

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

| | |
|--------------------------------------|---|
| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 07 MAR 2023 | DAY: TUESDAY |
| TABLED BY: | The Leader of the Majority Party (Loma) |
| CLERK AT THE TABLE: | Inzofu Mwale |



Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021



LARI CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

TABLE OF CONTENTS

| | |
|--|----|
| i. KEY CONSTITUENCY INFORMATION AND MANAGEMENT..... | 3 |
| ii. NG-CDFC CHAIRMAN'S REPORT | 6 |
| iii. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES | 11 |
| iv. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING. | 14 |
| v. STATEMENT OF MANAGEMENT RESPONSIBILITIES | 20 |
| vi. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- LARICONSTITUENCY | 21 |
| vii. STATEMENT OF RECEIPTS AND PAYMENTS | 22 |
| viii. STATEMENT OF ASSETS AND LIABILITIES..... | 23 |
| ix. SUMMARY STATEMENT OF APPROPRIATION | 25 |
| X. BUDGET EXECUTION BY SECTORS AND PROJECTS | 26 |
| XI. SIGNIFICANT ACCOUNTING POLICIES..... | 30 |
| XII. NOTES TO THE FINANCIAL STATEMENTS..... | 33 |

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

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

(d) Fiduciary Oversight Arrangements

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

(e) LARI Constituency NGCDF Headquarters

P.O. Box LARI 71 MATATHIA
LARI SUB COUNTY HEAD QUARTERS
DCC OFFICE COMPOUND
NAIROBI NAKURU HIGH WAY

(f) LARI Constituency NGCDF Contacts

Telephone: (254) 0720120932
E-mail: laricdf@gmail.com

(g) Constituency NGCDF equity bank

Acc no. 1110295360924

Bank (equity bank Kimende branch)

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

ii. NG-CDFC CHAIRMAN'S REPORT

Include among others the following:



FORWARDED BY THE CHAIRMAN NGCDF COMMITTEE

Budget Performance.

The allocation for financial year 2020/2021 was KSHS 137,088,724 Out of this we received 70% from the NG-CDF BOARD.

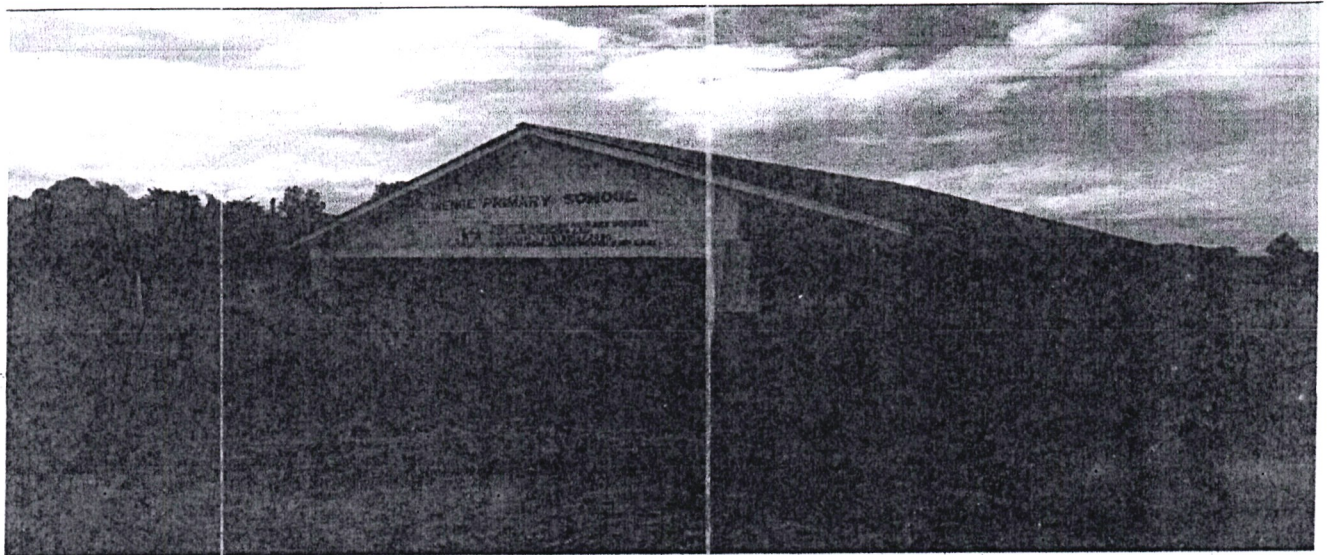
| | |
|------------------|----------------------|
| AIE NO. B 128484 | 7,000,000.00 |
| AIE NO. B 126485 | 11,600,000.00 |
| AIE NO. B 124589 | 9,000,000.00 |
| AIE NO. B 119540 | 8,500,000.00 |
| AIE NO. B 119930 | 12,000,000.00 |
| AIE NO. B 128171 | 6,900,000.00 |
| AIE NO. B132228 | 6,000,000.00 |
| AIE NO B138896 | 12,000,000.00 |
| AIE NO B126190 | 7,000,000.00 |
| AIE NO B140628 | 12,000,000.00 |
| TOTAL | 92,000,000.00 |

Emerging Issues

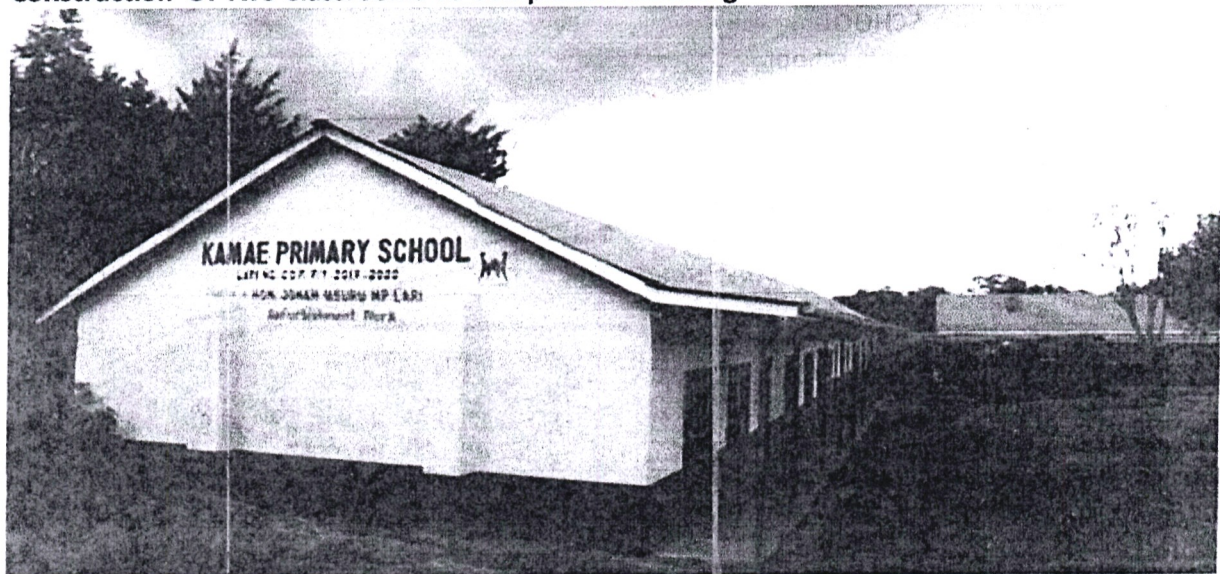
Disbursement of funds from the NGCDF BOARD was delayed during this financial year with only 70% received within the Financial year. However, despite the late disbursement of funds from the NGCDF-BOARD, fifteen projects had not started by 30th June 2021

