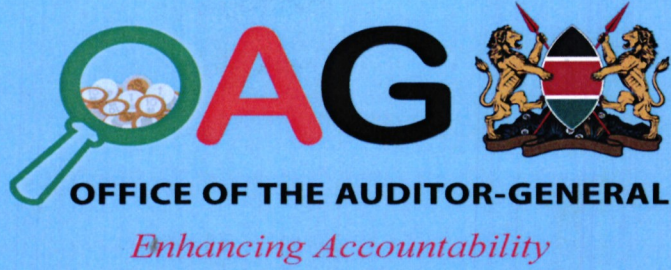


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

ON DATE: 02 AUG 2023

DAY:

WED

TABLED
BY:

Hon Naomi Wago MP
Deputy Majority Whip

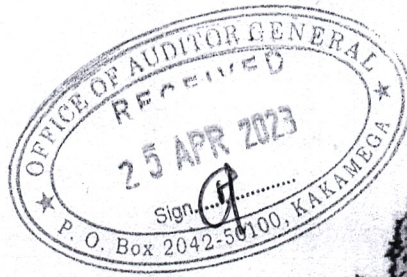
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THE-TABLE:

Fairays Mwaridi

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

**FOR THE YEAR ENDED
30 JUNE, 2022**

correct copy



LURAMBI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

Table of Contents

	Page
I. Key Constituency Information and Management.....	ii
II. NG-CDFC Chairman’s Report	vi
III. Statement Of Performance Against Predetermined Objectives for FY2021/22.....	xiv
IV. Environmental and Sustainability Reporting	xvi
V. Statement Of Management Responsibilities.....	xx
VI. Report Of the Auditor General On the NGCDF- Lurambi Constituency.....	xxii
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022.....	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022	6
XI. Significant Accounting Policies	12
XII. Notes To the Financial Statements	18

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;

***Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Julius Oketch
2.	Sub-County Accountant	Lucas Okech
3.	Chairman NGCDFC	Fabian Shilako
4.	Member NGCDFC	Jesca Maina

(d) Fiduciary Oversight Arrangements

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

(e) Lurambi Constituency NGCDF Headquarters

P.O. Box 2680
NG-CDF Building
KAKAMEGA
Kakamega-Kisumu Highway
NG-CDF Building

(f) Lurambi Constituency NGCDF Contacts

Telephone: (254) 722574566
E-mail: cdflurambi@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Lurambi Constituency NGCDF Bankers

EQUITY BANK
P.O Box 2512-50100
KAKAMEGA

(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

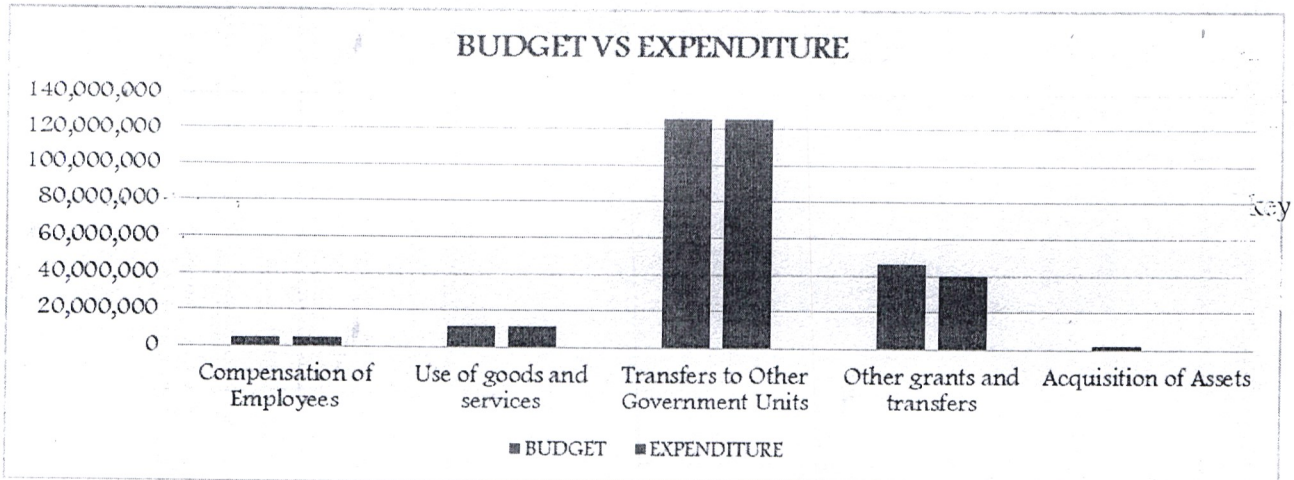


FABIAN SHILAKO CDFC CHAIRMAN

I am delighted to present our annual financial report for the FY 2021/2022. This year we have witnessed an improved performance in the overall management of the fund, we have equally launched some of the projects that had been earlier initiated. We continue to boost of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

BUDGET PERFORMANCE

We are proud to share with you that we had a 87% utilization of funds received from the NG-CDF Board up from 75% in the 2020/2021FY. Utilization of funds helps us enhance our core focus and objectives of serving the constituents of Lurambi. The chart below graphically illustrates our fund utilization.



KEY ACHIEVEMENTS

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

1. Completion of key Flagship Projects: In this financial year, we initiated a number of key flagship projects for implementation. I am proud to report that the following Projects have been successfully finished and handed over to the users; Mahiakalo Primary School Primary (8 Classrooms), NG-CDF office Block (stalled since 2008), Ebuhai Primary school (8 Classrooms), Key Environmental projects, Sports and emergency projects.
2. We prioritised and disbursed Kshs 15,501,412 (Fifteen million five hundred and one thousand four hundred and twelve), which was more than half the total funds received as bursary support for needy students in the constituency. These funds have benefited over 7000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.
3. We also managed to intervene and construct exhaustible pit latrines at Kilimo primary school, Mahiakalo primary school, Ebuchinga primary school, Ibinzo primary school and St Titus Emasera secondary school to a tune of Kshs 7,195,472 (Seven million, one hundred and ninety five thousand four hundred and seventy two) from the emergency reserve. The schools had been condemned by the public health department and were facing closure.

