


REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

 THE NATIONAL ASSEMBLY OF PAPERS LAID	
DATE:	14 AUG. 2023 WEDNESDAY
TABLED BY:	HON. OWEN BAYA, MP DEPUTY CHIEF MAJORITY PARTY
CLERK-AT-THE-TABLE:	ESTHER NGINYO

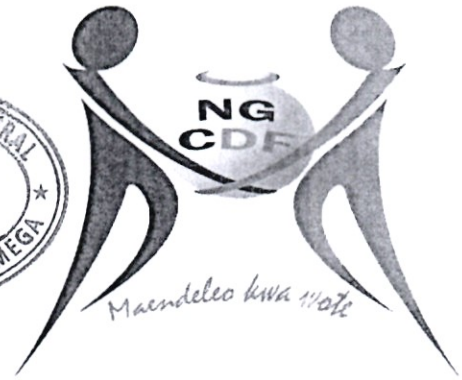


**THE AUDITOR-GENERAL**

ON

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
LIKUYANI CONSTITUENCY**

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



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## LIKUYANI CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>th</sup> JUNE 2023

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

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## 1. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS- International Public Sector Accounting Standards.

PMC- Project implementation status

FY-Financial Year

## 2) Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

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

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

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Paul N. Adome
2.	Sub-County Accountant	Daniel Atuta
3.	Chairman NGCDFC	Thadayo Kimwela
4.	Member NGCDFC	Isaac Makokha

(c) Fiduciary Oversight Arrangements

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

(d) Likuyani Constituency NGCDF Headquarters

P.O. Box 15-30205  
Kongoni DCC Headquarters  
Eldoret Kitale Highway  
Matunda KENYA

(e) Likuyani Constituency NGCDF Contacts

Telephone: (254) 721776554  
E-mail: [Likuyanicdf@ngcdf.go.ke](mailto:Likuyanicdf@ngcdf.go.ke)  
Website: [www.ngcdfLikuyani.go.ke](http://www.ngcdfLikuyani.go.ke)

**(f) Likuyani Constituency NGCDF Bankers**

Equity Bank 0500261734009

Branch Kakamega

P.O.Box

**(g) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(h) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



### 3. NG-CDFC Chairperson's Report



Thadayo Kimwela

Chairperson Likuyani NGCDF

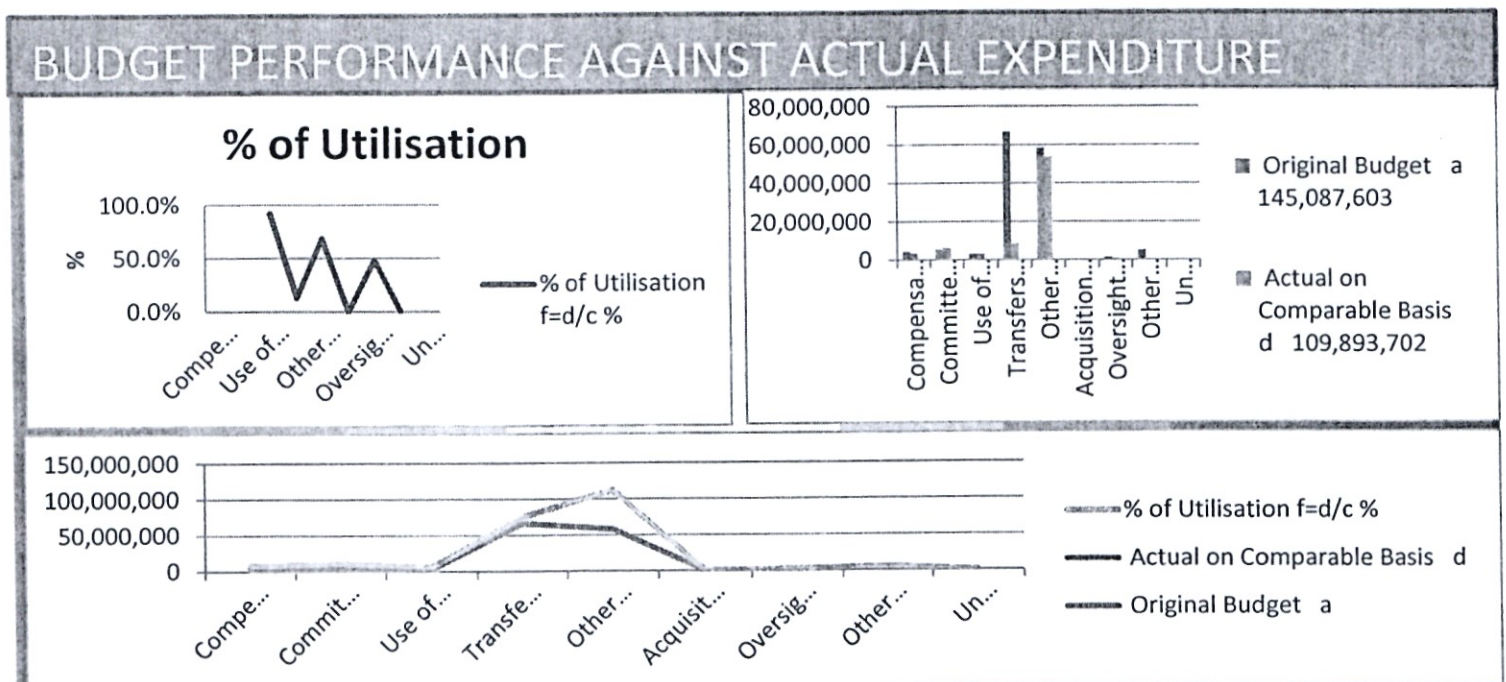
The constituency currently has 72 Primary and 36 Secondary schools in the public sector. It is one of the third highly populated constituencies and above all, a purely rural constituency. Owing to this, there is heavy pressure on the available funds in terms of infrastructure development as well as education bursary needs. It is in fact the largest constituency in Kakamega County.

Financial report

The constituency received Ksh.87, 000,000 meant for financial year 2022/2023. There was a balance brought forward of Ksh.23, 427,312 giving us a total of Ksh. 110,427,312 as available funds. The total payments for the financial year amounted to Ksh.**75, 671,279**.

Summary of the budget performance against actual amounts for current year based on sectors