Implementation challenges

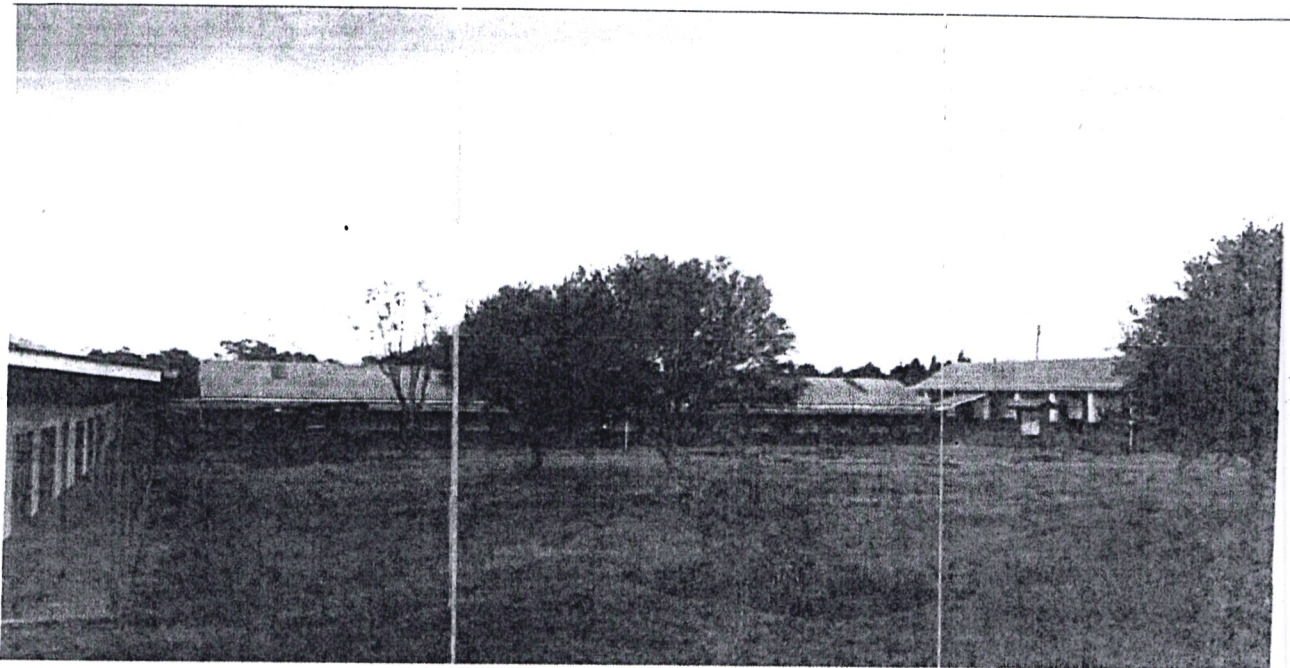
1. Delay in release of funds
2. Transfer of FAM
3. Funds allocated not sufficient to implement projects
4. Proposals are forwarded to the NGCDFC at ward forums without realistic cost estimates from Public Works officer.
5. Covid -19 Pandemic



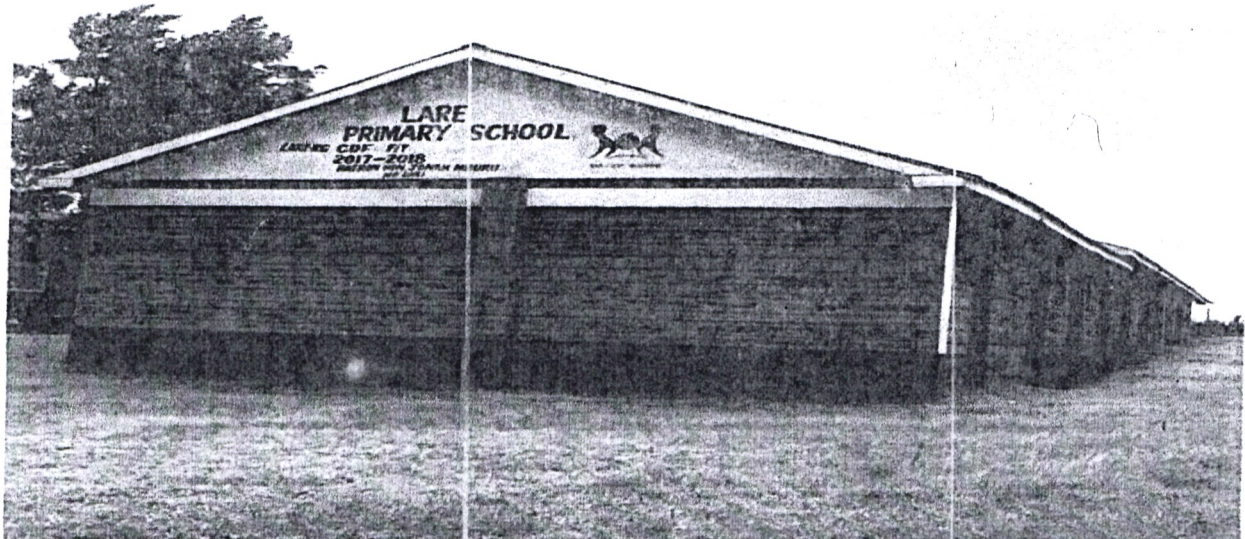
KARENGE PRIMARY SCHOOL
Construction Of Two Classrooms To Completion Including



KAMAE PRIMARY SCHOOL
Renovation Of The Whole School .



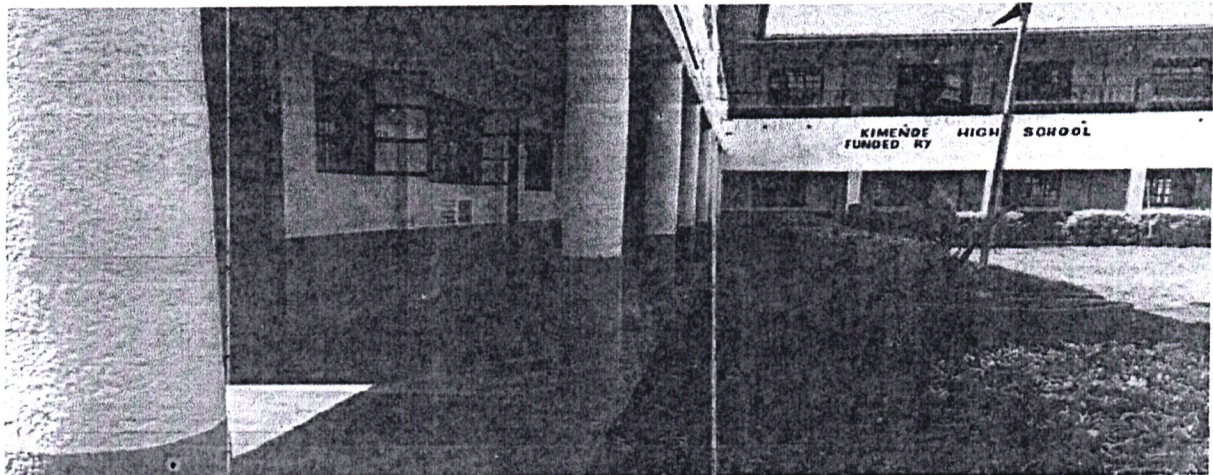
MUGIKO PRIMARY SCHOOL
Renovation of the whole school.



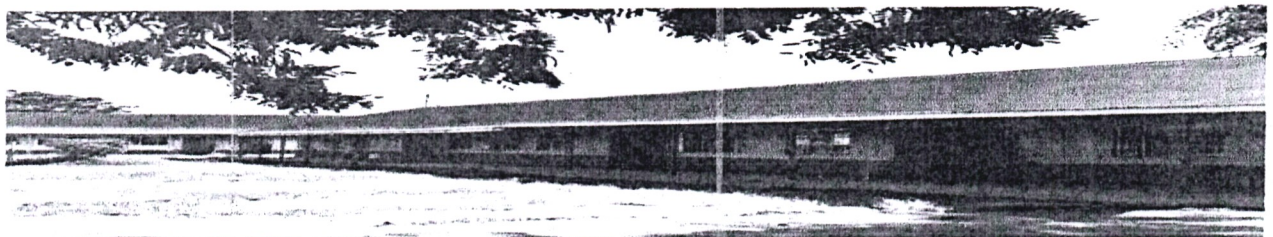
Lare primary school
Renovation and construction of the school