Lurambi Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

4. We also managed to construct classrooms in some schools and administration blocks in the following schools Kakamega primary school, St Titus Emasera secondary school four number classrooms and administration block, Muslim primary school eight number classroom storey building, Lurambi primary school four number classrooms, Eshisiru primary school four number classrooms, Shisasari primary school three number classrooms, and at Shiyunzu eight number classrooms.
5. The constituency procured and had a comprehensive 5 year strategic plan (2018-2023) drawn up that will be the guiding principle in implementation of the fund to achieve social economic development for the people of Shinyalu constituency. The plan focuses on thirteen strategic themes including Education and training, agriculture, commerce, urban development housing and tourism, employment creation and promotion, water, energy, roads, security, environmental management, technology and finally resource mobilization and governance.
6. In line with the environment strategic theme we were able to purchase and distribute over 10,000 indigenous tree seedlings to over 20 schools to heed the national government call of achieving 10 % forest cover by the year 2030.
7. The constituency also organized and executed a successful soccer tournament in the month of December 2021 that aimed at enhancing youth talent by providing a higher platform for them to showcase their skills to potential professional soccer scouts and big league teams.



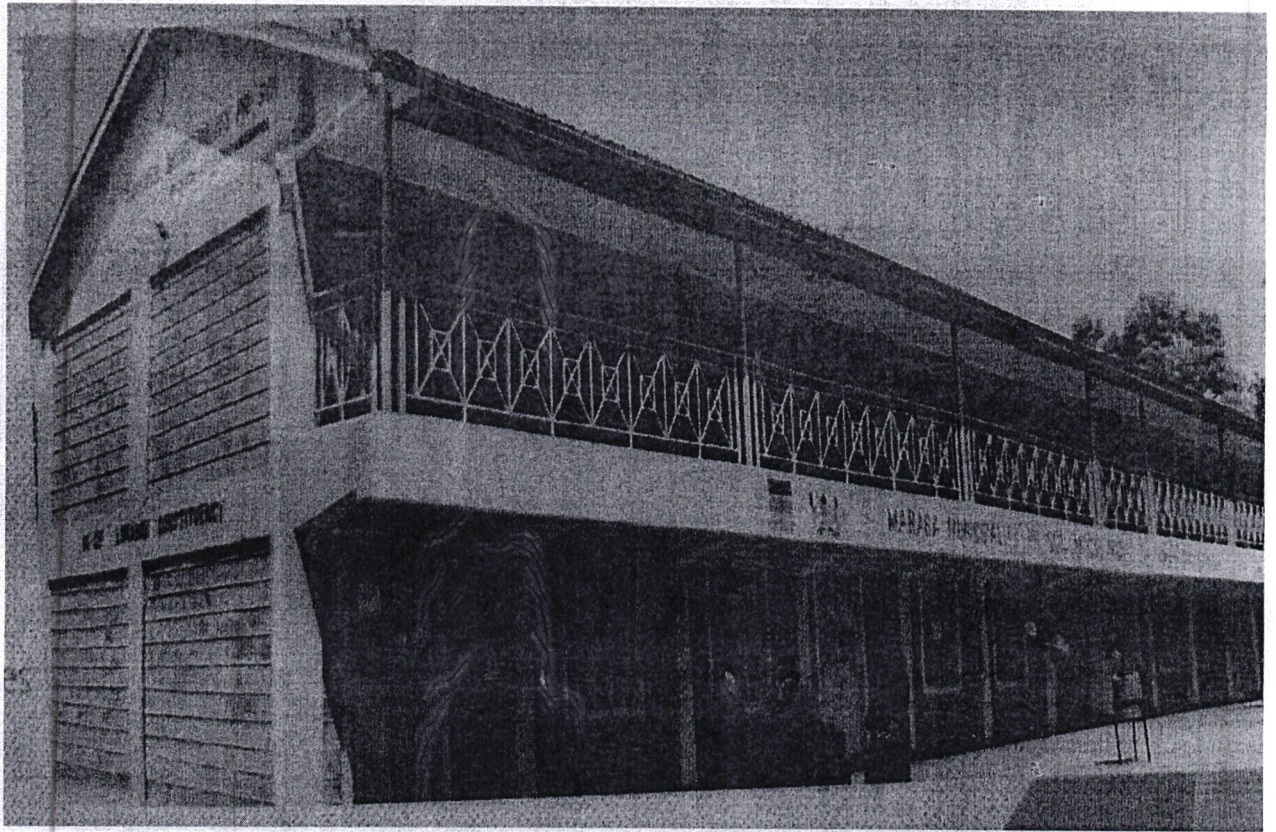


PMC AND CDFC CAPACITY BUILDING WORKSHOP

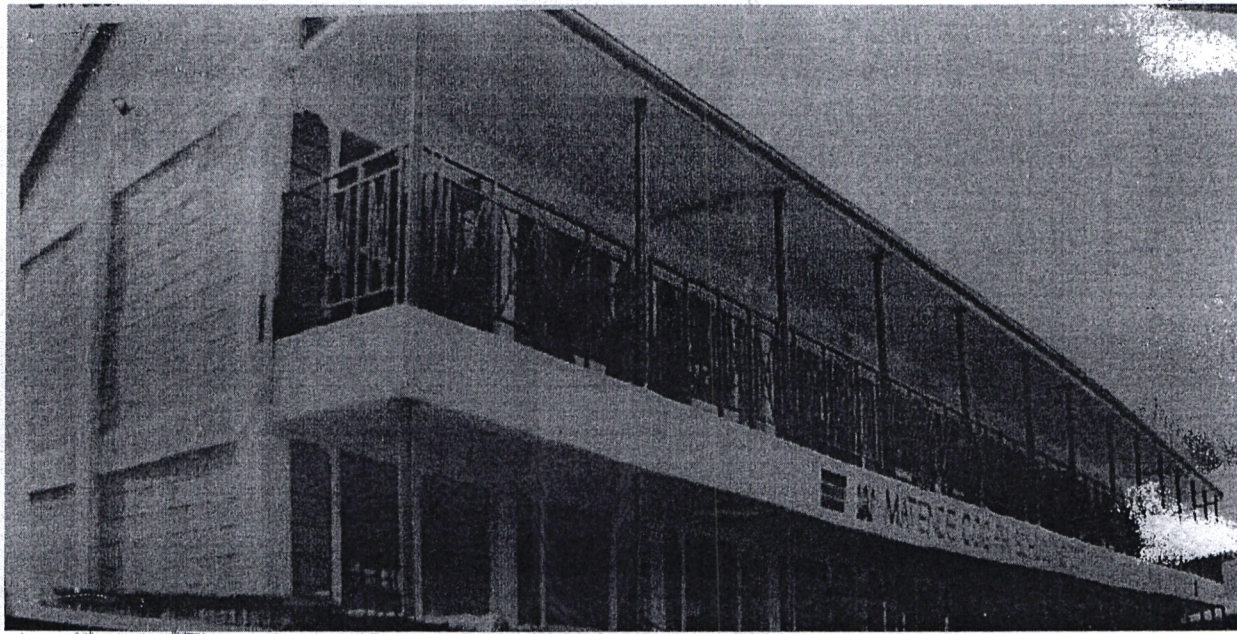
As a way of ensuring smooth operation of the fund as stipulated in the NG-CDF Act (2015), we prioritized training of the key implementers of the fund. We thus had a successful two-day training workshop of all NG-CDF Staff, all PMCs, a select PMC and key departmental heads.