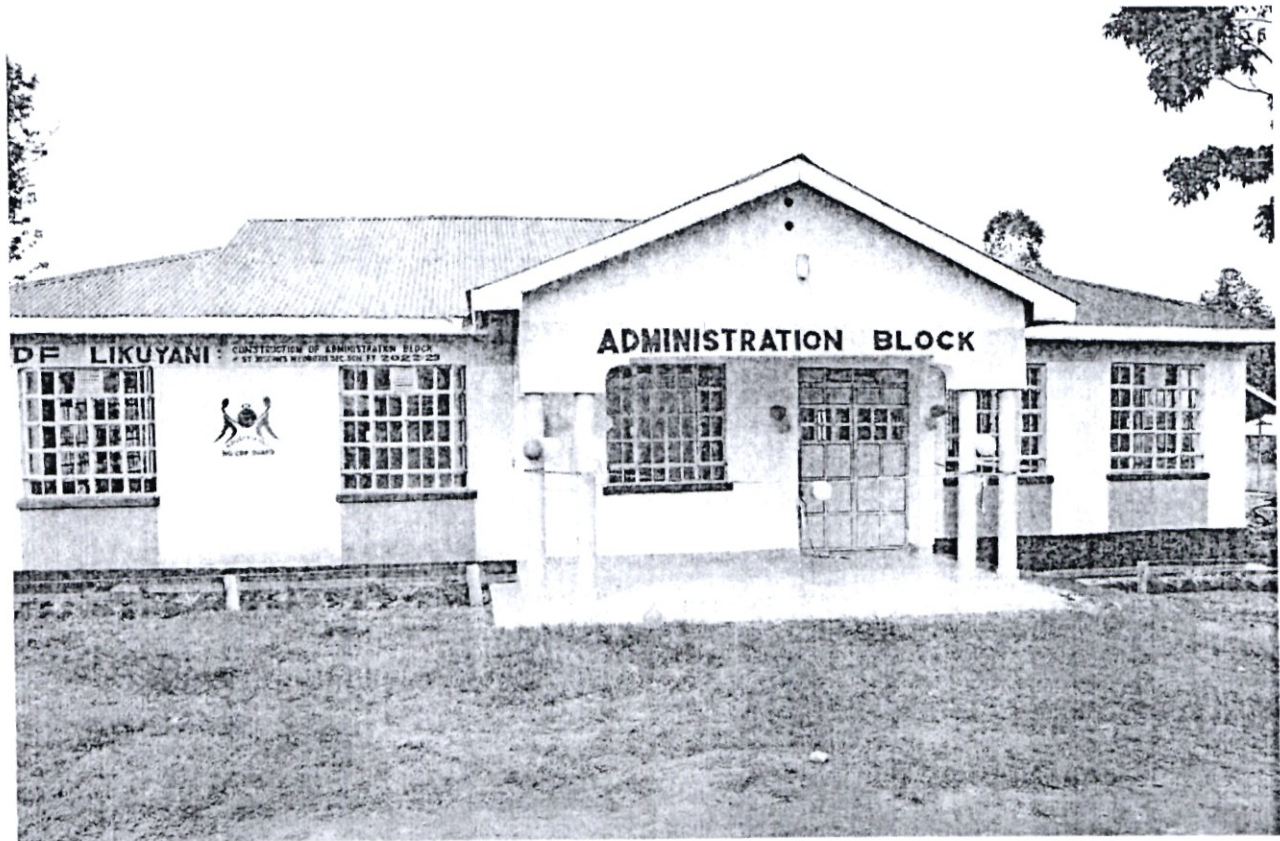
Receipt/Expense Item	Original Budget	Actual on Comparable Basis	% of Utilisation
Compensation of Employees	6,455,697	3,329,283	51.6%
Committee expenses	7,919,199	6,796,323	85.8%
Use of goods and services	3,432,480	3,178,884	92.6%
Transfers to Other Government Units	66,890,000	8,600,000	12.9%
Other grants and transfers	78,144,672	53,766,789	68.8%
Acquisition of Assets	0	-	-
Other Payments	5,169,257	-	0.0%
<b>TOTAL</b>	<b>168,011,305</b>	<b>75,671,279</b>	<b>45.0%</b>



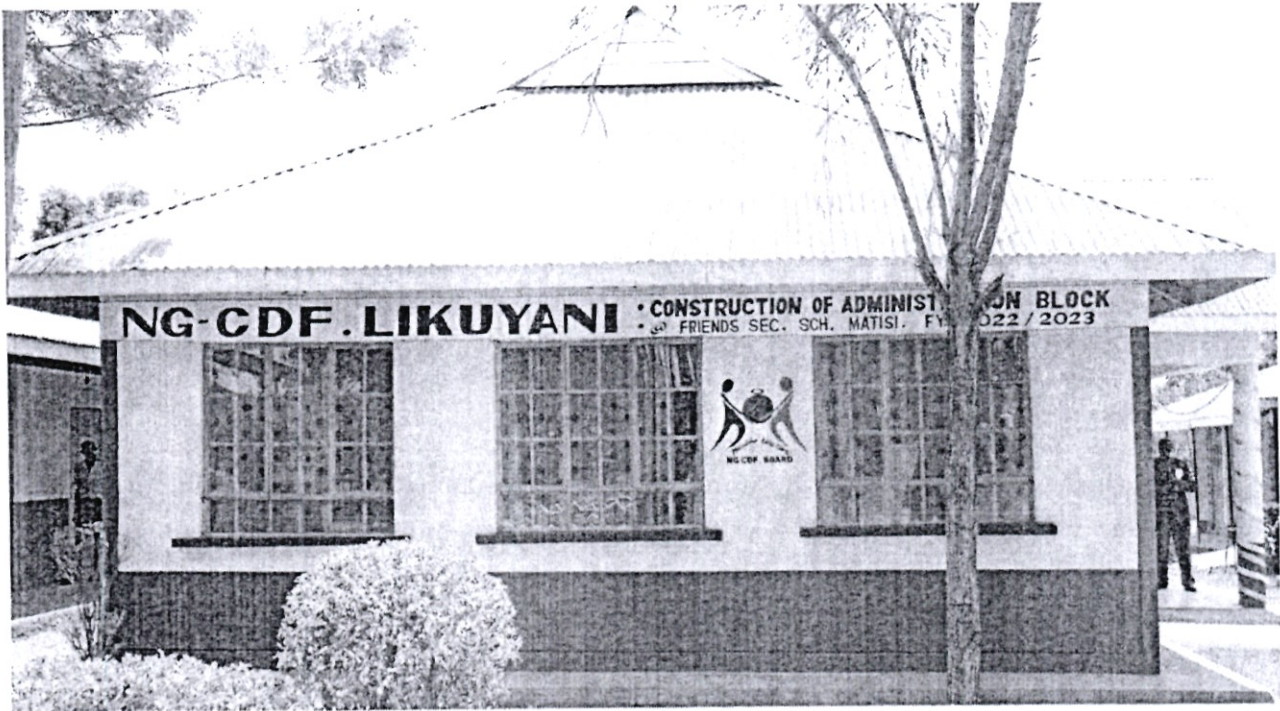
Adhered to the use of the Inspection and Acceptance certificate which is duly signed by the institution's management and NG-CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank payment schedule duly signed by the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly borne positive results.

The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. All projects were implemented under full contract by use of already prequalified contractors by the Likuyani NG-CDFC or the National Government Sub County Procurement Units.

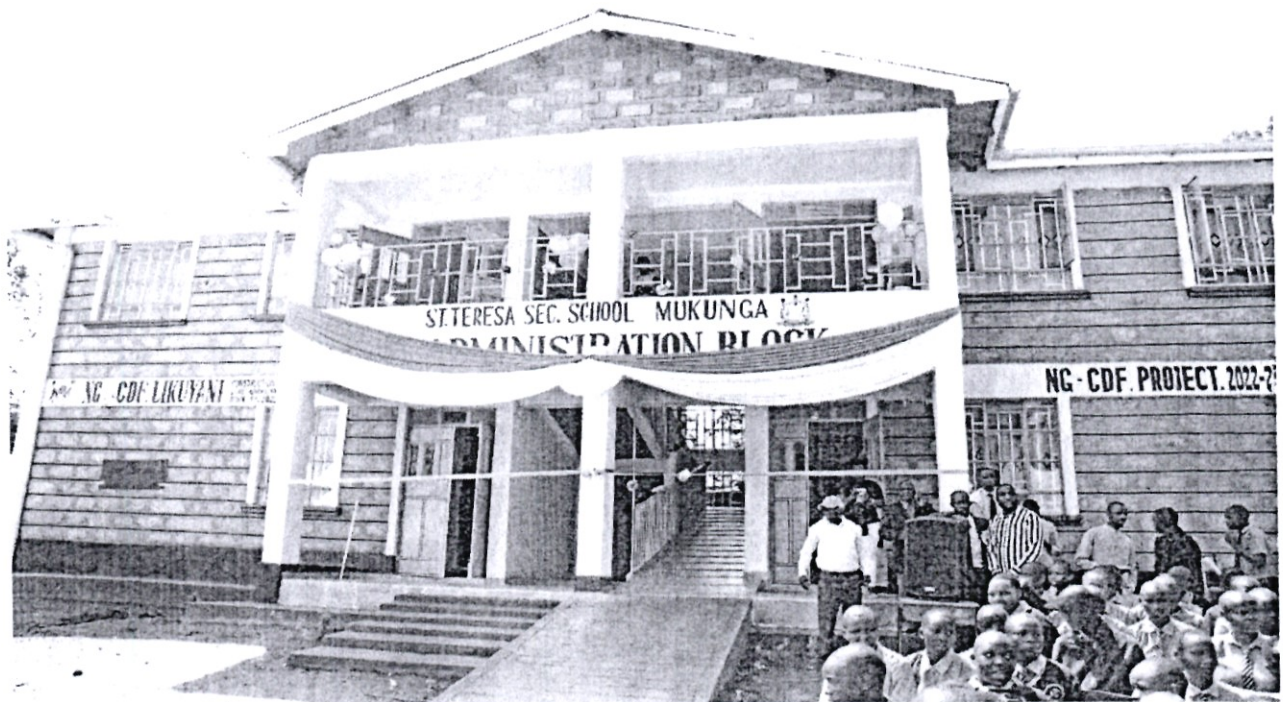
Best projects for the Financial Year 2022/2023