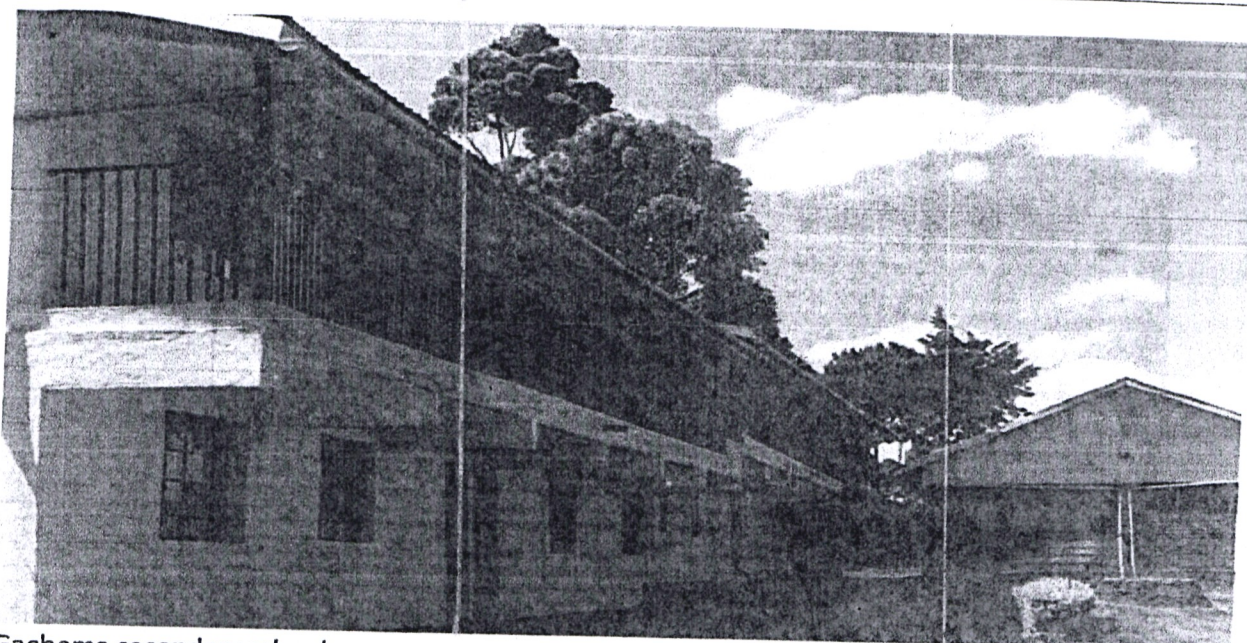


**KIAMBOGO PRIMARY SCHOOL
RENOVATION OF THE WHOLE SCHOOL**



**Kimende high school
Renovation of the whole school**





Gachema secondary school

Construction of classrooms to completion.

Signature

CHAIRMAN NGCDF COMMITTEE

iii. **STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S
PREDETRMINED OBJECTIVES**

Introduction

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.

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

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

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

Introduction

Strategic Area One:

strategic Area One:

Education Objective:

Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children. Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two:

Water and Environment Objective:

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

Strategic Area Three:

Security Objective:

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

Strategic Area Four:

Sports Objective:

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

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

Strategic Area Five:

Information Communication and Technology (ICT) Objective:

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

Progress on attainment of Strategic development objectives For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes.

Attendant indicators were identified for reasons of tracking progress and performance measurement:

Below we provide the progress on attaining the stated objectives:

Progress on attainment of Strategic development objectives

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

| Constituency Program | Objective | Outcome | Indicator | Performance |
|----------------------|--|--|--|---|
| Education | Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates | Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children | <ul style="list-style-type: none"> - Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels | Number of classrooms increased from 320 to 416 Number of laboratories increased from 8 to 9 Number of dormitories increased from 5 to 10 Number of administration blocks increased 17 to 19 |
| 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 service delivery | Number of usable physical infrastructure built in locations, sub locations and police station | Number of renovated chiefs' offices increased from 2 to 6 Number of assistant chiefs' offices increased from 1 to 6 |
| Environment | Improve access to clean water and a more sustainable and conserved environment through natural resources conservation | Buying of water tanks to for various schools Equip schools and public facilities with sanitation | Number of sanitation facilities built in primary and secondary and trees planted in various schools | Environment Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives Water tanks to provide clean water to schools Equip schools and public facilities with |

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

| | | | | |
|--|--|--|---|--|
| | initiatives Drill | | | <p>sanitation Number of water tanks bought from 0 to 8 tanks</p> <p>Increased Number of sanitation facilities built in primary and secondary from 15 to 27</p> <p>Number of trees From in primary and secondary schools increased from 0 trees to 20,000 trees</p> |
| Sports | Empower and develop youth and special groups through sports | Reduced dependence and spur economic growth through sports | Number of youth groups benefitting from the sports programme | Number of youths groups benefitting from the sports programme increased from 15 to 45 teams |
| Information Communication and Technology (ICT) | Enhance access to information and technology and use ICT to enhance service delivery | Equip youths with computers and internet connectivity to enable them | Number of usable chiefs' offices with computers and internet connectivity | Number of ICT centres at the chiefs' offices increased from 0 to 4 |

iv. **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.**

NGCDF - Lari Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects.

In undertaking the aforementioned, the Lari NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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.

SUSTAINABILITY STRATEGY AND PROFILE

The Lari NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model Definition Relevance to sustainable strategy

Vision

To be renowned Constituency in advocating for all round socio-economic development and sustainability. What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place

Mission

To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.

This communicates what the office does to attain sustainable developments

Core Values

Accountability, Transparency, Integrity, Honesty, Equality, Equity

These are the norms, principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan Protection of the environment in which we live and operate is part of Lari NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy In this policy statement Lari NG-CDF commits to:

Comply with all relevant environmental legislation, regulations and approved codes of practice

Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water

- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan Lari NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

Impact Area Approach Capacity Building

- Promote environmental awareness by sensitizing the Lari NG-CDFC, NGCDFC staff and PMCs on good conservation practices
- To encourage, through regular communication to Lari NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage Conservation of Energy and Resources
- To maximize use of available technologies to remove the need to use paper
- To encourage our clients to engage with us using electronic means where possible
- To maximize on rain water harvesting
- To make energy efficiency a key factor in the selection of any new energy device being purchased
- To invest in available energy saving technologies and devices within our existing premises Environmental Protection and Conservation
- To promote use of volt guards to control power surges
- We have constructed culverts and gabions to prevent soil erosion
- To encourage tree planting in the constituency to improve the forest cover.
- To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires

Pollution Control and Waste Management

- To ensure that all paper waste is recycled
- To ensure segregation of waste
- To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

EMPLOYEES WELFARE TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment Lari NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done.

The Advertisement contains the following:

1. Job title
2. Main purpose of the job
3. A brief description of the key responsibilities of the job
4. Education, experience, skills and competencies required for the job

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

5. Location of the job
6. Clear instructions on how to apply and information to be submitted in the application
7. Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interview for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment.

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment with contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees.

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this. Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff. Guidelines to General Safety: The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents. All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually.

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers. Provision of protective equipment and clothing.

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary. Health Care Services The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic.

An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling.

There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

1. Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

MARKET PLACE PRACTICES NG-CDFC

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

The fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

- a) Responsible competition practice. During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti corruption, responsible political involvement, fair competition and respect for competitors

- b) Responsible Supply chain and supplier relations Payments to suppliers are done promptly upon presentation of requisite supporting documents
- c) Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders
- d) Product stewardship In order to safeguard consumer rights and interests, the Lari NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible.

COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from.

There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- ... Providing information helps them understand the issues, options, and solutions available for the projects.

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

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

Public Awareness and Sensitisation Exercise Provide.

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

v. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-LARI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-LARI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-LARI Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-LARI Constituency confirms that the entity 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 entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-lari Constituency financial statements were approved and signed by the Accounting Officer on 20th May 2022.



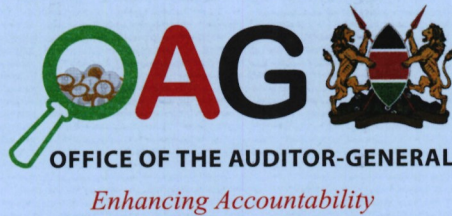
Chairman NGCDF Committee
Name: EVAN KARANJA K.