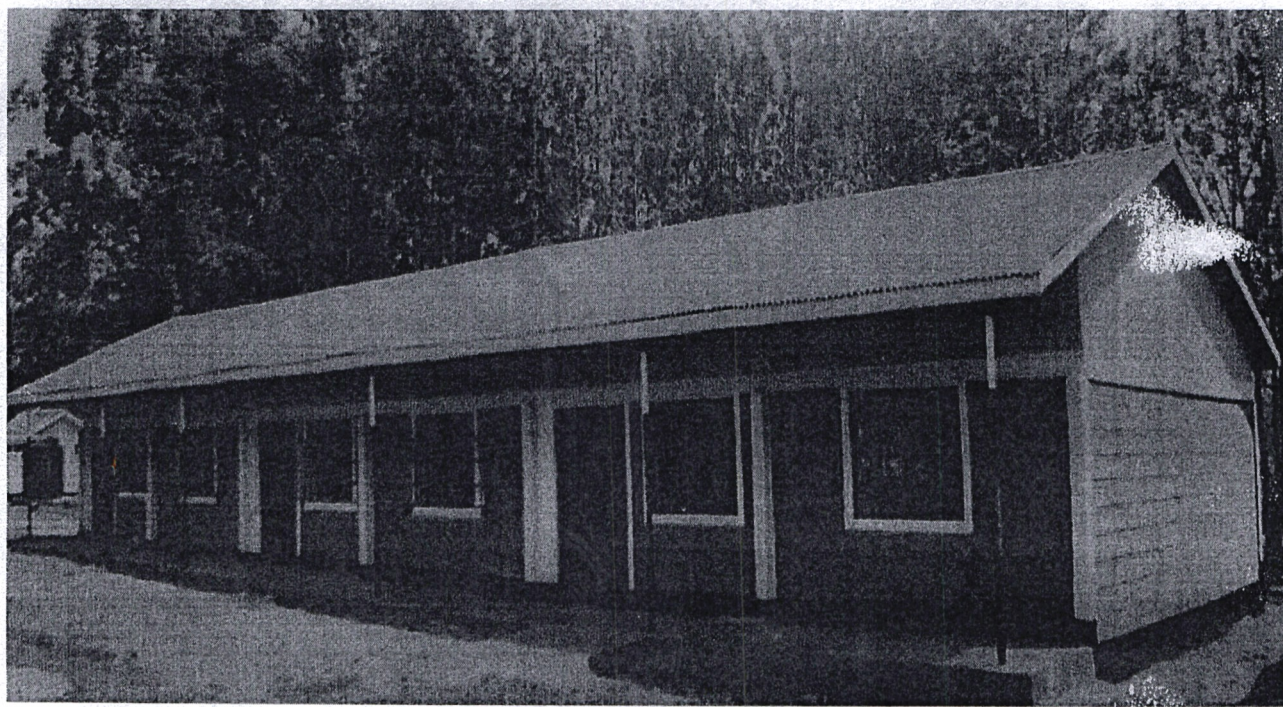
*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*



Maraba Primary School –Construction of 8 No Classrooms Storey



Matende Primary School –Construction of 8 No Classrooms Storey



Ekapwonje Primary School –Construction of 3 No Classrooms

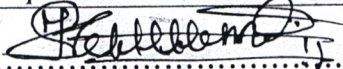


Ebuchinga Primary School –Construction of 8 No Classrooms Storey

CHALLENGES, EMERGING ISSUES AND THE WAY FORWARD

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

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*



.....
Name FABIAN SHILAKO
CHAIRMAN NGCDF COMMITTEE

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

ii. **Statement of Performance Against Predetermined Objectives for FY2021/22**

Introduction

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

The key development objectives of Lurambi Constituency 2018-2022 plan are to:

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	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	-Number of Classrooms/laboratories Constructed. -Amount of bursary awarded	-64 New classrooms were constructed to completion. -15,501,412/= was awarded as bursary to needy students in Secondary schools and Tertiary Institutions. -The committee constructed twin Laboratory at Rosterman secondary school.
Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	Number of toilets built in primary and secondary.	The constituency constructed 18 Modern toilets in Primary schools.

Lurambi Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Sports	Promote peace building activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	Number of Sports Tournaments organized.	The Constituency organized 1 big tournaments where youths were awarded with trophies.
Security	Improve security and maintain law and order in the community.	Constructed houses for Chiefs and security agencies	Number of houses constructed for Chiefs and Security agencies.	The constituency constructed staff houses in 3 police posts and completed the construction of Sichirayi Chiefs office.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Lurambi constituency invests in capacity building

programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

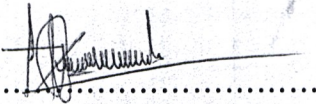
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
Name JULIUS OKETCH

FAM

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-LURAMBI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

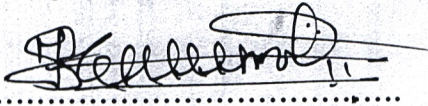
The Accounting Officer in charge of the NGCDF-LURAMBI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- LURAMBI Constituency further confirms the completeness of the accounting records maintained for the NGCDF-LURAMBI constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

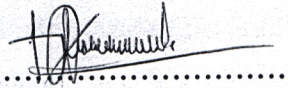
The Accounting Officer in charge of the NGCDF LURAMBI Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- LURAMBI Constituency financial statements were approved and signed by the Accounting Officer on 22/9/ 2022.

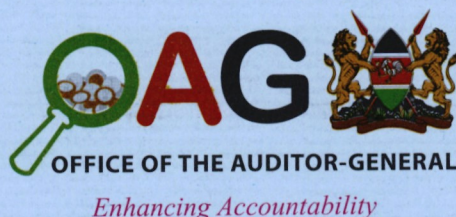


.....
Name: FABIAN SHILAKO
Chairman – NGCDF Committee



.....
Name: JULIUS OKETCH
Fund Account Manager

REPUBLIC OF KENYA



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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 - LURAMBI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Control, 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 the National Government Constituencies Development Fund - Lurambi Constituency set out on pages 1 to 39 which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement

*Report of the Auditor-General on National Government Constituencies Development Fund - Lurambi Constituency
for the year ended 30 June, 2022*

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

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

Basis for Qualified Opinion

1. Inaccuracy of Comparative Balances

1.1. Unutilized Funds

Note 17.3 to the financial statements reflects a comparative balance in respect of unutilized funds of Kshs.75,467,204. However, Annex 3 reflects a corresponding balance of Kshs.56,556,603 on the same item resulting to variance of Kshs.18,910,601 between the two records that has not been explained or reconciled.