St. Joseph's Nyorotis construction of Administration Block funded by Likuyani NGCDF Financial Year 2022/2023



Friend Secondary School Matisi construction of Administration Block funded by Likuyani NGCDF Financial Year 2022/2023



St. Teresa Secondary School construction of Administration Block funded by Likuyani NGCDF Financial Year 2022/2023

#### Emerging Issues


1. Seasonal strong winds that at times blows off the roofs of buildings
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Steady increase in population hence increased need for infrastructural developments in both the education and security sectors

#### Implementation challenges

1. Shortage of Public Works Officers in the County
2. High demand of unskilled labor by the unemployed locals pushing to get the opportunities at the construction sites
3. Delay of disbursement of funds from the NG-CDF Board

#### Remedies to the challenges

1. Proper planning by the project implementers to ensure we share the scarce Technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs
3. Conducting capacity building to the PMCs



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Thadayo Kimwela

CHAIRPERSON LIKUYANI NGCDF COMMITTEE

#### 4. Statement of Performance against Predetermined Objectives for FY2022/23

##### Introduction

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

The key development objectives of *Likuyani Constituency 2023-2025* plan are to:

1. To improve Education Outcomes at all level of learning Likuyani Constituency.
2. To empower the youth through Sports, Entrepreneurship and talent Development initiatives.
3. To empower Woman and special interest groups and provide Safety nets for the venerable groups in Likuyani Constituency.
4. To enhance security and social cohesion of Likuyani Citizens through mult state holders pronged approaches.
5. To promote Sustainable environment practices and mitigate climate change effects in Likuyani Constituency.
6. To increase access to innovation and ICT infrastructure in Likuyani Constituency.
7. To ensure development Efforts are carried out collaboratively with key stake holder to meet the diverse need of the Likuyani community.

##### Progress on attainment of Strategic development objectives

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

s	Objective	Outcome	Indicator	Performance
Education	To improve education outcomes at all level of learning in Likuyani Constituency	Increased infrastructure in learning institutions	Better performance in schools  Improved transition from primary to secondary to tertiary intuitions	2022/23 -we will have timely disbursement of bursary to needy students



Security	To Ensure that residents of Likuyani together with their properties are safe	Increased Development and safety of the residents	More renovated police stations, More police patrol vehicles	We renovated police post, increase number of police personnel
Environment	To promote sustainable environment management practices	Improved health and safety facilities	Availability of bio toilets in public school increased awareness about climate change	Planting of tree seedlings in primary school and public institution
Sports	To empower the youths through sports	Talent growth and development	Well-equipped youth centers	Purchasing of uniforms and training materials and spotting activities
Emergency	To respond to emergency issues with promptness	Well mitigated emergency issues e.g. reduce flooding	Reduced disruptions of normal operation e.g. learning activities	Promptness respond to emergency issues
Others(Specify)				

## 5. Statement of Governance.

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

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

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

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

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

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

The roles of NG-CDF Committee are:

- a) Collect public views on what projects to be funded before budgeting through Public Participation

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

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

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

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

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

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

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

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

## 6. Environmental and Sustainability Reporting.

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

- a. **Education and Training:** Likuyani 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 marginalized groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

## 2. Environmental performance

- Planting of tree seedlings in primary school and public institution is done yearly through the budget approved by the Board
- Building and renovation of police post increase number of police personnel and it is done on need basis
- Purchasing of uniforms and training materials and spotting activities which is done on yearly basis.

## 3. Employee welfare

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

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

Likuyani NGCDF Constituency is committed to fair and ethical market practices.

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 practices 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 honoring 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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

#### 5. Community Engagements-

Likuyani NGCDF has endeavored 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.

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



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**Paul N Adome**

**Fund Account Manager.**

## 7. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Likuyani 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, 202X. 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-Likuyani 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, 20223, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Likuyani Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Likuyani 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- Likuyani Constituency financial statements were approved and signed by the Accounting Officer on 21/09/2023.



Name: Thadayo Kimwela

Chairman – NGCDF Committee



Name: Paul N. Adome

Fund Account Manager

# REPUBLIC OF KENYA



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIKUYANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Likuyani Constituency set out on pages 1 to 69,

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

which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following errors of misstatements:-

- i) The statement of assets and liabilities reflects net financial assets balance of Kshs.34,280,923 while the "represented by section" reflects a net financial position balance of Kshs.34,283,323. No explanation or reconciliation was provided for the variance of Kshs.2,400 between the two balances which are supposed to agree.
- ii) The statement of assets and liabilities reflects a nil balance in respect of gratuity while Note 14 to the financial statements reflects a gratuity balance of Kshs.270,470. The variance of Kshs.270,470 was not explained or reconciled.
- iii) The statement of assets and liabilities reflects a fund balance brought forward of Kshs.22,896,102 while Note 15 to the financial statements on the same component reflects Kshs.23,427,312. The variance of Kshs.531,210 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.53,766,789 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.24,360,491, Kshs.26,680,698 and Kshs.677,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.51,718,189 could not be confirmed.

### **3. Unsupported Expenditure on Construction of Foot Bridge**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.53,766,789 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.1,298,600 relating to emergency projects, out of which, Kshs.200,000 was disbursed to Patrice Primary School Project Management Committee for construction of a foot bridge. However, physical inspection conducted in March, 2024 revealed that the foot bridge did not exist.

Further, although the amount is indicated as having been disbursed from the Constituency account, no evidence was available at the school to confirm that the amount was received by the Project Management Committee in charge of the project.

In the circumstances, the accuracy, completeness and existence of the expenditure of Kshs.200,000 could not be confirmed.

### **4. Inaccuracies of Pending Staff Payables**

Note 19.2 and Annex 2 to the financial statement the reflects staff payables balance of Kshs.270,470. However, a recasted amount of Annex is Kshs.327,340 resulting to a variance of Kshs.56,870 which was not explained or reconciled.

In the circumstances, the accuracy and completeness of pending staff payables balance of Kshs.270,470 could not be confirmed.

### **5. Inaccuracy of Summary of Fixed Assets Register**

Annex 4 to the financial statements on summary of fixed assets register reflects a balance of Kshs.20,204,095 being the value of fixed assets owned by the Fund. However, recasting of the balances in the Annex revealed a total of Kshs.20,284,095. The variance of Kshs.80,000 was not explained or reconciled. Further, Management did not provide a fixed assets register for audit.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.20,204,095 could not be confirmed.

### **6. Incorrect Disclosure of Prior Year Adjustment Balance**

The statement of assets and liabilities and Note 16 to the financial statements reflects Nil balance in respect of prior year adjustment for both the current and previous financial periods. However, the statement of cash flows reflects a negative balance of Kshs.2,031,000 and Kshs.234,609 for 2021/2022 and 2022/2023 financial years respectively. The variances have not been explained or reconciled.

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

## **7. Unsupported Project Management Committee Balances**

Note 5 and Annex 19.4 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.208,505 and Kshs.284,661 respectively. resulting to a variance Kshs.76,156. Further, the cashbooks, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.167,981,305 and Kshs.109,952,202 respectively resulting to an underfunding of Kshs.58,029,103 or 35% of the budget. However, the Fund spent an amount of Kshs.75,729,779 against actual receipts of Kshs.109,952,202 resulting to an under-utilization of Kshs.34,222,423 or 31% of the actual receipts.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report for the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources which remained unresolved as at 30 June, 2023. However, Management has not resolved the issues or provided satisfactory reasons for the delay in resolving the issues.

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

### Conclusion

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

### Basis of Conclusion

#### 1. Project Implementation Status

During the year under review, the Fund had planned to implement eighteen (18) projects with a budget of Kshs.42,350,000. However, twelve (12) or 67% of the projects budgeted at Kshs.33,750,000 had not been started and only six (6) or 33% of the projects worth Kshs.8,600,000 were completed.

In the circumstances, value for money was not obtained for the 12 projects and the residents did not receive the intended services.