Fund Account Manager
Name: JOSEFRIDA KAMETI

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lari Constituency set out on pages 22 to 41, which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement

Report of the Auditor-General on National Government Constituencies Development Fund - Lari Constituency for the year ended 30 June, 2021

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lari Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Inaccuracies in Presentation and Disclosure in the Financial Statements

Review of the report and financial statements for the year ended 30 June, 2021 revealed the following inaccuracies: -

- i. Note 5 to the financial statements reflects comparative figure of Kshs,20,000 in respect of the use of goods and services instead of Kshs.5,000 in the prior year audited financial statements.
- ii. Note 7 to the financial statements reflects Nil comparative figure instead of Kshs.7,198,241 in the prior year audited financial statements.
- iii. The summary of the fixed assets register was not included as an annexure in the financial statements.

As a result, the financial statements as presented are inconsistent with the template by the Public Sector Accounting Standards Board on partial implementation of the standards.

2.0 Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects a bank balance of Kshs.67,913,616 as disclosed in Note 10A to the Financial Statements. This was at variance with the bank reconciliation statement for the month of June, 2021 which reflected a bank balance of Kshs.62,478,286 resulting in an unexplained and unreconciled variance of Kshs.5,435,330. Further, review of the bank reconciliation statements for the year ended 30 June, 2021 revealed stale cheques amounting to Kshs.855,566 which relate to unbanked bursary cheques and statutory deductions that are accruing interests and penalties on the entity.

In addition, Review of bank reconciliations provided for audit revealed that the Accounting Officer ensured bank reconciliations basis were prepared on a monthly. However, the copies of the bank reconciliations prepared were not submitted to the Auditor-General in compliance with the requirements of Regulation 90 of the Public Finance Management (National Government) Regulations, 2015.

As a result, the accuracy and completeness of cash and cash equivalents balance Kshs.67,913,616 could not be confirmed.

3.0 Unsupported Procurement of Desktop Computers and Computer Accessories

The statement of receipts and payments reflects an amount of Kshs.2,320,000 in respect of Other payments incurred in the procurement of forty (40) desktop computers and the accessories for the ICT Hubs. However, Management did not provide the prequalified list of suppliers, tender opening, and evaluation minutes for audit. It was, therefore, not possible to confirm whether procurement procedures were followed.

As result, the accuracy, completeness, and validity of Kshs.2,320,000 in respect of Other payments incurred in the procurement of forty (40) desktop computers and the accessories for the ICT Hubs could not be confirmed.

4.0 Irregular Payment of Gratuity to Contractual Staff

The statement of receipts and payments reflects Kshs.2,805,117 in respect of compensation of employees. Included in this amount and as disclosed in Note 4 to the financial statements is Kshs.1,222,197 as gratuity to contracted staff. However, Staff contracts for the period were not provided for audit verification.

As a result, the accuracy and validity of the payment of Kshs.1,222,197 as gratuity to contracted staff could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Lari Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Under-allocation of Bursary Funds

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.42,915,208 as disclosed in Note 7 to the financial statements. Included in this amount are bursary disbursements to secondary and tertiary institutions of Kshs.18,956,500 and Kshs.18,464,000, respectively. However, review of the total receipts from NGCDF Board revealed transfers of Kshs.161,367,724 against an allocation of Kshs.37,420,500 towards bursaries which was 23.19% of the total receipts. This was contrary to Regulation 21(5) of the NGCDF Regulations, 2016 a Constituency Committee shall allocate not less than twenty five percent of the funds allocated to a constituency for bursaries.

As result, Management was in breach of the law.

2.0 Irregular Recruitment of Staff

The Fund placed advertisement for recruitment during the year under review. The advertisement on the recruitment file was unstamped and gave the applicants only 5 days to submit their applications. The advertisement of file indicated the vacant position and the responsibilities but it did not show qualifications requirements. The advertisement was not officially made either on the Funds websites, noticeboard or in any other open place. Further, discussion with the Management revealed that the advertisement was internal staff only. However, the applications were received from both internal and external applicants and among the staff appointed, one was from an external source. This contrary to Section B 4(1) of the Public Service Commission Human Resource Policies 2016 which stipulates that Ministries/State Departments will advertise all vacant posts in a manner that reaches the widest pool of potential applicants and allow for at least twenty-one (21) days before closing the advert.

Review of the interview process revealed lack of individual ranking or rating scale and individual score sheets by the panelists.

In addition, review of the payroll records indicated that in September, 2020, there was a new staff captured in the payroll who was missing in the December's Payroll. Management did not provide explanations on how the staff was recruited and how the staff exited a month later. The personal file for the staff was not provided for verification.

In the circumstances, the legality and validity of the recruitment is in doubt.

3.0 Lack of Updated Fixed Assets Register

The Fund did not maintain an updated fixed asset register. Physical verification showed that some assets which were bought back in 2007 were fully depreciated. Also, the verification revealed that a number of fixed assets including printers, desktops, UPS and Furniture were in poor condition. Further, some assets were not disclosed in the fixed assets register. This was contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in

place to eliminate theft, security threats, losses, wastage and misuse; movement and conditions of assets can be tracked; and stock levels are at an optimum and economical level.

In the circumstances, Management was in breach of law

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 overall 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 sustainability of services basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi




29 July, 2022

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

vii. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2020 - 2021 | 2019 - 2020 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs | |
| RECEIPTS | | | |
| Transfers from NGCDF Board | 1 | 161,367,724 | 123,040,876 |
| Proceeds from Sale of Assets | 2 | | - |
| Other Receipts | 3 | 100,000 | 30,000 |
| TOTAL RECEIPTS | | 161,467,724 | 123,070,876 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,805,117 | 2,022,308 |
| Use of goods and services | 5 | 13,039,049 | 6,303,296 |
| Transfers to Other Government Units | 6 | 46,300,000 | 53,296,000 |
| Other grants and transfers | 7 | 45,269,826 | 57,338,072 |
| Acquisition of Assets | 8 | 95,120 | - |
| Other Payments | 9 | 2,320,000 | |
| TOTAL PAYMENTS | | 109,829,112 | 118,959,676 |
| SURPLUS/DEFICIT | | 51,638,612 | 4,111,200 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 20th May 2022 and signed by:




| | | |
|---|---|---|
|  |  |  |
| _____ Fund Account Manager Name: JOSEFRIDA KAMETI | _____ National Sub-County Accountant Name: NANCY N. MOGOI ICPAK M/No: 20483 | _____ Chairman NG-CDF Committee Name: EVAN KARANJA K. |

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

viii. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2020 - 2021 Kshs | 2019 - 2020 Kshs |
|--|------|---------------------|---------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 62,478,286 | 10,839,674 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 62,478,286 | 10,839,674 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 62,478,286 | 10,839,674 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | - | 1,035,347 |
| NET FINANCIAL SSETS | | (62,478,286) | 9,804,327 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 13 | 10,839,674 | 5,693,127 |
| Prior year adjustments | 14 | | |
| Surplus/Deficit for the year | | 51,638,612 | 4,111,200 |
| NET FINANCIAL POSITION | | 62,478,286 | 9,804,327 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 20th May 2022 and signed by:


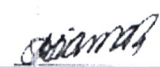

| | | |
|---|---|---|
|  |  |  |
| _____ Fund Account Manager Name: JOSEFRIDA KAMETI | _____ National Sub-County Accountant Name: NANCY N. MOGOI ICPAK M/No: 20483 | _____ Chairman NG-CDF Committee Name: EVAN KARANJA K. |