Further, recast of the balances in Annex 3 reflects a balance of Kshs.67,843,051 and not the recorded amount of Kshs.56,556,603 resulting to unreconciled and unexplained variance of Kshs.11,286,448.

In addition, the balance of Kshs.56,556,603 reflected in Annex 3 to the financial statements excludes balances totalling Kshs.16,576,405 relating to fifteen (15) primary schools, two (2) chiefs' offices, one (1) social hall, a market and a social security entity which were reflected in the audited financial statements for the year ended 30 June, 2021.

1.2. Project Management Committee (PMC) Account Balances

Note 17.4 to the financial statements reflects a comparative Project Management Committee balance of Kshs.5,705,427 while Note 13 to the audited financial statements for 2020/2021 reflects a corresponding balance of Kshs.5,646,558. The variance of Kshs.58,869 has not been explained or reconciled. Further, Annex 5 to the financial statements reflects a comparative Project Management Committee balance of Kshs.5,705,427. However, the balance excludes Kshs.838 relating to a Secondary school that was reflected in the audited financial statements for the year ended 30 June, 2021.

In the circumstances, the accuracy and completeness of the unutilized funds of Kshs.75,467,204 and Project Management Committee comparative balance of Kshs.5,705,427 could not be confirmed.

2. Inaccuracy of Use of Goods and Services Expenditure

The statement of receipts and payments reflects a balance of Kshs.6,924,848 in respect of use of goods and services which, as disclosed in Note 5 to the financial statements, includes Kshs.1,495,252 relating to other committee expenses. However, the supporting schedules/ledger reflects a balance of Kshs.1,245,200 on the same expenditure item resulting to unexplained and unreconciled variance Kshs.250,252.

In the circumstances, the accuracy and completeness of the other committee expenses of Kshs.1,495,252 could not be confirmed.

3. Unsupported Project Management Committee (PMC) Bank Account Balances

Note 17.4 to the financial statements reflects a balance of Kshs.2,238,619 relating to Project Management Committee balances which, as disclosed in Annex 5, represents bank account balances for forty-two (42) Project Management Committees. However, bank statements and certificates of bank balance for the forty-two (42) bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC bank account balances of Kshs.2,238,619 could not be confirmed.

4. Unsupported Retention Money

The statement of assets and liabilities reflects retention money balance of Kshs.2,406,065 as disclosed in Note 12A to the financial statements. However, no documents detailing the specific contractors and related projects were provided to support the reported balance.

In the circumstances the accuracy and completeness of retention money balance of Kshs.2,406,065 could not be confirmed.

5. Inaccuracy of Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.13,560,240 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement for the month of June, 2022 reflects stale cheques amounting to Kshs.416,373 that had not been reversed in the cash book. The bank reconciliation statement also revealed outstanding bank charges dated 30 November, 2021 amounting to Kshs.11,760 which had not been entered in the cash book as at 30 June, 2022. No satisfactory explanation was provided on the failure to update the cashbook with the bank charges.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.13,560,240 could not be confirmed.

6. Unsupported Receipts

The statement of receipts and payments reflects an amount of Kshs.649,155 in respect of other receipts which, as disclosed in Note 3 to the financial statements, includes Kshs.12,000 relating to sale of tender documents. However, no documentation to show

the respective tenders, bidders and dates was provided to support the amount of Kshs.12,000.

In the circumstances, the accuracy and completeness of other receipts amount of Kshs.12,000 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 Constituency Development Fund - Lurambi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects income budget and actual on comparable basis of Kshs.217,570,268 and Kshs.200,281,389 respectively, resulting to under-funding of Kshs.17,288,879 or 8% of the budget. Similarly, the statement reflects actual expenditure of Kshs.189,127,214 against approved expenditure of Kshs.217,570,268 resulting to under-performance of Kshs.28,443,054 or 13% of the budget.

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

2. Unresolved Prior Year Matters

In the report for the previous year, several paragraphs were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated in the progress on follow up of the Auditor's recommendation section of the financial statements that the issues have been resolved, it has not been explained how the issues were resolved as required by the Public Sector Accounting Standards Board reporting template.

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 matter 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

Delayed Construction of NG-CDF Office Building

The statement of receipts and payments reflects acquisition of assets amount of Kshs.14,540,673 which, as disclosed in Note 8 to the financial statements, relates to construction of buildings. The expenditure was incurred during the year in relation to the on-going construction of Lurambi Constituency offices.

The contract for this project was awarded to a local construction company in 2008/2009 financial year for construction of a six (6) storey office building at a contract sum of Kshs.155,953,860 for an unspecified contract period. However, the project stalled between 2012 and 2017. As at the time of stalling, the project had reached second floor and the contractor had been paid a sum of Kshs.52,464,576.

Between 2017 and 2020, there were negotiations between the NG-CDF Board and the County Government of Kakamega with a view to requesting the County Government to take over the project and, in exchange, finance development projects worth Kshs.52,464,576. However, the negotiations did not succeed.

The NG-CDF Board decided to terminate the contract and scale down the project by completing the building structure with roofing and completing the second floor first, and then first floor for occupation. The works were tendered afresh and a new contractor awarded the contract at a contract sum of Kshs.28,937,726. As at 30 June, 2022, only ground floor had been completed for occupation. At the time of audit, a total of Kshs.81,402,302 had been injected into the project.

From the foregoing, the Fund did not obtain value for money from the project.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (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 CONTROL, 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 control, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (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 services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intentions to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that control 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

19 June, 2023

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	176,356,603	169,832,260
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	649,155	-
TOTAL RECEIPTS		177,005,758	169,832,260
PAYMENTS			
Compensation of employees	4	3,314,997	3,805,795
Use of goods and services	5	6,924,848	13,098,006
Transfers to Other Government Units	6	134,385,106	75,023,728
Other grants and transfers	7	29,862,140	48,708,890
Acquisition of Assets	8	14,540,673	9,310,272
Other Payments	9	99,450	-
TOTAL PAYMENTS		189,127,214	149,946,691
SURPLUS/DEFICIT		(12,121,456)	19,885,569

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

The Constituency financial statements were approved on 22/9/2022 and signed by:

Fund Account Manager

Name: JULIUS OKETCH

National Sub-County
Accountant

Name: LUCAS OKECH
CPAK M/No: 17541

DISTRICT ACCOUNTANT

P.O. Box 313
KAKAMEGA

Chairman NG-CDF Committee

Name: FABIAN SHILAKO

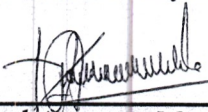
Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VIII. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,560,240	23,275,631
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		13,560,240	23,275,631
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		13,560,240	23,275,631
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	2,406,065	1,181,487
Gratuity	12B	-	-
NET FINANCIAL SSETS		11,154,175	22,094,144
REPRESENTED BY			
Fund balance b/fwd	13	23,275,631	2,208,575
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(12,121,456)	19,885,569
NET FINANCIAL POSITION		11,154,175	22,094,144