#### 2. Long Outstanding Imprest

The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects outstanding imprest balance of Kshs.2,031,000. However, records provided for audit review revealed that the imprest was issued on 03 February, 2022 but had not been surrendered or accounted for as at 30 June, 2023. No explanation was provided for the failure to surrender or account for the imprest in accordance with Regulation 93(5) of the Public Finance Management Regulations, 2015 which states that a holder of a temporary imprest shall account for or surrender the imprest within 7 working days after returning to duty station.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

## **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

12 June, 2024

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	181,277,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	58,500	57,000
Total Receipts		87,058,500	181,334,758
Payments			
Compensation Of Employees	4	3,329,283	2,690,579
Committee expenses	5	6,796,323	3,906,500
Use Of Goods and Services	6	3,178,884	6,545,766
Transfers To Other Government Units	7	8,600,000	89,705,200
Other Grants and Transfers	8	53,766,789	69,443,014
Acquisition Of Assets	9	-	-
Other Payments	10	-	-
Total Payments		75,671,279	172,291,059
Surplus/(Deficit)		11,387,221	9,043,699

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

The Constituency financial statements were approved by the NGCDFC on 21/09/2023 and signed by:

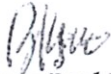
Likuyani Constituency

National Government Constituencies Development Fund (NGCDF)

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

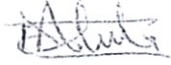
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Fund Account Manager



Name: Paul N. Adome

National Sub-County Accountant



Name: Daniel Atuta

ICPAK M/No: 20437

Chairman NG-CDF Committee



Name: Thadayo Kimwela

## 10. Statement of Assets and Liabilities as At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	11A	32,249,923	23,427,312
Cash Balances (Cash at Hand)	11B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>32,249,923</b>	<b>23,427,312</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12	2,031,000	-
<b>Total Financial Assets</b>		<b>34,280,923</b>	<b>23,427,312</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Deposits and Retention	13	-	-
Gratuity	14	-	(531,210)
<b>Total Financial Liabilities</b>		<b>-</b>	<b>( 531,210)</b>
<b>Net Financial Assets</b>		<b>34,280,923</b>	<b>22,896,102</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	22,896,102	13,852,403
Prior Year Adjustments	16	-	0
Surplus/Deficit for The Year		11,387,221	9,043,699
<b>Net Financial Position</b>		<b>34,283,323</b>	<b>22,896,102</b>

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

**Likuyani Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

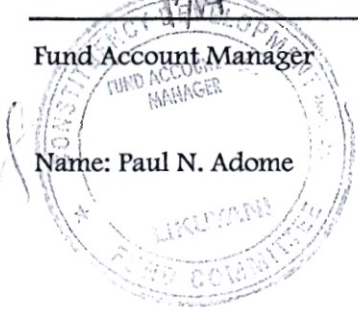
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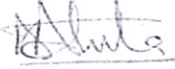
The Constituency financial statements were approved by NG CDFC on 21/09/2023 and signed by:

  
\_\_\_\_\_

**Fund Account Manager**

**Name: Paul N. Adome**




  
\_\_\_\_\_

**National Sub-County Accountant**

**Name: Daniel Atuta**

**ICPAK M/No:20437**

  
\_\_\_\_\_

**Chairman NG-CDF Committee**

**Name: Thadayo Kimwela**

11. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	181,277,758
Other Receipts	3	58,500	57,000
<b>Total Receipts</b>		<b>87,058,500</b>	<b>181,334,758</b>
<b>Payments</b>			
Compensation Of Employees	4	3,329,283	2,690,579
Committee Expenses	5	6,796,323	3,906,500
Use Of Goods and Services	6	3,178,884	6,545,766
Transfers To Other Government Units	7	8,600,000	89,705,200
Other Grants and Transfers	8	53,766,789	69,443,014
Other Payments	10	-	-
<b>Total Payments</b>		<b>75,671,279</b>	<b>172,291,059</b>
<b>Total Receipts Less Total Payments</b>		<b>11,387,221</b>	<b>9,043,699</b>
Adjusted For:			
Prior Year Adjustments	16	(2,031,000)	234,609
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	296,601
Net adjustments			531,210
<b>Net Cash Flow from Operating Activities</b>		<b>9,356,221</b>	<b>9,574,909,</b>
<b>Cash flow From Investing Activities</b>			

Likuyani Constituency

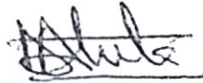
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Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net increase in Cash & Cash Equivalents		9,356,221	9,574,909
Cash & Cash Equivalents At Start Of The Year	11	23,427,312	13,852,403
Cash & Cash Equivalents At End Of The Year	11	32,249,923	23,427,312

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

The Constituency financial statements were approved by NG CDFC on 21/09/2023 and signed by:



Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Name: Paul N. Adome

Name: Daniel Atuta

Name: Thadayo Kimwela

ICPAK M/No:20437

12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilizations Difference	% of Utilizations
	a		b	C=a+b	d	E=c-d	F=d/c%
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	145,087,603	22,893,702	0	167,981,305	109,893,702	58,087,603	65.4%
Proceeds from Sale of Assets					-		0.0%
Other Receipts		-		-	58,500	-58,500	0.0%
TOTAL RECEIPTS	145,087,603	22,893,702	0	167,981,305	109,952,202	58,029,103	65.5%
PAYMENTS							
Compensation of Employees	4,431,134	2,024,563		6,455,697.00	3,329,283	3,126,414	51.6%
Committee Expenses	6,848,000	1,071,199		7,919,199	6,796,323	1,122,876	85.8%
Use of goods and services	3,229,626	202,854		3,432,480.00	3,178,884	253,596	92.6%
Transfers to other Government Units	66,890,000			66,890,000.00	8,600,000	58,290,000	12.9%
Other Grants and Transfers	58,519,586	19,595,086		78,114,672.00	53,766,789	24,347,883	68.8%
Acquisition of Assets	-	-		-	-	-	-
Oversight Committee Expenses	-	-		-	-	-	-
Other Payments	5,169,257			5,169,257.00	-	5,169,257	0.0%
Un approved Funds(AIA)		-		-	58,500	-58,500	0.0%
TOTAL	145,087,603	22,893,702	0	167,981,305	75,729,779	92,251,526	45.1%



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

*Explanatory Notes.*

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

*We collected AIA OF KSH. 58,500 as disclosed in the Appropriation*

*(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*

- Compensation of employees (51%) - There was difference in salary allocations between the previous staff and new staff*
- Transfer to other government units (12.9%) - There was late disbursement of funds from the Board have delay disbursement to PMC accounts*
- Other Grants and transfers (68%) - There was delay in vetting of bursary and late disbursement of funds to needy students*
- Oversight Committee Expenses (48%) - The oversight committee have not yet gone for Monitoring and Evaluation*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	92,251,526
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	58,029,103
	34,222,423
Increase/ (decrease) Accounts payable	0

Likuyani Constituency

National Government Constituencies Development Fund (NGCDF)

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

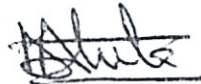
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	34,222,423

The Constituency financial statements were approved by NG CDFC on 21/09/ 2023 and signed by:



Fund Account Manager

Name: Paul N Adome



National Sub-County Accountant

Name: Daniel Atuta  
ICPAK M/No:20437



Chairman NG-CDF Committee

Name: Thadayo Kimwela

13. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,431,134	2,024,563.00		6,455,697	3,329,284	3,126,413
1.2 Committee allowances	1,448,000	71,199.00		1,519,199	1,519,199	-
1.3 Use of goods and services	2,826,122	202,854.00		3,028,976	2,785,967	243,009
Total	8,705,256	2,298,616	-	11,003,872	7,634,450	3,369,422
2.0 Monitoring and evaluation						-
2.1 Capacity building	392,228			392,228	542,216	(149,988)

**Likuyani Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

2.2 Committee allowances	3,410,400			3,410,400	3,288,119	122,281
2.3 Use of goods and services	550,000			550,000	392,228	157,772
<b>Total</b>	<b>4,352,628</b>		<b>-</b>	<b>4,352,628</b>	<b>4,222,563</b>	<b>130,065</b>
<b>3.0 Emergency</b>						
	7,636,190			7,636,190		
3.1 Primary Schools				-		
Patrice Primary School				-	200,000	
Sirende Primary School				-	500,000	
3.2 Secondary schools				-		-
St Elizabeth Likuyani Girls				-	598,600	
<b>Total</b>	<b>7,636,190</b>	<b>-</b>		<b>7,636,190</b>	<b>1,298,600</b>	<b>6,337,590</b>
<b>4.0 Bursary and Social Security</b>				-		
4.1 Secondary Schools	15,000,000	13,914,388.00		28,914,388	24,357,092	4,557,296
4.2 Tertiary Institutions	20,000,000	6,680,698.00		26,680,698	26,680,698	-