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

STATEMENT OF CASHFLOW

| | | 2020 - 20201 | 2019 - 2020 |
|--|----|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts from operating activities | | | |
| Transfers from NGCDF Board | 1 | 161,367,724 | 123,040,876 |
| Other Receipts | 3 | 100,000 | 30,000 |
| | | 161,467,724 | 123,070,876 |
| Payments for operating activities | | | |
| Compensation of Employees | 4 | 2,805,117 | 2,022,308 |
| Use of goods and services | 5 | 13,039,049 | 6,273,296 |
| Transfers to Other Government Units | 6 | 46,300,000 | 53,296,000 |
| Other grants and transfers | 7 | 45,269,826 | 57,338,072 |
| Other Payments | 9 | 2,320,000 | - |
| | | 109,743,992 | 118,929,676 |
| Adjusted for: | | | |
| Decrease/(Increase) in Accounts receivable | 15 | - | - |
| Increase/(Decrease) in Accounts Payable | 16 | - | 1,035,347 |
| Prior year Adjustments | 14 | - | - |
| Net Adjustments | | - | 1,035,347 |
| Net cash flow from operating activities | | 51,723,732 | 5,176,547 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | (95,120) | - |
| Net cash flows from Investing Activities | | (95,120) | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 51,638,612 | 5,176,547 |
| Cash and cash equivalent at BEGINNING of the year | 10 | 10,839,674 | 5,693,128 |
| Cash and cash equivalent at END of the year | | 62,478,286 | 10,869,675 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 20th May 2022 and signed by:

| | | |
|---|---|---|
|  |  |  |
| Fund Account Manager Name: JOSEFRIDA KAMETI | National Sub-County Accountant Name: NANCY N. MOGOI | Chairman NG-CDF Committee Name: EVAN KARANJA K. |

ix. SUMMARY STATEMENT OF APPROPRIATION

| Receipt/Expense Item | Original Budget | Adjustments | | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-----------------------|--------------------------------|--|-----------------------|----------------------------|-------------------------------|------------------|
| | a | b | | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | Opening Balance (C/Bk) and AIA | Previous years Outstanding Disbursements | | | | |
| Transfers from NG-CDF Board | 137,088,879.31 | 10,839,674 | 69,367,724 | 217,296,277 | 172,207,398.10 | 45,088,879 | 79.3% |
| Proceeds from Sale of Assets | - | 0 | 0 | 0 | - | - | 0.0% |
| Other Receipts | | 100000 | | 100,000 | 100,000.00 | - | 100.0% |
| TOTAL RECEIPTS | 137,088,879.31 | 10,939,674 | 69,367,724 | 217,396,277 | 172,307,398.10 | 45,088,879 | 79.3% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 2,403,982.00 | 2,839,833 | | 5,243,815 | 2,805,117.00 | 2,438,698 | 53.5% |
| Use of goods and services | 9,934,016.62 | 4,128,197 | | 14,062,213 | 9,958,337.00 | 4,103,876 | 70.8% |
| Transfers to Other Government Units | 68,800,200.00 | 2,363,331 | 53,000,000 | 124,163,531 | 46,300,000.00 | 77,863,531 | 37.3% |
| Other grants and transfers | 55,950,680.16 | 1,508,313 | 16,367,725 | 73,826,718 | 42,915,208.00 | 30,911,510 | 58.1% |
| Acquisition of Assets | - | | 95,120.00 | 95,120.00 | 95,120.00 | - | 100% |
| Other Payments | | | | 2,320,000.00 | 2,320,000.00 | - | 100% |
| Funds pending approval | | 100000 | | 100,000 | | 100,000 | |
| TOTAL | 137,088,878.78 | 10,939,674.00 | 69,367,725.00 | 217,396,277.78 | 104,393,782.00 | 113,002,495.78 | 48.0% |

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|-------------|
| Description | Amount |
| Budget utilisation difference totals | 113,002,495 |
| Less undisbursed funds receivable from the Board as at 30th June 2021 | 45,088,879 |
| | 67,913,616 |
| Add Accounts payable | - |
| Less Accounts Receivable | - |
| Add/Less Prior Year Adjustments | - |
| Cash and Cash Equivalents at the end of the FY 202021 | 67,913,616 |

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

x. BUDGET EXECUTION BY SECTORS AND PROJECTS

| Programme/Sub-programme | Original Budget | Final Budget | | | Actual on comparable basis | Budget utilization difference |
|---|-----------------|--------------------------------|---|---------------|----------------------------|-------------------------------|
| | | Adjustments | | 2020/2021 | | |
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | 2020/2021 | | | 2020/2021 | 30/06/2021 | |
| | Kshs | | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 2,403,982.00 | | | 2,403,982.00 | 1,000,000.00 | 1,403,982.00 |
| 1.2 Committee allowances | 3,498,976.51 | 2,839,833.00 | | 6,338,809.51 | 1,805,117.00 | 4,533,692.51 |
| 1.3 Use of goods and services | 2,322,374.24 | 4,128,197.00 | 95,120.00 | 6,545,691.24 | 95,120.00 | 6,450,571.24 |
| | | | | - | | - |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 1,600,000.00 | | | 1,600,000.00 | | 1,600,000.00 |
| 2.2 Committee allowances | 1,256,333.19 | | | 1,256,333.19 | | 1,256,333.19 |
| 2.3 Use of goods and services | 1,256,333.19 | | | 1,256,333.19 | 9,958,337.00 | (8,702,003.81) |
| | | | | - | | - |
| 3.0 Emergency Projects | 7,192,207.00 | 1,508,313.00 | | 8,700,520.00 | | 8,700,520.00 |
| 3.1 Primary Schools | | | | - | | - |
| 3.2 Secondary schools | | | | - | | - |
| 3.3 Tertiary institutions | | | | - | | - |
| 3.4 Security projects | | | | - | | - |
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Primary Schools | | | | - | | - |
| 4.2 Secondary Schools | 20,387,559.07 | | 10,000,000.00 | 30,387,559.07 | 10,387,559.07 | 20,000,000.00 |
| 4.3 Tertiary/University Institutions | 19,387,559.05 | | 6,367,725.00 | 25,755,284.05 | 9,387,559.05 | 16,367,725.00 |
| 4.6 Revision Materials | 3,499,800.00 | | | 3,499,800.00 | 3,499,800.00 | - |
| 5.0 Sports | | | | - | | - |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | | | |
|---|--------------|------------|--------------|---------------|---------------|----------------|
| | 2,741,777.58 | | | 2,741,777.58 | | 2,741,777.58 |
| 6.0 Environment | 2,437,135.63 | | | 4,874,271.26 | | 2,437,135.63 |
| | | | 2,437,135.63 | | 2,437,135.63 | |
| 7.0 Primary Schools Projects | | | | | | |
| (List all the Projects) | | | | | | |
| Gathaiti Primary | 3,000,000.00 | | | 3,000,000.00 | 450,000.00 | 2,550,000.00 |
| Mugiko Primary | 200,000.00 | | 200,000.00 | 400,000.00 | 600,000.00 | (200,000.00) |
| Kamahindu Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Kambaa Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Bathi Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Utugi Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Sulmac Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Kirasha Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Matathia Primary | 200,000.00 | | 200,000.00 | 400,000.00 | 600,000.00 | (200,000.00) |
| Kabunge Primary | 200,000.00 | | 200,000.00 | 400,000.00 | | 400,000.00 |
| Kimende Primary | 200,000.00 | | 200,000.00 | 400,000.00 | 600,000.00 | (200,000.00) |
| Ragia Primary | 3,200,200.00 | | | 6,400,400.00 | | |
| | | | 3,200,200.00 | | 9,600,600.00 | (3,200,200.00) |
| Matathia Primary | 100,000.00 | | 100,000.00 | 200,000.00 | | 200,000.00 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| Mirangi Secondary | 100,000.00 | | 100,000.00 | 200,000.00 | | 200,000.00 |
| St. Joseph the Worker Secondary School | 104,641.95 | | 104,641.95 | 209,283.90 | | 209,283.90 |
| Mugiko Secondary School | 7,500,000.00 | | 7,500,000.00 | 15,000,000.00 | | 15,000,000.00 |
| Kimende Secondary | 7,500,000.00 | | 7,500,000.00 | 15,000,000.00 | | 15,000,000.00 |
| Gitithia Mixed Secondary School | 7,500,000.00 | | 7,500,000.00 | 15,000,000.00 | 22,500,000.00 | (7,500,000.00) |
| St. Augustine Nyanduma Secondary School | 7,500,000.00 | | 7,500,000.00 | 15,000,000.00 | | 15,000,000.00 |
| Kamae Secondary School | 3,200,000.00 | | 3,200,000.00 | 6,400,000.00 | 9,600,000.00 | (3,200,000.00) |
| Escarpment Secondary School | 3,600,000.00 | | 3,600,000.00 | 7,200,000.00 | 10,800,000.00 | (3,600,000.00) |
| 10.0 Security Projects | | | | | | |
| Kagaa Chiefs | 3,000,000.00 | | 582,845.00 | 3,582,845.00 | 3,000,000.00 | 582,845.00 |
| Githirioni Assistant Chiefs Office | 3,000,000.00 | | | 3,000,000.00 | 500,000.00 | 2,500,000.00 |
| Uplands Police Station | 3,000,000.00 | | | 3,000,000.00 | | 3,000,000.00 |
| Kagaa Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kambaru Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