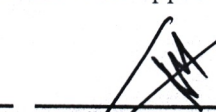
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 22/9/2022 and signed by:



Fund Account Manager

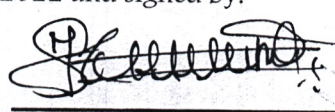
Name: JULIUS OKETCH



National Sub-County
Accountant

Name: LUCAS OKECH
ICPAK M/No: 17541

DISTRICT ACCOUNTANT
P.O. Box 313
KAKAMEGA



Chairman NG-CDF Committee

Name: FABIAN SHILAKO

Lurambi Constituency

National Government Constituencies Development Fund (NGCDF)

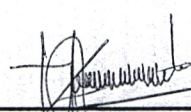
Annual Report and Financial Statements for The Year Ended June 30, 2022


IX. Statement of Cash Flows for the Year Ended 30th June 2022

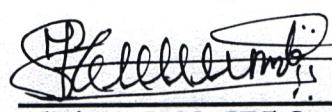
		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	176,356,603	169,832,260
Other Receipts	3	649,155	-
		177,005,758	169,832,260
Payments			
Compensation of Employees	4	3,314,997	3,805,795
Use of goods and services	5	6,924,848	13,098,006
Transfers to Other Government Units	6	134,385,106	75,023,728
Other grants and transfers	7	29,862,140	48,708,890
Other Payments	9	99,450	-
		174,586,541	140,636,420
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	2,406,065-	-
Prior year Adjustments	14	-	-
Net cash flow from operating activities		4,825,282	29,195,840
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	(14,540,673)	(9,310,272)
Net cash flows from Investing Activities		(14,540,673)	(9,310,272)
NET INCREASE IN CASH AND CASH EQUIVALENT		(9,715,391)	19,885,569
Cash and cash equivalent at start of the year	10	23,275,631	3,390,062
Cash and cash equivalent at END of the year		13,560,240	23,275,631

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

The Constituency financial statements were approved on 22/9/2022 and signed by:


 Fund Account Manager
 Name: JULIUS OKETCH


 National Sub-County
 Accountant
 Name: LUCAS OKECH
 ICPAK M/No: 17541


 Chairman NG-CDF Committee
 Name: FABIAN SHILAKO

DISTRICT ACCOUNTANT
 P.O. BOX 313
 KAKAMEGA

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget	Opening Balance (C/BK) and AIA	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							
Transfers from NG-CDF Board	137,088,879	23,275,631	56,556,603	216,921,113	199,632,234	17,288,879	92%
Proceeds from Sale of Assets					-	-	0%
Other Receipts		649,155		649,155	649,155		100%
TOTAL RECEIPTS	137,088,879	23,924,786	56,556,603	217,570,268	200,281,389	17,288,879	92%
PAYMENTS							
Compensation of Employees	3,200,000	1,183,416	-	4,383,416	3,314,997	1,068,419	76%
Use of goods and services	7,348,658	2,363,972	-	9,712,630	6,924,848	2,787,782	71%
Transfers to Other Government Units	95,648,014	3,081,428	50,512,997	149,242,439	134,385,106	14,857,333	90%
Other grants and transfers	30,692,207	1,786,647	6,043,606	38,522,460	29,862,140	8,660,320	78%
Acquisition of Assets		14,860,168	-	14,860,168	14,540,673	319,495	98%
Other Payments	200,000			200,000	99,450	100,550	50%
Funds Pending Approval		649,155		649,155		649,155	
TOTAL	137,088,879	23,924,786	56,556,603	217,570,268	189,127,214	28,443,054	87%

- i. Underutilisation in other payments was occasioned by the unutilized NHIF fund during the financial year.
- ii. Underutilization in compensation of employees was occasioned by gratuity fund not paid during the financial year.

**Lurambi Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for the Year Ended June 30, 2022**

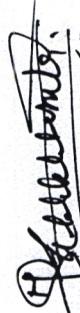
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	28,443,054
Less undisbursed funds receivable from the Board as at 30th June 2022	17,288,879
Add Accounts payable	11,154,175
Less Accounts Receivable	2,406,065
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	13,560,240

The Constituency financial statements were approved on 22/9/2022 and signed by:



Fund Account Manager

Name: JULIUS OKETCH



Chairman NG-CDF Committee

Name: FABIAN SHILAKO

National/Sub-County Accountant

Name: JOCKAS OKECH
 ICPAK/M/No: 17541

**DISTRICT ACCOUNTANT
 P.O. Box 313
 KAKAMEGA**

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(=d/c %)
		Previous Years Outstanding Disbursements	Opening Balance (C/B) and AIA				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,200,000	-	1,183,416	4,383,416	3,314,997	1,068,419	76
1.2 Committee allowances	1,977,625		1,014,951	2,992,576	1,670,000	1,322,576	56
1.3 Use of goods and services	1,458,367		110,427	1,568,794	1,810,891	(242,097)	115
Total	6,635,992	-	2,308,793	8,944,785	6,795,888	2,148,897	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,421,000		19,186	1,440,186	1,077,800	362,386	75
2.2 Committee allowances	1,876,518		704,260	2,580,778	1,495,252	1,085,526	58
2.3 Use of goods and services	615,148		515,148	1,130,297	870,905	259,392	77
Total	3,912,666	-	1,238,594	5,151,261	3,443,957	1,707,304	67
3.0 Emergency							
3.1 Primary Schools	7,192,207		1,535,345	8,727,552	7,195,472	1,532,080	82

**Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2021/2022	Kshs	Previous Years Outstanding Disbursements	Kshs				
3.2 Secondary schools								
3.3 Tertiary institutions								
3.4 Security projects								
3.5 Unutilized								
Total		7,192,207		1,535,345	8,727,552	7,195,472	1,532,080	82
4.0 Bursary and Social Security								
4.1 Secondary Schools		15,000,000	1,228,606		16,228,606	12,675,412	3,553,194	78
4.2 Tertiary Institutions		5,149,744		15,000	5,164,744	2,826,000	2,338,744	55
4.3 Social Security								
4.4 Special Needs								
Total		20,149,744	1,228,606	15,000	21,393,350	15,501,412	5,891,938	72
5.0 Sports								
5.1		350,256	815,000	6,673	1,171,929	1,165,256	6,673	99
Total		350,256	815,000	6,673	1,171,929	1,165,256	6,673	99
6.0 Environment								
6.1				229,629	229,629	-	229,629	-
Total		-	-	229,629	229,629	-	229,629	-