*Likuyani Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

4.3 Social Security	3,000,000			3,000,000		3,000,000
4.4 Special Needs	1,271,901			1,271,901	677,000	594,901
Total	39,271,901	20,595,086	-	59,866,987	51,714,790	8,152,197
5.0 Sports				-		-
Constituency Sports Tournament	2,000,000			2,000,000		2,000,000
Regional Sports Tournament	300,000			300,000		300,000
Total	2,300,000			2,300,000		2,300,000
6.0 Environment						
Aligula Primary School	200,000			200,000		200,000
Mukunga Primary School	200,000			200,000		200,000
Mtoni Primary School	200,000			200,000		200,000
Namunyiri Primary School	200,000			200,000		200,000
St. Michael Nzoia Primary School	200,000.00			200,000		200,000
Total	1,000,000	-	-	1,000,000	-	1,000,000
7.0 Primary Schools Projects						

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

Kilimani Primary School	500,000.00			500,000		500,000
Kisigame Primary School	2,750,000.00			2,750,000		2,750,000
Kware Primary School	1,600,000			1,600,000		1,600,000
Lugulu Primary School	1,600,000			1,600,000		1,600,000
Nasianda Primary School	1,400,000			1,400,000		1,400,000
Seregeya Primary School	1,000,000			1,000,000		1,000,000
Sikulu Primary School	1,600,000			1,600,000		1,600,000
St. Augustine Riverside Primary School	1,600,000			1,600,000		1,600,000
St. Don Bosco Special School	1,600,000			1,600,000		1,600,000
St. Francis Milima Primary School	1,600,000			1,600,000		1,600,000
St. Vincent De Paul Special School	1,000,000			1,000,000	1000000	-
The Salvation Army Matunda Special School	1,000,000			1,000,000	1000000	-
<b>Total</b>	<b>17,250,000</b>	<b>-</b>	<b>-</b>	<b>17,250,000</b>	<b>2,000,000</b>	<b>15,250,000</b>

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8.0 Secondary Schools Projects						-
Eshikulu Boys Secondary School	6,000,000			6,000,000		6,000,000
Friends Secondary School Matisi	1,300,000			1,300,000	1,300,000	-
Friends Secondary School Mbururu	7,000,000			7,000,000		7,000,000
Mary Lusweti Secondary School	2,500,000			2,500,000		2,500,000
Matunda SA Secondary School	4,500,000			4,500,000		4,500,000
St Peters Moi's Bridge Girls Secondary School	2,500,000			2,500,000		2,500,000
St. Benedicts Lugulu Secondary School	7,000,000			7,000,000	3,000,000	4,000,000
St. Henry Wabuge Saisi Boys Secondary School	7,520,000.00			7,520,000		7,520,000
St. Josephs Nyorotis Secondary School	1,300,000.00			1,300,000	1,300,000	-
St. Jude Seregeya Secondary School	7,520,000.00			7,520,000		7,520,000
St. Teresa Mukunga Secondary School	2,500,000			2,500,000	1000000	1,500,000
<b>Total</b>	<b>49,640,000</b>	<b>-</b>	<b>-</b>	<b>49,640,000</b>	<b>6,600,000</b>	<b>43,040,000</b>

9.0 Tertiary institutions Projects				-		-
						-
Total	-		-	-	-	-
10.0 Security Projects				-		-
Kongoni Chiefs Office	750,000			750,000	750,000	-
Mabusi Police Post	3,750,000			3,750,000		3,750,000
Matunda Police Station	1,800,000			1,800,000		1,800,000
Nzoia Police Post	2,011,496.00			2,011,496		2,011,496
Total	8,311,496	-	-	8,311,496	750,000	7,561,496
11.0 Acquisition of assets				-		-
	-		-	-		
Total	-		-	-		-
13.0 Other payments				-		-
Likuyani Constituency NG-CDF Strategic Plan	3,500,000			3,500,000.00	0	3,500,000.00



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Unapproved projects(Constituency Hubs)	1,669,256			1,669,256.00		1,669,256.00
Total	5,169,256	-	-	5,169,256	-	5,169,256
14.0 unallocated fund						
Unapproved projects						-
AIA					58,500	-58,500
PMC savings						
Total			-		58,500	-58,500
Grand Total	145,087,603	22,893,702	-	167,981,305	75,729,779	92,251,526

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

## 14. Significant Accounting Policies

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

### 1. Statement of Compliance and Basis of Preparation

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

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

### 2. Reporting Entity

The financial statements are for the NGCDF-Likuyani 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 recognizes all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

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

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

Proceeds from Sale of Assets

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

Other receipts

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

*Unutilized Funds from PMCs.*

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognized 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the entity.

Compensation of Employees

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

Use of Goods and Services

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

#### **Acquisition of Fixed Assets**

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.

#### **6. Cash and Cash Equivalent.**

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

#### **7. Accounts Receivable**

For the purposes of these financial statements, Imprests and advances to authorized 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 Imprests payments are recognized as payments when fully accounted for by the Imprests 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.

#### **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 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

#### **12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

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

**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.

## 15. Notes to the Financial Statements

## 1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
Normal Allocation	Kshs	Kshs
AIE NO. B 140981		33,000,000
AIE NO. B 105496		44,000,000
AIE NO. B 105496		22,000,000
AIE NO. B 128592		6,000,000
AIE NO. B 128504		12,000,000
AIE NO. B 154101		12,000,000
AIE NO. B 164436		18,000,000
AIE NO. B 154101		23,088,879
AIE NO. B 155871		11,188,879
AIE NO. B 041083		
B206264	7,000,000.00	
B206263	26,000,000.00	
B206449	12,000,000.00	
B205959	12,000,000.00	
B207556	15,000,000.00	
B207839	15,000,000.00	
<b>TOTAL</b>	<b>87,000,000.00</b>	<b>181,277,758</b>



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2. Proceeds From Sale of Asset

	2022-2023	2021-2022
	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)	-	-
<b>Total</b>	-	-

3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	58,500.00	57,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>58,500.00</b>	<b>57,000</b>

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Notes to the Financial Statements (Continued)

**4. Compensation of Employees**

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,421,594.00	2,302,085
<b>Personal allowances paid as part of salary</b>		
House allowance	360,100	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	492,235.00	296,601
Employer Contributions Compulsory national social security schemes	55,354.00	91,893
<b>TOTAL</b>	<b>3,329,283.00</b>	<b>2,690,579</b>

**5. Committee Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	3,508,204.00	3,906,500
Other committee expenses	2,588,119.00	-
<b>TOTAL</b>	<b>6,796,323.00</b>	<b>3,906,500.00</b>

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*6. Use of Goods and services*

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	-	-
Communication, supplies and services	9,450.00	9,450.00
Domestic travel and subsistence	70,000.00	10,050.00
Printing, advertising and information supplies & services	150,000.00	-
Rentals of produced assets	-	-
Training expenses	449,800.00	-
Hospitality supplies and services	207,870.00	-
Insurance costs	220,000.00	774,765.00
Specialized materials and services	-	-
Office and general supplies and services	450,100.00	2,642,404.00
Fuel , oil & lubricants	1,306,968.00	2,624,990.00
Other operating expenses	-	340,224.00
Bank Charges	8,400.00	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	306,296.00	143,883.00
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>3,178,884.00</b>	<b>6,545,766.00</b>

*To The Financial Statements (Continued)*

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**7. Transfer to Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	2,000,000.00	34,883,400
Transfers to Secondary Schools	6,600,000.00	54,821,800
Transfers to Tertiary Institutions	-	-
<b>TOTAL</b>	<b>8,600,000.00</b>	<b>89,705,200</b>

