EQUITY	0500281254899	06-09-2021	550	0
Total				4,901,645	2,238,619

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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)
	<p>1. Inaccuracy of Comparative Balances 1.1. Comparative Balance for Unutilized Funds</p> <p>Note 17.3 to the financial statements reflects a comparative balance for unutilized funds of Kshs 75,467,204. However, Annex 3 reflects a corresponding balance of Kshs. 56,556,603. The variance of Kshs. 18,910 601 has not been explained or reconciled.</p> <p>Further, a recast of balances in Annex 3 reflects a balance of Kshs 67,843,051 instead of the Kshs 56,556,603 resulting to unreconciled and unexplained variance of Kshs 11,286,448.</p> <p>In addition, the balance of Kshs. 56.556,603 reflected in Annex 3 to the financial statements excludes balances totalling Kshs 16,576,405 relating to fifteen (15) primary schools two (2) chiefs office one (1) social hall, a market and a social security entity which were reflected in the audited financial statements for the year ended 30 June, 2021.</p>	<p>The management agrees with the audit findings on the inconsistencies in comparative balance for unutilized funds in relation to 2020-2021. However, these inconsistencies have been addressed in the amended Financial statement for the year ended 30th June 2022.</p>	Resolved	
	<p>1.2. Project Management Committee (PMC) Account Balances</p>	<p>The management confirms that the Project Management</p>	Resolved	

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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>Note 17.4 to the financial statements reflects a comparative Project Management Committee balance of Kshs 5,705,427 while Note 13 to the audited financial statements for 2020/2021 reflects a corresponding balance of Kshs 5,646,588. The variance of 58,869 has not been explained or reconciled. Further, Annex 5 to the financial statements reflects a comparative Project Management committee balance of Kshs 5,705, 427. However, the balance excludes Kshs 838 relating to a Secondary School that was reflected in the audited financial statements for the year ended 30 June 2021.</p> <p>In the circumstances, the accuracy and completeness of the unutilized funds of Kshs. 75,467,204 and Project Management comparative balance of Kshs 5,705,427 could not be confirmed.</p>	<p>Committee balance was Kshs. 5,705,427 and Kshs. 5,646,588. We further confirm that Secondary School balance of Kshs. 838 was erroneously captured.</p>		
	<p>2. Inaccuracy of Use of Goods and Services Expenditure</p> <p>The statement of receipts and payments reflects an amount of Kshs 6,924,848 in respect of use of goods and services which, as disclosed in Note 5 to the financial statements, includes Kshs 1,495,252 relating to other committee expenses. However, the supporting schedules/ledger reflects a balance of Kshs. 1,245,200 on the same expenditure item resulting to unexplained and unreconciled variance Kshs. 250,252.</p>	<p>The management confirms that Kshs. 250,252 variance under other committee expenses was as a result of M & E activities and the corrections have been adjusted in the schedule</p>	Resolved	

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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)
	In the circumstances, the accuracy and completeness of the other committee expenses of Kshs. 1,495,252 could not be confirmed.			
	<p>3. Unsupported Project Management Committee (PMC) Bank Account Balances</p> <p>Note 17.4 to the financial statements reflects a balance of Kshs. 2,238,619 relating to Project Management Committee balances which, as disclosed in Annex 5, represents bank account balances for forty-two (42) Project Management Committees. However, bank statements and certificates of bank balance for the forty-two (42) bank accounts were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the PMC balances of Kshs. 2,238,619 could not be confirmed.</p>	It is true during the time of audit bank statements and certificates of bank balances were not availed but were availed for verification	Resolved	
	<p>4. Unsupported Retention Money</p> <p>The statement of assets and liabilities reflects retention money balance of Kshs 2,406,065 as disclosed in Note 12A to the financial statements. However, no documents detailing the specific contractors and related projects were provided to support the reported balance. In the circumstances the accuracy and completeness of retention money balance of Kshs. 2,406,065 could not be confirmed.</p>	It is true at the time of audit the retention documents were not availed but were availed for verification	Resolved	
	<p>5. Accuracy of Cash and Cash Equivalents</p>	The management confirms that the	Resolved	