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(c = c - d)	% of Utilisation (f=d/c %)
		Previous Years Outstanding Disbursements	Opening Balance (C/BK) and AIA				
7.0 Primary Schools Projects	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Emahungu Primary school	1,000,000	-	-	1,000,000	1,000,000	-	100
Eshistu Primary school	3,000,000	-	-	3,000,000	3,000,000	-	100
Mwiyenga Primary school	4,000,000	-	-	4,000,000	4,000,000	-	100
Shikoti Primary	5,000,000	3,500,000	-	8,500,000	5,000,000	3,500,000	59
Shisasari Primary School	3,000,000	3,000,000	-	6,000,000	6,000,000	-	100
shiyunzi Primary School	4,000,000	-	-	4,000,000	4,000,000	-	100
Daisy special school	3,368,211	1,500,000	-	4,868,211	3,368,211	1,500,000	69
Ewambwa Primary School	3,712,630	-	-	3,712,630	3,712,630	-	100
Eshibeje Primary school	2,000,000	5,000,000	-	7,000,000	2,000,000	5,000,000	29
Hirumbi Primary School	4,500,000	1,000,000	-	5,500,000	4,500,000	1,000,000	82
Ikonyero Primary school	5,287,370	-	-	5,287,370	5,287,370	-	100
Kakamega Primary school	9,726,730	2,000,000	-	11,726,730	11,726,730	-	100
Kakamega school for deaf	3,500,000	3,000,000	-	6,500,000	4,000,000	2,500,000	62
Lurambi Primary school	6,000,000	4,000,000	-	10,000,000	10,000,000	-	100
Maraba Primary school	5,000,000	-	-	5,000,000	5,000,000	-	100
Muslim Primary school	4,000,000	312,997	-	4,312,997	4,237,092	75,905	98
Mwiyala Primary school	6,000,000	-	-	6,000,000	6,000,000	-	100

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c - d)	% of Utilisation (f=d/c %)
	2021/2022	Kshs	Previous Years Outstanding Disbursements	Opening Balance (C/Bk) and AIA				
Shivakala Primary school	2,000,000				2,000,000			100
St Lawrence Ichina Primary school	4,000,000		2,000,000		6,000,000			100
St peters Ebuhayi primary school			4,000,000		4,000,000			100
Eshikhuyu primary school			4,000,000		4,000,000			100
Mahiakalo primary school			1,500,000		1,500,000			100
Ematitie primary school			2,200,000		2,200,000			100
Mahiakalo primary school				1,500,000	1,500,000			100
Ematitie primary school				1,500,000	1,500,000			100
Ematitie primary school			1,100,000		1,100,000			100
Kakamega township primary			800,000		800,000			100
Esokone Primary	3,000,000				3,000,000			100
Total	82,094,941		38,912,997	3,000,000	124,007,938	110,432,033	13,575,905	
8.0 Secondary Schools Projects								
Esokone Secondary School	1,000,000				1,000,000			100
St Titus Emasera secondary school	2,000,000				2,000,000			100
Muslim Secondary School	6,439,598				6,439,598			100
Rosterman Secondary School	2,113,475			81,428	2,194,903		81,428	96

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c - d)	% of Utilisation (f = d / c %)
		Previous Years Outstanding Disbursements	Opening Balance (C/BK) and AIA				
Shiye Secondary School	2,000,000	4,000,000		6,000,000	6,000,000	-	100
Kilimo girls school		2,500,000		2,500,000	2,500,000	-	100
Bishop Sulumeti Secondary		1,000,000		1,000,000	-	1,000,000	
Eshisiru sec school		200,000		200,000	500,000	-	100
Matende Secondary School		500,000		500,000	500,000	-	100
Eshandukusi sec school		2,200,000		2,200,000	2,200,000	-	100
Total	13,553,073	10,400,000	81,428	24,034,501	22,753,073	1,281,428	95
9.0 Tertiary institutions Projects							
Kakamega KMTC		1,200,000		1,200,000	1,200,000	-	100
Total		1,200,000		1,200,000	1,200,000		
10.0 Security Projects							
Bukura police station	2,000,000			2,000,000	2,000,000	-	100
Sichirai Assistant Chiefs office	1,000,000			2,000,000	1,000,000	1,000,000	50
Emayungu Crossing point Footbridge							
Shibuli Police post		2,500,000		2,500,000	2,500,000	-	100
Emasera AP camp		500,000		500,000	500,000	-	100
Total	3,000,000			7,000,000	6,000,000	1,000,000	
11.0 Acquisition of assets							

**Lurambi Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 6/30/2022	Budget utilization difference(c = c- d) Kshs	% of Utilisation(f=d/ c %)
		Previous Years Outstanding Disbursements Kshs	Opening Balance (C/BK) and AIA Kshs				
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	14,860,168	14,860,168	14,540,673	319,495	98
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-	-
Total	-	-	14,860,168	14,860,168	14,540,673	319,495	
12.0 Other payments	-	-	-	-	-	-	-
NHIF	200,000	-	-	200,000	99,450	100,550	50
Total	200,000	-	-	200,000	99,450	100,550	
13.0 unallocated fund	-	-	-	-	-	-	-
Unapproved projects	-	-	-	-	-	-	-
AIA	-	-	649,155	649,155	-	649,155	-
PMC savings	-	-	-	-	-	-	-
Total	137,088,879	56,556,603	23,924,786	217,570,268	189,127,214	28,443,054	87

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
AIE NO. B 140987	33,000,000	
AIE NO. B 140813	4,967,724	
AIE NO. B 105690	34,000,000	
AIE NO. B 105850	30,000,000	
AIE NO. B 128598	6,000,000	
AIE NO. B 154108	12,000,000	
AIE NO. B 128910	12,000,000	
AIE NO. B 164441	20,000,000	
AIE NO. B 155875	10,939,135	
AIE NO.A 895031	800,000	
AIE NO.A 889000	500,000	
AIE NO.A 895015	12,149,744	
AIE NO B104634		28,000,000
AIE NO B096973		18,000,000
AIE NO B124705		9,000,000
AIE NO B104977		8,000,000
AIE NO B104978		7,132,260
AIE NO B124809		500,000
AIE NO B124793		3,400,000
AIE NO B119548		12,000,000
AIE NO B128180		6,900,000
AIE NO B138904		13,000,000
AIE NO B128493		6,000,000
AIE NO B132236		6,000,000
AIE NO B119938		13,000,000
AIE NO B126198		10,000,000
AIE NO B105146		6,000,000
AIE NO B140636		10,900,000
AIE NO B145887		12,000,000
TOTAL	176,356,603	169,832,260