**8. Other Grants and Other transfers**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary ( see attached list)	24,360,491.00	16,920,000
Bursary -Tertiary ( see attached list)	26,680,698.00	31,572,200
Bursary- Special Schools	677,000.00	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	3,000,000
Security Projects ( see attached list)	750,000.00	5,350,000
Sports Projects ( see attached list)	-	1,467,000
Environment Projects ( see attached list)	-	3,598,814
Emergency Projects ( see attached list)	1,298,600.00	7,535,000
Roads Projects	-	-
<b>TOTAL</b>	<b>53,766,789.00</b>	<b>69,443,014</b>

*Notes to the Financial Statements (Continued)*

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9. Acquisition of Assets

Non Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

10. Other Payments

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

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>11A: Bank Accounts (Cash Book Bank Balance)</b>		
Equity Bank, A/C no.0500261734009, Branch. Kakamega	32,249,923	22,896,102
<i>KCB Mois Bridge Branch</i>	-	531,210
<b>Total</b>	<b>32,249,923</b>	<b>23,427,312</b>
<b>11B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>0</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Hemistone Kemboi</i>	03/02/2022	2,031,000	-	2,031,000
<b>Total</b>		<b>2,031,000</b>	<b>-</b>	<b>2,031,000</b>

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

## Notes to the Financial Statement Continued

## 13. Deposits and Retention

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

Deposits and Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	0%	-	-

## 14. Gratuity

14. Gratuity	2022-2023	2021-2022
	Kshs	Kshs
Gratuity as at 1 <sup>st</sup> July (A)	531,210	234,609
Gratuity held during the year (B)	577,080	296,601
Gratuity paid during the Year (C)	837,820	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	270,470	531,210

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*15 Fund Balance B/F*

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	23,427,312.00	13,852,403
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

*[Provide short appropriate explanations as necessary]*



## 16. Prior Year Adjustments

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

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

(Entity to provide disclosure on the adjusted amounts)

## 17. Changes in Accounts Receivable – Outstanding Imprests

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

18.Changes In Accounts Payable – Deposits and Retentions

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

## Notes To the Financial Statements (Continued)

## 19. Other Important Disclosures

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

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

## Aging Analysis for Pending Accounts Payables

	Insert Current 2022- 2023	% of the total	Insert Comparative 2021-2022	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	-	-	

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

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	270,470	531,210
Others ( <i>specify</i> )	-	-
Total	270,470	531,210

Aging Analysis for Pending Accounts Payables

	Insert Current 2022- 2023	% of the total	Insert Comparative 2021-2022	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	-	-	

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	3,126,414	3,331,667
Committee expense	372,000	0
Use of goods and services	253,596	2,023,943
Amounts due to other Government entities (see attached list)	58,290,000	600,000
Amounts due to other grants and other transfers (see attached list)	24,347,883	16,940,492
Acquisition of assets	-	-
Oversight Committee Expenses	750,876	-
Other Payments (specify)	5,169,257	-
Funds pending approval	58,500	-
<b>Total</b>	<b>92,368,526</b>	<b>22,896,102</b>

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	<u>208,505</u>	6,197,286
Total	208,505	6,197,286

19.5 Related Party Transactions

	<i>Insert current FY 2022/2023</i>	<i>Insert Comparative FY 2021/2022</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	6,796,323	3,906,500
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	87,000,000	181,277,758
Total	93,796,323	185,184,258

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					



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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 20xx	Comments
NG-CDFC Staff				
1. NAOMI NJERI	ACCOUNTS ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
2. VINCENT LUMALLA	CLERK OF WORK	1 <sup>ST</sup> FEBRUARY 2023	32,734	
3. JESSE SIMIUYU	PROJECT ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
4. SHIRLEEN JAHENDA	COMMUNICATION ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
5. YVONNE MUHADIA	RECORDS OFFICER	1 <sup>ST</sup> FEBRUARY 2023	32,734	
6. MERCY DAYO	ADMIN ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
7. FRANCIS OMUSE	COMMUNICATION ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
8. PETER NJATHI	ICT ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
9. VITALIS OSIKUKU	DRIVER	1 <sup>ST</sup> FEBRUARY 2023	32,734	
10. JUDITH MULATI	OFFICE ASSISTANT	1 <sup>ST</sup> FEBRUARY 2023	32,734	
Sub-Total			<b>270,470</b>	
Grand Total			<b>270,470</b>	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current 2022/2023	Outstanding Balance Previous 2021/2022	Comments
Compensation of employees	Payment of staff salaries	3,126,414	3,331,667	The management had planned for 6 more months of staff salaries
Use of goods & services	Payment of office errands	625,596	2,023,943	To cater for office operations
Amounts due to other Government entities	For payment of Secondary and primary School Projects	58,290,000	600,000	The board had not disbursed all the funds for project implementation
Sub-Total		62,042,410	5,955,610	
Amounts due to other grants and other transfers	To cater for emergency and bursaries	24,347,883	16,940,492	The management delayed in vetting of NG-CDFC Bursaries
Sub-Total		24,347,883	16,940,492	

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Name	Brief Transaction Description	Outstanding Balance Current 2022/2023	Outstanding Balance Previous 2021/2022	Comments
Acquisition of assets		-		
Oversight Committee Expenses (itemize )	Cater for COC allowances	750,876		To be used for operation of COC members
Others ( <i>specify</i> )	To be used for strategic plan and constituency hubs	5,169,257		The strategic plan was at tendering level
Sub-Total				
Funds pending approval		58,500		
Grand Total		92,368,526	22,896,102	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	10,599,505			10,599,505
Transport equipment	7,937,348			7,937,348
Office equipment, furniture and fittings	579,205			579,205
ICT Equipment, Software and Other ICT Assets	1,168,037			1,168,037
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	20,204,095			20,204,095

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

NO.	PMC NAME PMC	Account number	Bank	DATE A/C OPENED	Bank Balance 2022/23	Bank Balance 2021/22
1	Kongoni Chiefs Office	1291019790	Kenya Commercial Bank	2/12/2015	26,664	
2	Friends Secondary School	1199274666	Kenya Commercial Bank	4/1/2015	23,332	
3	St Teresa Secondary School	1178830984	Kenya Commercial Bank	3/1/2013	100,765	
4	Matunda Special School	1292862904	Kenya Commercial Bank	6/1/2022	20	
5	St Vincent De Paul	1292862904	Kenya Commercial Bank	6/1/2022	26,664	
6	Sirende Blessing Primary	1150362979	Kenya Commercial Bank	3/1/2021	82,857	
7	St Elizabeth Likuyani Girls	1167835131	Kenya Commercial Bank	4/2/2021	1,027	
8	Friends Secondary Matisi	1199274666	Kenya Commercial Bank	5/3/2015	23,332	

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9	Kilimani Primary School	1150229616	Kenya Commercial Bank	4/2/2016	0	
10	Gimayo Primary	1150227687	Kenya Commercial Bank	6/5/2017	0	
11	Moi'sBridge Primary	1150278699	Kenya Commercial Bank	1/4/2016	0	
12	Mirembe Primary School	1150227696	Kenya Commercial Bank	4/3/2015	0	
13	Kosoki Primary	1150897699	Kenya Commercial Bank	5/4/2016	0	
14	Matunda Secondary school	1150227733	Kenya Commercial Bank	4/5/2016	0	
15	St. John's Mtoni Secondary School	1150227736	Kenya Commercial Bank	5/3/2018	0	
16	Friend School Kongoni	1150227739	Kenya Commercial Bank	4/9/2017	0	
17	Mapera Secondary School	1150227740	Kenya Commercial Bank	5/8/2014	0	
18	Mabusi Police Post	1150227754	Kenya Commercial Bank	1/9/2018	0	

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19	Matunda Police Station	1150227761	Kenya Commercial Bank	5/10/2019	0	
20	Sinoko Andeyo Primary School	1150227794	Kenya Commercial Bank	2/3/2014	0	
21	Kona Primary School	1150227802	Kenya Commercial Bank	3/4/2014	0	
22	Brigadier Musonye	1150227787	Kenya Commercial Bank	3/5/2018	0	
23	Kilimani primary school	1150229616	Kenya Commercial Bank	14/09/2016	0	31,000
24	Ludodo primary school	1166594203	Kenya Commercial Bank	27/08/2015	0	3,000
25	Gimayo primary school	1150227687	Kenya Commercial Bank	18/02/2016	0	5,000
26	St. Charles Lwanga primary school	1150227688	Kenya Commercial Bank	02/03/2016	00	4,534.00
27	Gimayo Primary school	1150245689	Kenya Commercial Bank	07/10/2017	0	1,057
28	Bondeni Primary School	1150256696	Kenya Commercial Bank	10/05/2006	0	6,008