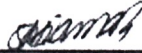
| | | | | | | |
|--|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Lari District Administration Police Commanders Office(D.A.P.C) | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Lari Officer Commanding Police Division Office (O.C.P.D) | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Lari Officer Commanding Police Stations office (O.C.S) | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kinale Assistant County Commissioners Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| King'atua Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kambaa Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kirenga Assistant County Commissioners Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Gatamaiyu Assistant County Commissioners Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Lari Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Gitithia Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kamukombini Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kamuchege Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kamat Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Escarpment Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Gathumuri Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Mbau-ini Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kanyeki-ini Assistant Chiefs Office | 120,000.00 | 120,000.00 | | 240,000.00 | | 240,000.00 |
| Kamahindu Chiefs Office | 120,000.00 | 83,331.00 | | 203,331.00 | | 203,331.00 |
| Kirenga Assistant County Commissioner's Office | 3,600,000.00 | | 3,600,000.00 | 7,200,000.00 | 3,592,497.83 | 3,607,502.17 |
| Kinale Assistant County Commissioner's Office | 3,600,000.00 | | 1,660,056.42 | 5,260,056.42 | 1,660,056.42 | 3,600,000.00 |
| OTHERS | | | | | | |
| Kagwe ICT Hub | 2,600,000.00 | | 2,320,000.00 | 4,920,000.00 | 2,320,000.00 | 2,600,000.00 |
| Kimende ICT Hub | 2,600,000.00 | | | 2,500,000.00 | | 2,600,000.00 |
| Funds Pending Approval | | 100,000.00 | | 100,000.00 | | 100,000.00 |
| TOTAL | 137,088,879.31 | 10,939,674.00 | 69,367,724.00 | 217,396,277.00 | 104,393,782.00 | 113,002,495.00 |

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

The NGCDF-LARI Constituency financial statements were approved on 20th May 2022 and signed by:



Fund Account Manager
Name: JOSEFRIDA KAMETI



National Sub-County
Accountant
Name: NANCY N. MOGOI
ICPAK M/No: 20483



Chairman NG-CDF Committee
Name: EVAN KARANJA K.

***Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

xi. SIGNIFICANT ACCOUNTING POLICIES

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

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.

1. Reporting Entity

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

2. 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.

3. 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.

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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.

4. 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.

5. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits or 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.

6. 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.

7. 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.

8. 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.

9. 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

10. 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 2020 for the period 1st July 2020 to 30th June 2021 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.

11. Comparative Figures

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

12. 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 2021.

13. Errors

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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.

14. Related Party Transactions

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

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| | 2020-2021 | 2019-2020 |
|-------------------|-----------------------|-----------------------|
| B041087 | | 45,140,876 |
| B041105 | | 4,000,000 |
| b041496 | | 20,000,000 |
| B041415 | | 9,900,000 |
| b047955 | | 6,000,000 |
| b049353 | | 14,000,000 |
| b104376 | | 15,000,000 |
| b096595 | | 9,000,000 |
| AIE NO B 32747354 | 32,747,354 | |
| AIE NO. B 104862 | 36,620,369 | |
| AIE NO. B 128484 | 7,000,000 | |
| AIE NO. B 126485 | 11,600,000 | |
| AIE NO. B 124589 | 9,000,000 | |
| AIE NO. B 119540 | 8,500,000 | |
| AIE NO. B 119930 | 12,000,000 | |
| AIE NO. B 128171 | 6,900,000 | |
| AIE NO. B132228 | 6,000,000 | |
| AIE NO B138896 | 12,000,000 | |
| AIE NO B126190 | 7,000,000 | |
| AIE NO B126190 | 12,000,000 | |
| TOTAL | 161,367,724.00 | 123,040,876.00 |

| 3510000 | 2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS | | 2020 - 2021 | 2019 - 2020 |
|---------|--|--|-------------|-------------|
| | Description | | Kshs | Kshs |
| 3510202 | Receipts from the Sale of Buildings | | - | - |
| | AIA | | | |
| 3510601 | Receipts from the Sale of Vehicles and Transport Equipment | | - | - |
| 3510801 | Receipts from the Sale Plant Machinery and Equipment | | - | - |
| 3510803 | Receipts from the Sale of Office and General Equipment | | - | - |
| | TOTAL | | - | - |

| 1400000 | 3. OTHER RECEIPTS | | 2020 - 2021 | 2019 - 2020 |
|---------|------------------------------------|--|-------------|-------------|
| | Description | | Kshs | Kshs |
| 1410107 | Interest Received | | | - |
| 1410405 | Rents | | | - |
| | AIA | | 100,000.00 | |
| 1420601 | Receipts Sale of Tender Documents | | | 30,000 |
| | Hire of plant/equipment/facilities | | - | - |
| | Unutilized funds from PMCs | | | |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | |
|---------|---|--|-------------------|---------------|
| | | | | - |
| 1450207 | Other Receipts Not Classified Elsewhere (specify) | | - | - |
| | TOTAL | | 100,000.00 | 30,000 |

| 2110000 | | 4 COMPENSATION OF EMPLOYEES | | |
|---------|--|-----------------------------|---------------------|------------------|
| | Description | | 2020 - 2021 | 2019 - 2020 |
| | | | Kshs | Kshs |
| 2110201 | NG-CDFC Basic staff salaries | | 1,171,080.00 | 1,547,108 |
| | Personal allowances paid as part of salary | | | |
| 2110301 | House allowance | | 176,000.00 | - |
| 2110314 | Transport allowance | | 184,000.00 | 201,600 |
| 2110320 | Leave allowance | | - | 208,800 |
| 2710120 | Gratuity-contractual employees | | 1,222,197.00 | - |
| 2120101 | Employer Contributions Compulsory national social security schemes | | 51,840.00 | 64,800 |
| | TOTAL | | 2,805,117.00 | 2,022,308 |

| 2200000 | | 5 USE OF GOODS AND SERVICES | | |
|---------|---|-----------------------------|--------------|-------------|
| | Description | | 2020 - 2021 | 2019 - 2020 |
| | | | Kshs | Kshs |
| 2210100 | Utilities, supplies and services | | 744,345.00 | 350,000 |
| 2210101 | Electricity | | 122,500.00 | 0 |
| 2210102 | Water & sewerage charges | | 162,000.00 | 120,000 |
| 2210200 | Communication, supplies and services | | 138,700.00 | 480,000 |
| 2210300 | Domestic travel and subsistence | | 53,000.00 | 0 |
| 2210500 | Printing, advertising and information supplies & services | | 732,360.00 | 480,000 |
| 2210700 | Training expenses | | 2,116,000.00 | 1,878,000 |
| 2210800 | Hospitality supplies and services | | 162,000.00 | 0 |
| 2210802 | Other committee expenses | | 4,572,220.00 | 1,315,288 |
| 2210809 | Committee allowance | | 1,117,000.00 | 1,128,000 |
| 2211000 | Specialised materials and services | | 40,000.00 | - |
| 2211100 | Office and general supplies and services | | 180,200.00 | 20,000 |
| 2211200 | Fuel, oil & lubricants | | 84,800.00 | 0 |
| 2211300 | Other operating expenses | | | 242,008 |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | |
|---------|--|-------------------|------------------|
| 2211301 | Bank service commission and charges | 13,800.00 | 135,000 |
| 2211310 | Other Operating Expenses | - | |
| 2211313 | Security operations | 86,500.00 | - |
| 2220100 | Routine maintenance - vehicles and other transport equipment | 13,800.00 | 125,000 |
| | TOTAL | 19,700.00 | 0 |
| | | 13,039,049 | 6,273,296 |