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
Total		

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	12,000	
Hire of plant/equipment/facilities		
Unutilized funds from PMCs	637,155	
Other Receipts Not Classified Elsewhere		
Total	649,155	

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,047,895	3,448,727
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees		
Employer Contributions Compulsory national social security schemes	267,102	357,068
Total	3,314,997	3,805,795

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services		50,199
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services		
Office rent		
Fuel, oil & lubricants		100,000
Rentals of produced assets		
Training expenses	1,077,800	1,128,814
Hospitality supplies and services		93,750
Other committee expenses	1,495,252	7,737,500
Committee allowance	1,670,000	1,471,000
Insurance costs		
Bank service commission and charges		440,155
Specialized materials and services		
Office and general supplies and services	1,810,891	2,076,588
Other operating expenses	870,905	
Routine maintenance – vehicles and other transport equipment		

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Routine maintenance – other assets		
Total	6,924,848	13,098,006

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Notes to the Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	110,432,033	63,023,728
Transfers To Secondary Schools (See Attached List)	22,753,073	12,000,000
Transfers To Tertiary Institutions (See Attached List)	1,200,000	
Total	134,385,106	75,023,728

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	12,675,412	14,462,979
Bursary – tertiary institutions (see attached list)	2,826,000	7,589,480
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Social Security programmes (NHIF)		
Security projects (see attached list)	6,000,000	4,200,000
Sports projects (see attached list)	1,165,256	652,000
Environment projects (see attached list)		2,848,057
Emergency projects (see attached list)	7,195,472	18,956,374
Total	29,862,140	48,708,890

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	14,540,673	9,310,272
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Acquisition of Land		
Total	14,540,673	9,310,272

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Notes to the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
NHIF	99,450	-
Total	99,450	0

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	13,560,240	23,275,631
<i>EQUITY BANK KAKAMEGA Account No.0500280062381</i>		
Total	13,560,240	23,275,631
10 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

11: Outstanding Imprests

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

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Notes to the Financial Statement Continued*

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)		1,181,487
Retention held during the year (B)	2,406,065	
Retention paid during the Year (C)		
Closing Retention as at 30 th June D= A+B-C	2,406,065	1,181,487

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 th June D= A+B-C		

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	23,275,631	2,208,575
Cash in hand		
Imprest		
Total	23,275,631	2,208,575

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statement Continued

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
Total			

** The adjusted balances are not carried down on the face of the financial statement.

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Changes in Account Receivables E= D-A		

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)	2,406,065	
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C	2,406,065	
Changes in Accounts Payable E= D-E		

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
Total		

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	309,782	309,782
Others (<i>specify</i>)		
Total	309,782	309,782

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,068,419	2,322,816
Use of goods and services	2,787,782	(3,965,027)
Amounts due to other Government entities (see attached list)	14,857,333	50,847,970
Amounts due to other grants and other transfers (see attached list)	8,660,320	2,100,464
Acquisition of assets	319,495	20,660,981
Other payments	100,550	-
Funds Pending Approval	649,155	3,500,000
Total	28,443,054	75,467,204

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	2,238,619	5,705,427
Total	2,238,619	5,705,427

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annexes
Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To- Date c	Outstanding Balance 2022 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 2 - Analysis of Pending Staff Payables*

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Ibrahim K Onam	Accounts Assistant	01/07/2020	71,882	
2. Janet Ingonga	Records Management Officer	02/07/2020	70,680	
3. Vicky Ambundo	Clerical Officer	03/07/2020	35,042	
4. Christable Odongo	Clerical Officer	04/07/2020	35,042	
5. Dacklyne Mbolo	Office Assistant	05/07/2020	62,094	
6. Stanley Ingoka	Security	05/07.2020	35,042	
Sub-Total			309,782	
Grand Total			309,782	

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the Year Ended June 30, 2022
Annex 3 – Unutilized Fund*

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees	Salaries, NHIF and NSSF	1,068,419	2,322,816	
Use of goods & services	Allowances, purchases for goods and services	2,787,782	(3,965,027)	
Amounts due to other Government entities				
Primary School Projects				
Shikoti Primary school	Construction of classrooms	3,500,000	3,500,000	
Shisasari Primary School	Construction of classrooms		3,000,000	
Daisy special school	Construction of class2rooms	1,500,000	500,000	
Eshibeje Primary school	Construction of classrooms	5,000,000	5,000,000	
Hirumbi Primary School	Construction of classrooms	1,000,000	1,000,000	
Kakamega Primary school	Construction of classrooms		2,000,000	
Kakamega school for deaf	Construction of classrooms	2,500,000	1,000,000	
Lurambi Primary school	Construction of classrooms		2,000,000	
Muslim Primary school	Construction of classrooms	75,905	237,092	
St Lawrence Ichina Primary school	Construction of classrooms		1,500,000	
Mahiakalo primary school	Construction of classrooms		2,500,000	
Ematiie primary school	Construction of classrooms		2,200,000	

**Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Name	Brief Transaction Description	Outstanding Balance		Comments
		2021/2022	2020/2021	
Ematieie primary school	Construction of classrooms		1,500,000	
Total		13,575,905	25,937,092	
Secondary Schools Projects				
Rosterman Secondary School	Construction of Twin Laboratory	81,428	486,725	
Shiyeve Secondary School	Construction of classrooms		5,000,000	
Kilimo girls school	Construction of Multipurpose hall		2,500,000	
Bishop Sulumeti Secondary	Construction of dormitory	1,000,000	1,000,000	
Eshisiru sec school	Construction of classrooms	200,000	200,000	
Matende Secondary School	Construction of classrooms		500,000	
Eshiandukusi sec school	Construction of classrooms		2,200,000	
Total		1,281,428	11,886,725	
Tertiary institutions Projects				
KMTC-Kakamega Campus	Construction of Lecture hall		1,200,000	
Total			1,200,000	
Amounts due to other grants and other transfers				
Security projects				
Sichirayi Assistant Chief's Office	Construction of staff houses	1,000,000	1,000,000	
Shibuli Police Post	Construction of Police post		2,500,000	

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Emusala AP Camp	Construction of staff houses		1,000,000	
Bursary and social security				
Secondary Schools	Bursary award to needy students	3,553,194	13,744,278	
Tertiary Institutions	Bursary award to needy students	2,338,744	(793,906)	
Special Needs	Bursary award to needy students		1,269,140	
Sports	Sports activities	6,673	933,954	
Environment	Environmental activities	229,629	(2,339,637)	
Emergency	Emergency fund to cater for unforeseen circumstances	1,532,080	(11,013,365)	
	Sub-Total	8,660,320	2,594,370	
Acquisition of assets	Construction of office block	319,495	20,660,981	
	Sub-Total	319,495	20,660,981	
Funds Pending Approval	(Transfers from PMCs)	649,155	3,500,000	
Other payments	NHIF	100,550		
	Grand Total	28,443,054	56,556,603	

