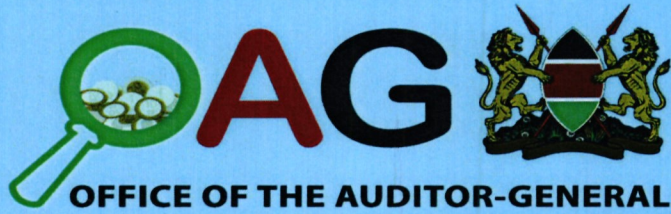


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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THE NATIONAL ASSEMBLY

DATE: 22 NOV 2022

BY: ROM

CLERK AT THE TABLE: Kemura

Day: Tuesday

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
EMBAKASI CENTRAL CONSTITUENCY**

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



EMBAKASI CENTRAL CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Elias Mate
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Stephen Macharia
4.	Member NGCDFC	Eunice Kiretai

(d) Fiduciary Oversight Arrangements

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

(e) Embakasi Central Constituency NGCDF Headquarters

P.O. Box 871-00518
NG-CDF Building, 1st Floor
Off Spine Road, Kayole
Nairobi, KENYA

(f) EMBAKASI CENTRAL Constituency NGCDF Contacts

Telephone: (254) 715 070 030
E-mail: cdffembakasicentral@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) EMBAKASI CENTRAL Constituency NGCDF Bankers

Bank Name:	Family Bank
Branch:	Kayole Branch
Account Name:	Embakasi Central NG – CDF
Account Number:	061000032809
Address:	74145-00200

(h) Independent Auditors

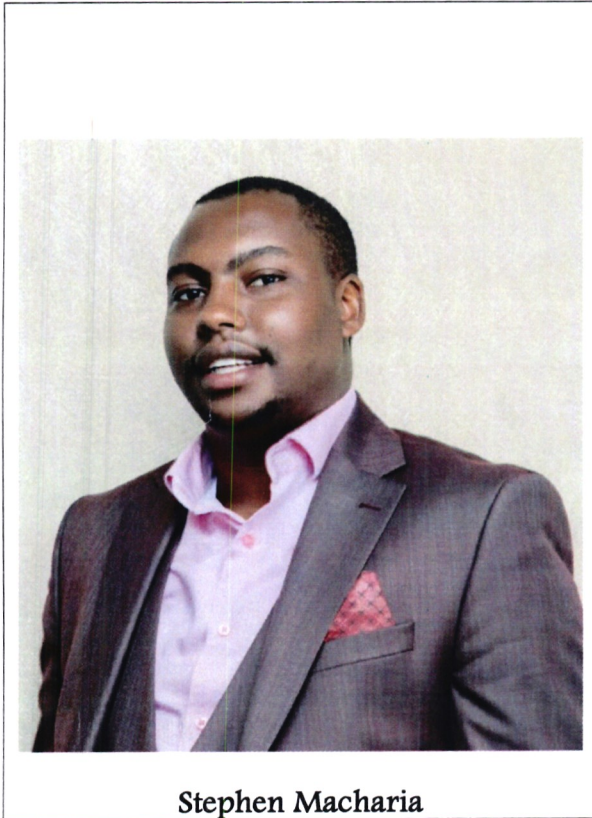
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT

Include among others the following:



Stephen MACHARIA

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

Total allocation for Embakasi Central NG-CDF for financial year 2020/2021 was **kshs. 137,088,879.31** a decrease from **KShs. 137,367,724.14** allocation in financial year 2019/2020.

On vote allocation, Embakasi Central NG-CDF allocated Kshs. **46,581,349** to bursary. This high allocation to bursary vote was necessitated by the high demand for Embakasi Central constituency educates more needy students who would ordinarily miss the chance due to lack of school fees.

The Committee allocated other sectors as follows; Primary School projects Kshs. **44,927,834.96**, and Security projects Kshs. **15,565,935**.

Key achievements:

Embakasi Central NG-CDF has earned the constituents' trust over time when it comes to bursary issuance which has seen demand grow steadily.

The fund continues to display quality in its quest to improve infrastructure in the Government institutions such as public schools and security sector.

i. Komarock South Primary School

- ✓ Construction of 32No. 2-storey classrooms, 72 toilet cubicles, 4 Offices, Staffroom and school hall.
- ii. **Komarock Primary School.**
- ✓ Construction of Perimeter Wall

Emerging issues:

Covid-19 pandemic has affected the implementation of projects during the year of review in that the way of carrying out meetings, whereby meetings had to be brief and the sitting arrangement had to change in order to allow at least 1.5 meters away.