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29	Mois Bridge Primary School	1150278699	Kenya Commercial Bank	25/11/2016	0	500
30	Chepkakaka Primary School	1167228692	Kenya Commercial Bank	07/03/2016	00	4,398
31	Godown Primary School	1150267697	Kenya Commercial Bank	13/02/2009	0	768
32	Matunda Primary School	1160227894	Kenya Commercial Bank	18/02/2016	0	1,000
33	Sikulu Primary School	1160290695	Kenya Commercial Bank	19/07/2016	0	6,758
34	Mirembe Primary School	1150227696	Kenya Commercial Bank	03/03/2017	0	2,000
35	Kosoki Primary School	1150897699	Kenya Commercial Bank	02/08/2017	0	5,008
36	Mawe tatu primary	1190227698	Kenya Commercial Bank	04/07/2016	0	3456
37	Everglade primary School	1150677687	Kenya Commercial Bank	20/01/2016	0	267



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38	Ivugwi Primary School	1150227700	Kenya Commercial Bank	05/06/2015	0	6754
39	Seregeya Primary School	1150727708	Kenya Commercial Bank	16/03/2007	0	7685
40	Kilimani Primary School	1150227756	Kenya Commercial Bank	15/03/2017	0	78640
41	Maua Primary School	1160227767	Kenya Commercial Bank	07/08/2015	0	376
42	Kosoki Primary School	1170227678	Kenya Commercial Bank	27/04/2015	0	3456
43	Changarawe primary school	1150227705	Kenya Commercial Bank	06/02/2017	0	2098
44	Maua PRIMARY School	1160227767	Kenya Commercial Bank	07/02/2017	0	346
45	Mary Lusweti Primary School	1150227708	Kenya Commercial Bank	31/03/2014	0	8767
46	Ngao Primary School	1150227738	Kenya Commercial Bank	27/03/2017	0	675

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47	Sikhendu Primary School	1160227768	Kenya Commercial Bank	09/12/2016	0	1000
48	St. Francis Primary School	1160225670	Kenya Commercial Bank	19/10/2016	0	6754
49	Mwiba Primary School	1150567714	Kenya Commercial Bank	26/01/2009	0	46756
50	Nasianda primary school	1150347727	Kenya Commercial Bank	13/02/2015	0	2008
51	Kana Primary School	1150567713	Kenya Commercial Bank	16/03/2017	0	876
52	Matunda special	1150227714	Kenya Commercial Bank	15/10/2019	0	159
53	St. Johns Mtoni Secondary School	1150227732	Kenya Commercial Bank	06/07/2016	0	786
54	Matunda SA Sec School	1150227733	Kenya Commercial Bank	21/01/2016	0	567
55	St. Johns Mtoni Secondary School	1150227734	Kenya Commercial Bank	30/07/2016	0	200,006

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56	Eshikulu Boys secondary	1150227735	Kenya Commercial Bank	03/11/2016	0	5678
57	Mirembe Girls SECONDARY	1150227736	Kenya Commercial Bank	06/07/2016	0	5574
58	St. Francis Kisigame Secondary	1150227737	Kenya Commercial Bank	21/09/2016	0	67658
59	Nasianda Secondary SCHOOL	1150227738	Kenya Commercial Bank	13/06/2016	0	2675
60	Friends Sec Kongoni	1150227739	Kenya Commercial Bank	14/02/2009	0	3456
61	Mapera Secondary School	1150227740	Kenya Commercial Bank	26/07/2016	0	12345
62	Mapera Secondary School	1150227740	Kenya Commercial Bank	14/02/2011	0	8796
63	St. Johns The Baptist Likuyani Boys	1150227742	Kenya Commercial Bank	24/12/2015	0	5643
64	Aligula Secondary	1150227743	Kenya Commercial Bank	06/022/2016	0	7864

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65	St. Peters Boys Secondary	1150227744	Kenya Commercial Bank	Closed	0	7654
66	St. Josephs Nyorotis	1150227745	Kenya Commercial Bank	29/07/2015	0	78543
67	Friends Sec Matisi	1150227746	Kenya Commercial Bank	27/06/2019	0	2098
68	St. Teresa Secondary	1150227753	Kenya Commercial Bank	08/03/2017	0	5,066439
69	Mabusi Account Office	1150227754	Kenya Commercial Bank	05/05/2017	0	9876
70	Kongoni Chiefs Office	1150227755	Kenya Commercial Bank	08/02/2017	0	3004
71	Likuyani Sub County	1150227756	Kenya Commercial Bank	20/05/2016	0	34564
72	Matunda Police Station	1150227757	Kenya Commercial Bank	15/03/2017	0	153490
73	Likuyani OCS	1150227758	Kenya Commercial Bank	06/10/2006	0	768

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74	DCC Office	1150227759	Kenya Commercial Bank	19/03/2016	0	654
75	Deputy County Commissioner	1150227760	Kenya Commercial Bank	14/11/2016	0	456
76	Matunda Police Station	1150227761	Kenya Commercial Bank	11/05/2017	0	0
77	Matunda OCS Office	1150227762	Kenya Commercial Bank	09/06/2016	0	678
78	Mabusi ACC Office	1150227763	Kenya Commercial Bank	15/08/2016	0	5674
79	Seregeya Police Post	1150227764	Kenya Commercial Bank	24/02/2016	0	0
80	St. Josephs Sec School	1150227765	Kenya Commercial Bank	03/12/2015	0	4567
81	Sikulu Primary	1150227766	Kenya Commercial Bank	28/01/2017	0	7685
82	Mufungu Primary	1150227777	Kenya Commercial Bank		0	67543

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83	Kambi Mapera Primary	1150227778	Kenya Commercial Bank	25/05/2016	0	6764
84	Kisigame Primary	1150227779	Kenya Commercial Bank	20/01/2009	0	8976
85	Sikulu Primary School	1150227780	Kenya Commercial Bank	16/01/2009	0	2346
86	Mirembe Primary	1150227786	Kenya Commercial Bank	15/05/2017	0	698
87	Brigadier Musonye Pry	1150227787	Kenya Commercial Bank	02/07/2017	0	804
88	Brigadier Musonye	1150227788	Kenya Commercial Bank	09/07/2014	0	900
89	St. Joseph Lumino Sec	1150227789	Kenya Commercial Bank	14/09/2016	0	7008
90	Sirende Blessings Primary School	1150227790	Kenya Commercial Bank	17/12/2008	0	6758
91	Soysambu Primary	1150227791	Kenya Commercial Bank	17/03/2017	0	600

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92	Patrice Primary	1150227792	Kenya Commercial Bank	04/04/2017	0	769
93	Likuyani Primary	1150227793	Kenya Commercial Bank	30/10/2015	0	678
94	Sinoko Andeyo	1150227794	Kenya Commercial Bank	05/10/2006	0	5674
95	Seregeya Primary	1150227799	Kenya Commercial Bank	15/01/2016	0	6785
96	Likuyani Primary	1150227800	Kenya Commercial Bank	05/03/2014	0	67567
97	Ivugwi Primary	1150227801	Kenya Commercial Bank	02/12/2016	0	6574
98	Kona Primary School	1150227802	Kenya Commercial Bank	03/07/2015	0	67553
99	Ivugwi Secondary School	1150227803	Kenya Commercial Bank	17/11/2008	0	987
	Total				284,661	6,197,286