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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 assets and liabilities reflects a cash and cash equivalents balance of Kshs.13,560,240 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement for the month of June, 2022 reflects stale cheques amounting to Kshs.416,373 that had not been reversed in the cash book. The bank reconciliation statement also revealed outstanding bank charges dated 30 November, 2021 amounting to Kshs.11,760 which had not been entered in the cash book as at 30th June 2022. No satisfactory explanation was provided on the failure to update the cashbook with the bank charges.</p> <p>In the circumstances the accuracy and completeness of the cash and cash equivalents balance of Kshs. 13,560,240 could not be confirmed.</p>	<p>outstanding items were addressed</p>		
	<p>6. Unsupported Receipts</p> <p>The statement of receipts and payments reflects and payments reflects an amount of Kshs 649,155 respect of other receipts which as disclosed in Note 3 to the financial statements, includes Kshs.12,000 relating to sale of tender documents. However, no documentation to show the respective tenders, bidders and dates was provided to support the amount of Kshs. 12,000.</p>	<p>It is true the support documents for receipts of Kshs. 12,000 were not availed at the time of audit but were availed for verification</p>	<p>Resolved</p>	

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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)
	In the circumstances, the accuracy and completeness of other receipts amount of Kshs. 12,000 could not be confirmed.			
	<p>Other matter 1. Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects income budget and actual on comparable basis of Kshs. 217,570,268 and Kshs. 200,281,389 respectively, resulting to under-funding of Kshs. 17,288,879 or 8% of the budget. Similarly, the statement reflects actual expenditure of Kshs. 189,127,214 against approved expenditure of Kshs. 217,570,268 resulting to under-performance of Kshs. 28,443,054 or 13% of the budget. The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	It is true 13% of the budget was not utilized in the financial year, this was as a result of late disbursement of funds from NGCDF Board	Resolved	
	<p>2. Unresolved Prior Year Matters</p> <p>In the report for the previous year, several paragraphs were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in use of public Resources. However, although Management has indicated in the progress on follow up of the Auditor's recommendation Section of the financial statements that the issues have been resolved, it has not been</p>	The management confirms that the issues were responded to	Resolved	

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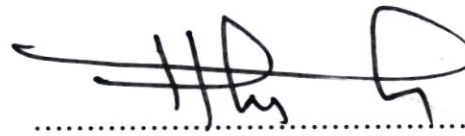
Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	explained how the issues have been resolved as required by the Public Sector Accounting Standard Board Reporting template.			
	<p>3. Delayed Construction of NG-CDF Office Building</p> <p>The statement of receipts and payments reflects an amount of Kshs. 14,540,673 in respect of acquisition of assets which, as disclosed in Note 8 to the financial statements, relates to construction of buildings. The expenditure was incurred during the year in to the on-going construction of Lurambi Constituency offices.</p> <p>The contract for this project was awarded to a local construction company in 2008/2009 financial year for construction of six (6) storey office building at a contract sum of Kshs.155,953,860 for an unspecified contract period. However, the project stalled between 2012 and 2017. As at the time of stalling, the project had reached second floor and the contractor had been paid a sum of Kshs. 52,464,576.</p> <p>Between 2017 and 2020, there were negotiations between the NGCDF Board and the County Government of Kakamega with a view to requesting the County Government to take over the project and, in exchange, finance development projects worth Kshs. 52,52,464,576. However, the negotiations did not succeed.</p>	<p>It is true Kshs. 81,402,302 has been injected into the project. Furthermore, the management confirms that the ground floor of the NGCDF office Building has been occupied and in use. The management plans to allocate more funds for completion in this 2023/2024 financial year.</p>	Resolved	

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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 NGCDF Board decided to terminate the contract and scale down the project by completing the building structure with roofing and the second floor first, and then first floor for occupation. The works were tendered a fresh and a new contractor awarded the works at a contract sum of Kshs. 28,937,726. As at 30 June, 2022 only ground floor had been completed for occupation. As at that time a total of Kshs. 81,402,302 had been injected. From the foregoing, the Fund did not obtain value for money from the project.</p>			



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