High level of unemployment's leading to high dependence levels, the government should consider increasing the NGCDF kitty to gap the unemployment.

The continuous state of campaign moods causing uncertainty.

Implementation challenges:

Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time. The delay in implementing of the projects was due to the delayed disbursement for the project funds.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Another challenge is the fact that the society is yet to embrace it as a non-political fund. Separation here becomes an uphill task. A negative attitude towards the fund is also another big challenge to the implementers.

During the public participation wards meetings the members expressed concern on the restrictive nature of the projects procurement citing that most youth have been left out for lack of capital to start up and maintain businesses hence asked the NGCDFC to assist them. This observation showed that there was need to sensitize the public on NGCDF mandate and functions to enhance youth's participation in development.

A lot of sensitization is necessary to change the community's mind set. It has been our core responsibility to educate the general public on the mandate of NGCDF as well as refer those seeking moral and financial support to relevant partners.

We humbly look forward to working very closely with the National Government Constituencies Development Fund Board with a view to enhancing accountability and efficiency in the management of the fund.

Photo Gallery



1) Komarock South Primary School



2. The Komarock School perimeter wall



Signature

CHAIRMAN NGCDF COMMITTEE



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

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 NGCDF-Embakasi Central Constituency's *2018-2022* Strategic plan are to:

Strategic Issue 1: Unemployment

Objective: To Increase the % of youth (Male and Female) and people with disability benefiting socio-economically by Embakasi Central NG-CDF by the end of 3 years

Strategic program and activities:

i) Youth, Women and people with disability empowerment

- Partner with public and private sector to provide revolving fund and create jobs
- Partner with government agencies and private such as National Youth Service and enroll youth on career ready technical skills such as welding
- Partner with other stakeholders in youth programs and set up a resource center for nurturing talents
- Mobilize youth to register on National Health Insurance Fund

ii) Education Support Program

- Partner with stakeholders and renovate and increase number of schools and classes to absorb more students
- Partner with relevant stakeholders and motivate teachers to improve teacher: student ratio
- Initiate and Strengthen School feeding program to keep poor students in school
- Create a fund for tertiary education and apprenticeship.

Strategic Issue 2: Poor access to community services such as health, security and others

Objective: Increase by 20% community access to quality social, housing, health and environmental secure services by the end of 5 years.

Strategic program and activities:

i) Safety and Security Program

- Work with national government to increase police and ensure secure business environment
- Work with national government to renovate present stations and advocate for more police posts and stations
- Partner with public and private sector to reform and rehabilitate youth who were once criminals
- Work with County government and set up street lights in all wards specifically dark corners

ii) Water and Sanitation Program

- Work with county government to ensure clean pipe water connection and supply



- Work with county government and other stakeholders to ensure clean drainage, sewer system is clean and proper garbage management policies
- Partner with national and county government and other stakeholders to drill bore holes and provide clean drinking water

iii) Social Amenities and Housing

- Partner with National and County government ensure our people benefit on the house project under the big four agenda
- Partner with other agencies and implement National House Fund to improve housing standards of the constituency
- Work with county and renovate sports and social centres

iv) Public Health Programs

- Enrol as many people as possible on National Health Insurance Fund
- Partner with county and National government as well as non- governmental and private to advocate for increase in number of health facilities in Embakasi Central Constituency and improve the quality of the current healthcare.
- Partner with relevant stakeholders and increase the number of health workers in the current and new health facilities

Strategic Issue 3: Leadership and management

Objective: Building the capacity of Embakasi Central NG-CDF management committee and staff in leadership, management and governance by the end of 2 years

Strategic program and activities:

Performance Capacity Building Program

- Train committee members in leadership; management and governance
- Train staff in program monitoring and reporting
- Help develop evidence-based management, supervision and control systems

Progress on attainment of Strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Unemployment	Increase the percentage of youth (Male and Female) and people with disability	Increased number of youth and people with disability with	•Number of youth (male and female), persons with disability empowered	2020/2021 F.Y • There was an increase in the number of bursary

Embakasi Central Constituency

National Government Constituencies Development Fund (NGCDF)

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

	benefiting socio-economically Embakasi Central by NG-CDF by the end of 3 years	business management skills and start-up from the identified agencies	economically by the identified partners at end of year three •Number of Students in the constituency supported by the NG-CDF and are accessing quality education	beneficiaries
Social health, housing, secure environment.	Increase by 20% community access to quality social health, housing, and environmental secure services by the end of 5 years	•5% of the community accessing quality social health, housing and environmental secure services by the end of 5 years	Survey reports at the mid and end of 5 years on quality social health, housing and environmental secure services by a consultant for NG-CDF	2020/2021 F.Y • Members of the community hold regular responsive forums under the guidance of the local administration.
Youth empowerment and involvement	Increased number of youths with business management skills and start-up from the identified agencies	Increased number of partners delivering empowerment programs to the youth	5 partners delivering empowerment programs to the youth	2020/2021 F.Y Foundations managed to empower Embakasi Central Constituency youth on economic activities.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Embakasi Central NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; Embakasi Central 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environment strategic objective

To address environmental challenges and reduce the impact of disaster risks.