| 6. GRANTS AND OTHER PAYMENTS | | | |
|---|----------------------|---------------------|------------------|
| Description | 2020 - 2021 | 2019 - 2020 | |
| | Kshs | Kshs | |
| Transfers to Primary Schools | 33,800,000.00 | 41,996,000 | |
| Transfers to Secondary Schools | 12,500,000.00 | 11,300,000 | |
| TOTAL | 46,300,000.00 | 53,296,000 | |
| 7. OTHER GRANTS AND OTHER PAYMENTS | | | |
| Description | 2020 - 2021 | 2019 - 2020 | |
| | Kshs | Kshs | |
| Bursary - Secondary (see attached list) | 18,956,500.00 | 18,140,877 | |
| Bursary -Tertiary (see attached list) | 19,818,618 | 8,383,000 | |
| Security Projects (see attached list) | - | 20,898,600 | |
| Sports Projects (see attached list) | 2,747,354.00 | 2,747,354 | |
| Environment Projects (see attached list) | 2,747,354.00 | - | |
| TOTAL | 45,269,826 | 50,169,831 | |
| 8. ACQUISITION OF ASSETS | | | |
| Non Financial Assets | | | |
| Description | 2020 - 2021 | 2019 - 2020 | |
| | Kshs | Kshs | |
| Purchase of computers ,printers and other IT equipments | 95,120.00 | - | |
| TOTAL | 95,120.00 | 0 | |
| 9 Other Payments | | | |
| ICT Hubs | 2,320,000.00 | - | |
| TOTAL | 2,320,000.00 | - | |
| 10A: Bank Balances (cash book bank balance) | | | |
| Name of Bank, Account No. & currency | Account Number | 2020 - 2021 | 2019 - 2020 |
| | | Kshs (30/6/2020) | Kshs (30/6/2019) |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | |
|---|---------------------------|--|---------------------------|
| equity bank lari constituency NG-CDF | 1110295360924 | 67,913,616 | 10,839,674 |
| Equity Bank | | - | - |
| TOTAL | | 67,913,616 | 10,839,674 |
| 10B: CASH IN HAND) | | | |
| | | 2020 - 2021 | 2019 - 2020 |
| | | Kshs | Kshs (30/6/2020) |
| | | (30/6/2021) | |
| Other receipts (specify) | | - | - |
| TOTAL | | - | - |
| 11: OUTSTANDING IMPRESTS | | | |
| <i>Name of Officer</i> | | <i>Amount Taken</i> | <i>Amount Surrendered</i> |
| | | <i>Kshs</i> | <i>Kshs</i> |
| 12A Retention | Date imprest taken | | |
| | | 2020-2021 | 2019-2020 |
| | | KShs | KShs |
| 12 B Gratuity | | | |
| | | 2020-2021 | 2019-2020 |
| | | KShs | KShs |
| Gratuity as at 1 st July (A) | | | - |
| Gratuity held during the year (B) | | | 1,035,347 |
| Gratuity paid during the Year (C) | | | - |
| Closing Gratuity as at 30 th June D= A+B-C | | - | 1,035,347 |
| 13 BALANCES BROUGHT FORWARD | | | |
| | | 2020- 2021 | 2019- 2020 |
| | | Kshs | Kshs |
| | | (1/7/2021) | (1/7/2020) |
| Bank accounts | | 62,478,286 | 10,839,674 |
| Cash in hand | | | |
| Imprest | | | |
| TOTAL | | 62,478,286 | 10,839,574 |
| 14. PRIOR YEAR ADJUSTMENTS | | | |
| | | Balance b/f FY 2019/2020 as per Audited Financial statements | Adjustments |
| Description of the error | | Kshs | Kshs |
| Bank accounts balances | | 5,693,128 | |
| Cash in hand | | - | |
| Total | | 5,693,128 | - |
| Clarification note included | | | |
| 15. CHANGES IN ACCOUNTS RECEIVABLE - | | | |

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

| OUTSTANDING IMPREST | 2020- 2021 | 2019- 2020 |
|---|---------------|---------------|
| | Kshs | Kshs |
| Outstanding Imprest as at 1st July (A) | - | - |
| Imprest issued during the year (B) | 7,891,920.00 | - |
| Imprest surrendered during the Year (C) | 7,891,920.00 | - |
| Net changes in accounts receivables (D=A+B-C) | - | - |
| 16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION | | |
| | 2020- 2021 | 2019- 2020 |
| | Kshs | Kshs |
| 17. OTHER IMPORTANT DISCLOSURES | | |
| 17.1: PENDING ACCOUNTS PAYABLE (See Annex 1) | | |
| | 2020- 2021 | 2019- 2020 |
| | Kshs | Kshs |
| 17.2: PENDING STAFF PAYABLES (See Annex 2) | | |
| | 2020- 2021 | 2019- 2020 |
| | Kshs | Kshs |
| NGCDF Staff - Gratuity | | |
| 17.3: UNUTILISED FUNDS (See Annex 3) | | |
| | 2020- 2021 | 2019- 2020 |
| | Kshs | Kshs |
| Compensation of employees | | |
| Use of goods and services | | |
| Amounts due to other Government entities (see attached list) | 69,367,724.00 | 45,088,879.18 |
| Others (specify) | | |
| 17.4: PMC ACCOUNT BALANCES (See Annex 4) | | |
| | 2020- 2021 | 2019- 2020 |
| | Kshs | Kshs |
| PMC account balances (see attached list) | 21,136,900 | 0 |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Comments |
|-------------------------------|-----------------|--|-----------------|---------------------|--------------------------|----------|
| | a | | b | c | d=a-c | |
| Construction of buildings | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| Sub-Total | | | | | | |
| Construction of civil works | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| Sub-Total | | | | | | |
| Supply of services | | | | | | |
| 10. | | | | | | |
| 11. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

ANNEX 2-ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 2021 |
|---------------|-------------|---------------|--|
| NG-CDFC Staff | | | |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| Grand Total | | | |

ANNEX 3 - UNUTILIZED FUND

| Name | Brief Transaction Description | Outstanding Balance 2020/21 | Outstanding Balance 2019/20 |
|--|-------------------------------|-----------------------------|-----------------------------|
| Amounts due to other Government entities | | | |
| kimende sec school | renovation of the school | | |

Lari Constituency

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | |
|---------------------------------------|-------------------------------|----------------------|----------------------|
| | | 3,900,000.00 | |
| mugiko primary school | renovation of the school | 3,700,000.00 | |
| kiambogo primary school | renovation of the school | 3,700,000.00 | |
| MUTHAINI PRIMARY SCHOOL | constuction two class rooms | 2,400,000.00 | |
| CROSSROAD PRIMARY SCHOOL | constuction three class rooms | 3,600,000.00 | |
| MUGIKO PRIMARY SCHOCL | construction of admin block | 3,000,000.00 | |
| MIRANGI PRIMARY SCHOOL | constrction two classrooms | 2,400,000 | |
| SULMAC PRIMARY SCHOOL | constrction two classrooms | 2,400,000.00 | |
| NGECHU PRIMARY SCHOOL | constrction two classrooms | 2,400,000.00 | |
| NGECHU PRIMARY SCHOOL | construction two classrooms | 1,200,000.00 | |
| KARENGE PRIMARY SCHOOL | construction two classrooms | 1,200,000.00 | |
| KABUNGE PRIMARY SCHOOL | construction two classrooms | 2,400,000.00 | |
| ST AUGUSTINE PRIMARY SCHOOL | construction two classrooms | 2,400,000.00 | |
| UTUGI SECONDARY SCHOOL | construction two classrooms | 2,400,000.00 | |
| SULMAC SECONDARY SCHOOL | construction two classrooms | 2,400,000.00 | |
| KIJABE PRIMARY | renovation of the school | 3,800,000.00 | |
| kinende sec school | construction of admin | 3,700,000.00 | |
| environment activities: | | 2,777,354.00 | |
| kijabe girls | construction of gate | 600,000.00 | |
| BURSARIES 2020/2021 FINANCIAL YEAR | | 19,020,370.00 | |
| ENVIRONMENT | environment activities | | 2,437,135.50 |
| BUSES | buses | | 30,000,000.00 |
| GITHIRION ASSTNT CHIEF | construction of office | | 51,743.68 |
| UPLANDS POLICE STATION | construction of office | | 3,000,000.00 |
| CHIEF OFFICES FURNITURES | construction of office | | 2,400,000.00 |
| KIRENGA ASSISTANT CHIEF | construction of office | | 3,600,000.00 |
| KINALE COUNTY COMMISSIONER | construction of office | | 3,600,000.00 |
| Sub-Total | | 69,367,724.00 | 45,088,879.18 |