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

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



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>(1)</p> <p>Unsupported Cash and Cash Equivalents</p> <p>The statement of assets and liabilities reflects a balance of Kshs 23,427,312 in respect of cash and cash equivalents which as shown in Note 10 to the financial statements, represent the funds bank balances held in two commercial banks. However, a bank reconciliation statement for one of the accounts with a balance of Kshs 22,896,102 reflects unrepresented cheques of Kshs 4,719,303 out of which cheques totaling Kshs 1,216,811 had become stale as at 30<sup>th</sup> June 2022.</p> <p>Further, the Fund maintained a deposit account in a commercial bank with a balance of Kshs 531,210 as at 30<sup>th</sup> June, 2022 which was opened in 2025. However authority to open and</p>	<p>The Likuyani NGCDF Management explained Kshs 531,210 arose due to provision for gratuity of Ksh 531,210 and also stale cheques of 1,216,811 was reversed in the next financial year</p>	<p>Not Resolved</p>	<p>31<sup>ST</sup> DECEMBER 2023</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>operate the account was not provided for audit review. In addition, cash books, bank statements, bank reconciliation statements and certificates of bank balance for the account were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs 23,427,312 as at 30<sup>th</sup> June, 2022 could not be confirmed.</p>			
	<p>(2) Unsupported project management committee (PMC) Bank Account Balances</p> <p>Note 17.4 to the financial statements reflects project management committee PMC bank Account balances of Kshs 6,197,286 which as disclosed in Annex 5, represents balances held by project management committees in one hundred and</p>	<p>The PMC lacked technical knowledge on reconciliation of bank balances.</p> <p>The management have initiated reconciliation of PMC Accounts at constituency level</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>twenty one (121) bank accounts. However, the balances were not supported by bank reconciliation statements, cash books and certificates of bank balance.</p> <p>In the circumstances, the accuracy and completeness of the PMC Bank account totaling Kshs 6,197,286 could not be confirmed.</p>			
	<p>(3) Unsupported Social Security Programmes (NHIF). The statements of receipts and payments reflects Kshs 69,443,014 in respect of other grants and transfers which, as disclosed in Note 7 to the financial statements, includes Kshs 3,000,000 paid under the NHIF Health Insurance Programme (HISP). However, the payment was not supported by evidence of criteria of identification of target groups of orphans and vulnerable children (OVC), Poor and older</p>	<p>The management used the administrative offices ie the DCC, Chiefs and village elders for identification of the target group.</p> <p>In the next financial year they will advertise and call for applications for the target groups.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>persons and persons living with disabilities (PLWDS); the list of applicants; appointments of vetting committees; the vetting criteria adopted; the report of vetting exercise; and approval of the payment by the Fund Committee.</p> <p>In the circumstances, the propriety of the expenditure of Kshs 3,000,000 on social security programs could not be confirmed.</p>			
	<p>(4)Unsupported bursaries to Tertiary Institutions</p> <p>The statement of receipts and payments reflects Kshs 69,433,014 as other grants and transfers which as disclosed in Note 7 to the financial statements, includes Kshs 331,572,000 being bursary disbursements to tertiary Institutions. However, a list of all applicants, successful and</p>	<p>The Likuyani NGCDF is still following with the schools to provide the acknowledgement receipts</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>unsuccessful applicants were not provided for audit review. Further payment vouchers together with respective supporting documentation for bursary payments of Kshs 11, 762,000 were not provided for audit review.</p> <p>The fund also made bursary payments totaling to Kshs 380,000 in respect of nineteen (19) students whose school admission or registration numbers were not indicated. In addition, acknowledgements by the respective learning institution, individual student fees receipt and updated student fees statements were not provided for audit review.</p> <p>In the circumstances, the propriety of the expenditure of Kshs 31,572,200 could not be confirmed.</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>(5)</p> <p>Unsupported bursaries for Secondary Schools</p> <p>The statement of receipts and payments reflect other grants and transfers amounting to Ksh 69,443,014 as disclosed in Note 7 to the financial statements. The amount includes bursaries of Kshs 16,920,000 paid to various Secondary Schools out of which bursaries of Ksh 1,500,000 paid to ten (10) secondary schools were not supported by acknowledgement documents.</p> <p>In the circumstances the propriety of the expenditure of Kshs 1,500,000 could not be confirmed.</p>	<p>The acknowledgements documents attached</p>	<p>Not resolved</p>	<p>31<sup>ST</sup> DECEMBER 2023</p>
	<p>(6)</p> <p>Undisclosed prior year adjustment</p>	<p>The amount has been reflected in the amended financial statement</p>	<p>Not resolved</p>	<p>31 st December 2023</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>The statement of cash flows reflects Kshs 234,609 as prior year adjustment which as disclosed in Note 14 to the financial statements, relates to a bank account balance held in a local bank. However, management did not disclose this amount in the statement of assets and liabilities as at 30<sup>th</sup> June 2022</p> <p>In the circumstances the accuracy and completeness of the prior year adjustment balance of Kshs 234,609 could not be confirmed.</p>			
	<p>(7)</p> <p><b>Purchase of land at Mapera Secondary School</b></p> <p>The statement of receipts and payments reflects transfers to other Government units of Kshs 89,705,200 as disclosed in Note 6 to the Financial statements. The amount includes Kshs</p>	<p>The PMC is following up to finalize on the process of title deed acquisition</p>	<p>Not resolved</p>	<p>31 st December 2023</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>54,821,800 being transfers to Secondary Schools out of which an amount of Kshs 1,800,000 was disbursed to Mapera Secondary School for purchase of one acre parcel of land. However, the title deed for the land was not provided for audit verification.</p> <p>Further, procurement records, official search for the land and valuation report were not provided for review.</p> <p>In the circumstances, propriety of the expenditure of Kshs 1,800,000 could not be confirmed.</p>			
	<p><b>Other Matter</b></p> <p>1 Budgetary control and performance</p> <p>The summary statement of a appropriation reflect actual</p>	<p>Management is in consultation with NG-CDF board for timely disbursement</p>	<p>Not resolved</p>	<p>31/12/2023</p>



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>expenditure of Kshs. 172, 291,059 against approved budget of Kshs. 195,187,161 respectively resulting to under absorption of Kshs 22,896,102 or 12% of the budget.</p> <p>The under-absorption affected the planned activity and may have negatively impacted on the service delivery to the public</p> <p>2 Unresolved prior year audit matters</p> <p>In the audit report of the previous year, several issues were raised under the report on financial statements and</p>			
	<p>Report on lawfulness and effectiveness in use of public resources. However management has not resolved the issues or given any explanation for the</p>	<p>a) The management is following up to resolve the unresolved prior year issues.</p>	<p>Not resolved</p>	<p>31/12/20232</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>failure to adhere to the provisions of the public sector accounting standards board templates.</p> <p>Basis of completion</p> <p>1. Construction of classrooms at Kilimani Primary School</p> <p>The statement of receipt and payment reflects transfers to other government units amount of Kshs,89,705,200 which as disclosed in note 6 to the financial statement includes Khsh,34,883,400 been transfers to primary schools. The amount of Kshs, 34,883,400 include Kshs, 1,600,000 disbursed to Kilimani Primary School for</p>	<p>b) Kilimani pry. Pmc following up with documentation</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>construction of seven classrooms.</p> <p>The contract was awarded to local construction company at a contract sum of Kshs. 1, 619,192. However, procurement records such as tender opening minutes, tender evaluation report, regret letters, professional opinion, letter of award of contract and signed contract were not provided for audit review. This is contrary to section 151(2) (a) of the public procurement and asset disposal act 2015 which requires a project implementation team to be responsible for monitoring the performance of the contractor to ensure that</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>all delivery or performance obligations are met or appropriate action taken by the procuring entity in the event of obligations not being met.</p> <p>2. Payment of emergency funds</p> <p>The statement of receipt and payments reflect expenditure on other grants and transfers amount of Kshs.69,443,014 which, as disclosed in note 7 of the financial statements, includes an expenditure of Ksh.7,535,000 on emergency projects. Included in this amount is Kshs.2,250,000 paid to 12 primary schools for construction projects. However, no documentary evidence</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>was provided to indicate that the above projects were of emergency nature contrary to section 8(3) of the National Government Constituency Development Fund act 2015 which states that emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.</p> <p>3. Failure to provide fixed assets register</p> <p>Annex 4 to the financial statements reflects summary of fixed assets register with a total cost</p>			

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	<p>of Kshs.20, 204,095 being the value of the assets owned by the fund. However, management did not provide the assets register for audit verification.</p> <p>In the circumstances the accuracy and completeness of the fixed assets balance of Ksh.20, 204,095 could not be confirmed.</p>			


  
**Paul N. Adome**  
 MANAGER  
**Fund Account Manager.**  
 LIKUYANI  
 FUND COMMITTEE



MISSION  
1920  
MAY 27