Strategies to be used

- Improve environment and sanitation
- Strengthen disaster responsiveness and management

- Build community resilience to disaster risks
- Sensitize and capacity build the public on disaster response and management

Action Plan

Embakasi Central NG-CDF have built various wash stations within the constituency to ensure good sanitation by the residents which is one way of prevention against covid-19 and encourage environment cleanliness.

Number of community disaster responsiveness teams established and trained on how to manage disaster and preserve environment.

3. Employee welfare

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

Embakasi Central NGCDF Constituency is committed to fair and ethical market practises.

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

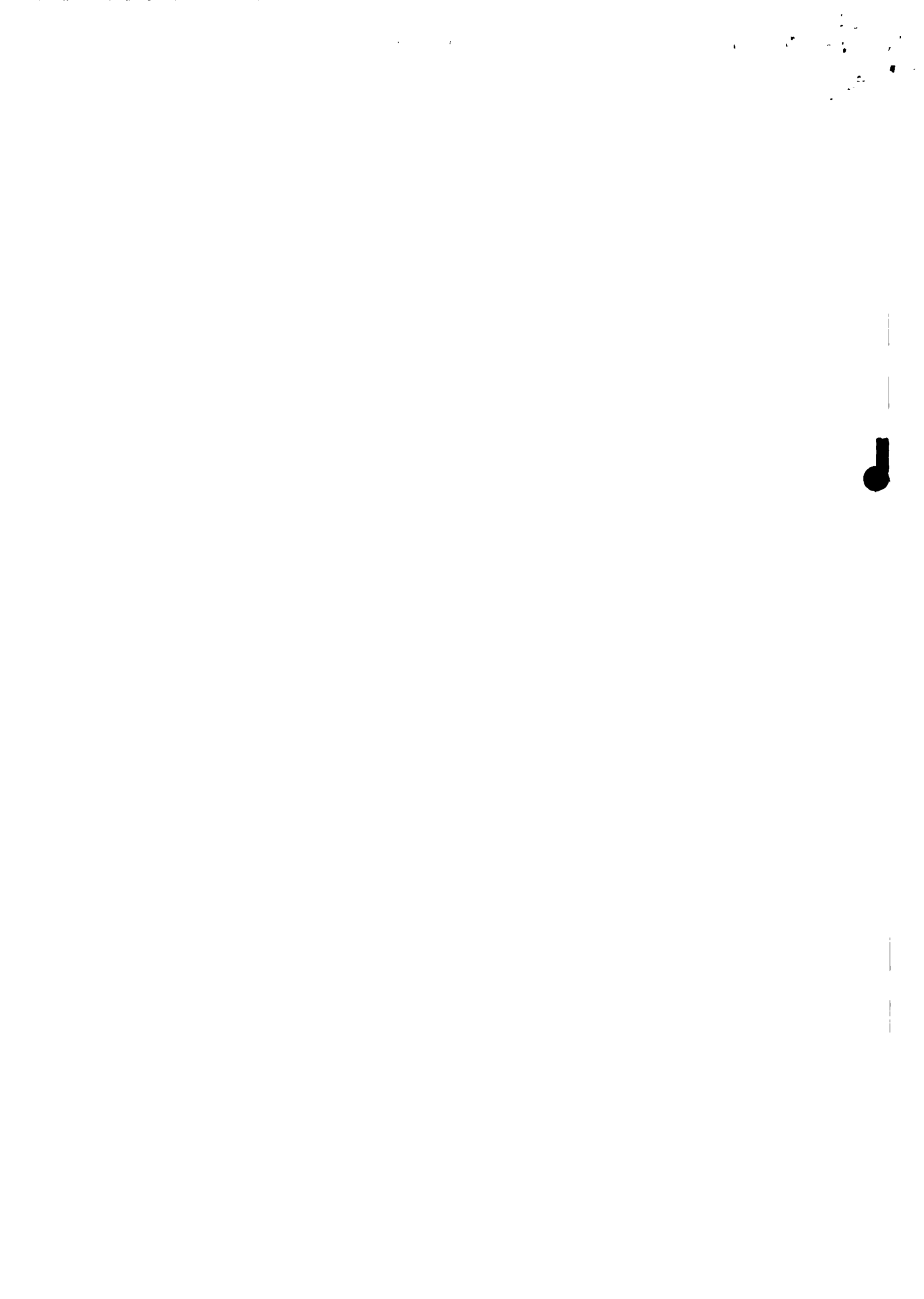
We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

Embakasi Central NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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



Public Participation in Project Identification and Implementation and Monitoring

The Embakasi Central 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 Embakasi Central 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.