ANNEX 4 – SUMMARY OF FIXED
ASSET REGISTER

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| Asset class | Historical Cost b/f (Kshs) 2019/20 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2020/21 |
|--|--|-------------------------------------|--|--------------------------------------|
| Land | - | - | - | - |
| Buildings and structures | 1,650,000.00 | - | - | 1,650,000.00 |
| Transport equipment | - | - | - | - |
| Office equipment, furniture and fittings | 772,500.00 | 95,120.00 | - | 867,620.00 |
| ICT Equipment, Software and Other ICT Assets | 2,524,750.00 | - | - | 2,524,750.00 |
| Other Machinery and Equipment | 40,000.00 | - | - | 40,000.00 |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 4,987,250.00 | 95,120.00 | - | 5,082,370.00 |
| | | | | |
| | | | | |

| ANNEX 5 - PMC BANK BALANCES AS AT 30 th JUNE 2021 | | | | |
|--|-------------|----------------|--------------|--------------|
| PMC | Bank | Account number | Bank Balance | Bank Balance |
| | | | 2020/21 | 2019/20 |
| KIRATHITHI PRIMARY SCHOOL | FAMILY BANK | 049000026304 | 90,078.00 | 0 |
| KINALE PRIMARY SCHOOL | FAMILY BANK | 049000026303 | 112,006.00 | 0 |
| KIRENGA GIRLS SECONDARY SCHOOL | FAMILY BANK | 049000026302 | 47,368.00 | 0 |
| NYAMUTHANGA PRIMARY SCHOOL | FAMILY BANK | 049000026295 | 111,356.00 | 0 |
| KAGO PRIMARY SCHOOL | FAMILY BANK | 049000026293 | 115,281.00 | 0 |
| KIBAGARE PRIMARY SCHOOL | FAMILY BANK | 049000026298 | 8,516.00 | 0 |
| LCDF GITITHA CHIEFS OFFICE | FAMILY BANK | 049000026503 | 302.97 | 0 |
| LCDF KINALE CHIEFS OFFICE | FAMILY BANK | 049000026504 | 45,958.97 | 0 |
| LCDF MBAU-INI CHIEFS OFFICE | FAMILY BANK | 049000026506 | 56.97 | 0 |
| IRIA-INI CHIEFS | FAMILY BANK | 049000026301 | 74,640.00 | 0 |
| KAMBURU' PRIMARY SCHOOL | FAMILY BANK | 049000026296 | 144,356.00 | 0 |
| LCDF SPORTS ACTIVITIES | FAMILY BANK | 049000026485 | 62,198.55 | 0 |
| GACHEMA SECONDARY SCHOOL | FAMILY BANK | 049000026305 | 14,157.00 | 0 |
| NYAMWERU' SECONDARY SCHOOL | FAMILY BANK | 049000026299 | 44.00 | 0 |
| MU'GIKO PRIMARY SCHOOL | FAMILY BANK | 049000026300 | 498.00 | 0 |
| KARIGU-INI SECONDARY SCHOOL | FAMILY BANK | 049000026294 | 227,933.00 | 0 |

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | |
|--|-------------|--------------|--------------|---|
| MUNYAKA PRIMARY SCHOOL | FAMILY BANK | 049000026297 | 19,475.00 | 0 |
| LARI-KIRENGA GITUAMBA CHIEFS OFFICE | FAMILY BANK | 049000026679 | 276.00 | 0 |
| LARI-NGCDF KARATINA PRIMARY SCHOOL | FAMILY BANK | 049000026662 | 220.00 | 0 |
| MBAU INI PRIMARY SCHOOL | FAMILY BANK | 049000026584 | 119,943.00 | 0 |
| LCDF EMERGENCY PROJECTS | FAMILY BANK | 049000026585 | 3.00 | 0 |
| LARI-NGCDF KIRENGA PRIMARY SCHOOL(RENOVATION) | FAMILY BANK | 049000026655 | 175,091.00 | 0 |
| LARI-NGCDF GITHOGOYO ASSISTANT CHIEFS OFFICE(CONSTRUCTION) | FAMILY BANK | 049000026650 | 764.00 | 0 |
| LARI-NGCDF MAGINA PRIMARY SCHOOL(RENOVATION) | FAMILY BANK | 049000026652 | 40,131.00 | 0 |
| LARI-NGCDF GITHOGOYO PRIMARY SCHOOL(RENOVATION) | FAMILY BANK | 049000026654 | 108,933.00 | 0 |
| LNGCDF KARUGO PRIMARY SCHOOL | FAMILY BANK | 049000026653 | 6.00 | 0 |
| LARI-NGCDF MAGINA CHIEFS OFFICE | FAMILY BANK | 049000026663 | 124,830.00 | 0 |
| LCDF KAMAE PRIMARY SCHOOL | FAMILY BANK | 049000026583 | 43,872.00 | 0 |
| LARI-NGCDF MATIMBEI ASSISTANT CHIEF(CONSTRUCTION) | FAMILY BANK | 049000026657 | 296.00 | 0 |
| LARI NGCDF MUGIKO PRIMARY SCHOOL | FAMILY BANK | 049000026879 | 1,530,270.31 | 0 |
| LARI NGCDF NGECHU PRIMARY SCHOOL | FAMILY BANK | 049000026882 | 760,352.73 | 0 |
| LARI NG-CDF KIJABE PRIMARY SCHOOL | FAMILY BANK | 049000026878 | 1,613,811.00 | 0 |
| LARI NGCDF KIMENDE HIGH SCHOOL | FAMILY BANK | 049000026880 | 610,270.31 | 0 |
| LARI NGCDF KINGATUA PRIMARY SCHOOL | FAMILY BANK | 049000026881 | 999,938.02 | 0 |
| LARI NGCDF KIAMBOGO PRIMARY SCHOOL | FAMILY BANK | 049000026883 | 146.36 | 0 |
| LARI NGCDF ST AUGUSTINE SECONDARY SCHOOL | FAMILY BANK | 049000026986 | 633,246.93 | 0 |
| LARI NGCDF MUTHAI-INI PRIMARY SCHOOL | FAMILY BANK | 049000026985 | 382,238.00 | 0 |
| LARI NGCDF SULMAC SECONDARY SCHOOL | FAMILY BANK | 049000026987 | 2,365,836.93 | 0 |
| LARI NGCDF UTUGI SECONDARY SCHOOL | FAMILY BANK | 049000027006 | 2,365,825.65 | 0 |
| LARI NGCDF KARENJE PRIMARY SCHOOL | FAMILY BANK | 049000026983 | 716,210.00 | 0 |
| LARI NGCDF UTUGI PRIMARY SCHOOL | FAMILY BANK | 049000026992 | 904,046.74 | 0 |
| LARI NGCDF MIRANGI PRIMARY SCHOOL | FAMILY BANK | 049000026990 | 346,018.00 | 0 |
| LARI NGCDF CROSSROAD PRIMARY SCHOOL | FAMILY BANK | 049000026991 | 1,288,890.00 | 0 |
| LARI NGCDF ENVIRONMENT | FAMILY BANK | 049000027021 | 137,654.51 | 0 |
| LARI NGCDF KABUNGE PRIMARY SCHOOL | FAMILY BANK | 049000026984 | 2,395,960.00 | 0 |
| LARI NGCDF SULMAC PRIMARY SCHOOL | FAMILY BANK | 049000026989 | 2,397,594.44 | 0 |
| TOTAL | | | 21,136,900 | 0 |

RECEIVED
MAY 10 1964
LIBRARY