Lurambi Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	64,886,754			64,886,754
Buildings and structures	18,838,544	14,540,673		33,379,217
Transport equipment	796,246			796,246
Office equipment, furniture and fittings	504,000			504,000
ICT Equipment, Software and Other ICT Assets	400,991			400,992
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	85,426,535	14,540,673		99,967,209

Lurambi Constituency
National Government Constituencies Development Fund (NCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 5 – PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Date when Account was opened	Bank Balance 2021/22	Bank Balance 2020/21
Bukura Police Post	KCB	125234846	29.08.2016	97,741	8,773
Bishop Sulumeti Girls	KCB	1257267833	22.03.2016	120	66,985
Bukhulunya Primary School	KCB	1184416125	24.10.2014	3.95	139,714
Butsotso Central Chief's Office	KCB	1183789017.00	09.07.2018		1,120
Butsotso East Ap Line	KCB	1131097203	21.11.2016		633
Chief Mutsembi Primary	EQUITY	0500299776016	29.05.2020	165,725.62	165,725
Daisy Special School	EQUITY	0500277439663	03.11.2016	28,430	28,430
Ebwambwa Primary School	KCB	11101561785	01.01.2016	192.10	192
Ebwambwa Secondary School	KCB	1206396792	04.06.2018	36,713	36,713
Ekapwonje Primary School	KCB	1183366299	17.04.2019	24	24
Elukho Primary School	KCB	1240123752	10.07.2018	1,112.50	547,314
Elukho Secondary School	KCB	1256464732	07.01.2018	723	723
Emasera Community School	EQUITY	0500279855601	15.10.2019	249	249
Ematieie Secondary School	CO-OPERATIVE BANK	1139165009902	07.01.2021	10,358.20	10,358
Emmachembe Primary School	EQUITY	0500278882916	07.09.2018	30,438	30,438
Emmachembe Primary School	EQUITY	0500277323993	21.06.2021	390	390
Enukaba Primary School	EQUITY	0500280007424	29.04.2018	414	140,914

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date when Account was opened	Bank Balance 2021/22	Bank Balance 2020/21
Emulundu Primary School	EQUITY	0500279550696	24.06.2019	109,584	114,877
Emurumba Primary	EQUITY	0500278905072	13.12.2018	838	838
Eshimboko Primary	EQUITY	0500279819677	21.07.2020	5,343	55,463
Eshiandukusi Primary School	EQUITY	0500280084148	20.01.2017	159,102	1,854,384
Eshiandukusi Sec School	COOPERATIVE	1134804149800	01.01.2018	455	1,195
Hirumbi Primary	KCB	1109549768	06.04.2019	145.10	145
Ikonyero Secondary School	COOPERATIVE	1109023568900	23.04.2018	75,152.15	75,542
Indangalasia Chiefs Camp	EQUITY	0500277347874	12.03.2018	14,040	14,040
Indangalasia Pri	EQUITY	0500277223573	05.02.2021	22,228	22,228
Kilimo Girls Secondary	KCB	1174508957	10.07.2020	1,807	99,107
Lurambi Primary School	KCB	1174031433	01.09.2021	95.15	95
Maraba Primary	EQUITY	0500279686145	17.03.2021	6,855	215,594
Matende Girls Secondary School	KCB	1156009936	30.03.2021	112	112
Matioli Secondary School	KCB	1174063610	29.06.2020	186	186
Mungulu Primary	EQUITY	0500278882916	21.07.2020	1318	30,438
Mwiyala Mixed Secondary	KCB	1120030854	28.01.2021	84,618.70	85,829
Mwiyala Primary School	KCB	1234692414	03.02.2020	6,954.50	6,955
Nabongo Primary School	EQUITY	0500278915173	20.01.2015	981	54,101
Nyayo Tea Zone	KCB	1171045689	23.04.2020	1,092.80	1,093

Lurambi Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

PMC	Bank	Account number	Date when Account was opened	Bank Balance 2021/22	Bank Balance 2020/21
Rosterman Secondary School	KCB	1183317611	23.04.2020	1,025,488	1,205,757
Shikoti Girls Secondary School	KCB	1135612498	05.02.2021	261,371	461,624
Shisango Girls Secondary School	KCB	1177472228	16.07.2020	108	108
Shisango Primary School	EQUITY	0500277375065	10.07.2020	35,472	35,472
Shisasari Primary School	EQUITY	0500279895091	01.09.2021	1,006	335
Shitungu Ap Camp	KCB	1183261608	16.03.2021		143,012
Shivakala Primary	EQUITY	0500279099320	17.03.2021	48,665	45,235
St. Lawrence Ichina Primary	KCB	1156021332	28.09.2021	2,967	2,967
TOTAL				2,238,619	5,705,427

*Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 6: Progress On Follow Up of Auditor Recommendations*

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

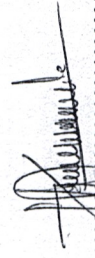
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019-2020-1-01-0202-09(4)	Cash and cash Equivalent variances	The statement of assets and liabilities has been rectified to reflect the true balance as shown in the reconciled cashbook. The cashbook balance of (Kshs 3,390,062) had earlier been indicated in the financial statement submitted for Audit but only got altered during the subsequent amendment. The financial statements have been rectified to confirm the accuracy of the bank balance as of 30 th June 2022	Resolved	
2019-2020-1-01-0202-09/(4)	Accounts payables -Retention	The retention balance Of Kshs 1,181,487 is money owed to MS Maseru construction limited being retention for the construction of the NGCDF Block office. The	Resolved	

Lurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019-2020-1-01-0202-09/(4)	Budget performance	<p>management has however received funds and approval from the NG CDF Board for completion of the project. the previous contract held by Ms Masera construction limited has been invalidated and the tender for completion advertised pending award consequently ,Ms Masera construction limited has been paid the retention fee vide payment certificate number Q/KAK/LUR/CDF/318 of 11th February 2021 (reference 2). We have revised the financial statement to give a disclosure supporting the balance under expenditure</p> <p>The under expenditure under acquisition of assets is due to money which was still being held at the NG CDF</p>	Resolved	

**Eurambi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		board for the completion of the stalled NG CDF office. The money has been disbursed and approval obtained for completion of the NG CDF office block. The overall 41% under expenditure in the budget is as a result of piece meal funding from the NG CDF Board. The management has however prevailed upon the NGCDF Board to fast track release of funds for projects previously budgeted with little success		



 Name **JULIUS OEKITCH**
 Fund Account Manager.