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



V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Embakasi Central 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, 2021. 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.

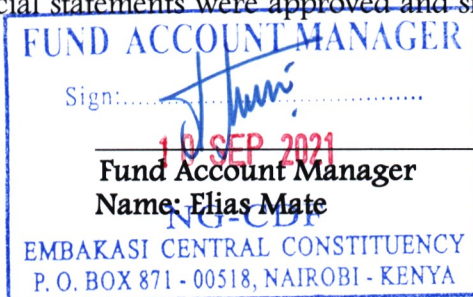
The Accounting Officer in charge of the NGCDF-Embakasi Central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi Central 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 Embakasi Central 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- Embakasi Central Constituency financial statements were approved and signed by the Accounting Officer on 10th September 2021.


Chairman NGCDF Committee
Name: Stephen Macharia





REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi Central Constituency set out on pages 17

to 45, which comprise the statement of assets and liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Omissions in Presentation and Disclosures in the financial statements

Review of financial statements of the Fund for the year ended 30 June, 2021 revealed presentation and disclosure errors as follows;

- i. The Constituency Fund bankers under key Constituency Information and Section in page 4 excludes an account of the Fund held at Equity Bank.
- ii. Annex 5 containing a list of Project Management Committee (PMC) account balances as at 30 June, 2021 does not reflect all the PMC account balances for projects undertaken during the year under review.

As a result, the financial statements as presented do not comply fully with the prescribed reporting format prescribed by the Public Accounting Standards Board of Kenya.

2. Inaccuracies in the Financial Statements

Review of the financial statements for the year under review revealed several inaccuracies and errors as detailed below;

- i. The statement of assets and liabilities reflects total financial liabilities amounting to Kshs.15,523,249 and Kshs.14,885,857 for 2020/2021 and 2019/2020 financial years respectively. However, the makeup of the liabilities in the financial statements comprising retention and gratuity reflects Nil balances for both financial years hence Nil total financial liabilities.
- ii. The statement of assets and liabilities reflects Nil balances in respect of net financial assets for both financial years. However, recast of net financial assets for 2020/2021 and 2019/2020 financial years reflects Kshs.15,523,249 and Kshs.14,885,857 respectively.

- iii. The statement of receipts and payments reflects comparative transfers from National Government Constituencies Development Fund (NGCDF) amount of Kshs.123,040,876 as disclosed in Note 1 to the financial statements. However, recast of the amounts reflected in the note totals to Kshs.104,040,876 resulting to unreconciled variance of Kshs.19,000,000.

As a result, the accuracy of the financial statements could not be confirmed.

3. Misclassification of Expenditure

The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.8,581,654 as disclosed in Note 5 to the financial statements. However, review of the supporting schedules provided for audit revealed an amount of Kshs.280,000 in respect to salaries paid to staff on internship which was wrongly charged to use of goods and services instead of compensation of employees.

As a result, the accuracy of the financial statements could not be confirmed.

4. Variances between the Statement of Receipts and Payments and Supporting Schedules

4.1 The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.8,581,654 as disclosed in Note 5 to the financial statements. However, supporting schedules provided for audit reflected expenditure of Kshs.9,444,384 resulting to unreconciled and unexplained variance of Kshs.862,730.

4.2 The statement of receipts and payments reflects transfers to other government units amount of Kshs.73,817,133 as disclosed in Note 7 to the financial statements which includes emergency projects expenditure of Kshs.10,629,205. However, the supporting schedule reflects Kshs.9,766,475 resulting to unexplained variance of Kshs.862,730.

Consequently, the accuracy and completeness of the statements of receipts and payments could not be confirmed.

5. Unreconciled and Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.15,523,249 as disclosed in Note 10 A to the financial statements. However, the balance was not supported by Board of Survey reports on cash and bank balances. The Management did not provide explanation for the omission.

Further, review of the bank reconciliation statements, cashbook and bank statements provided for audit revealed the following anomalies;

- i. Payments in cash book not recorded in the bank statement (unpresented cheques) includes statutory deductions amounting to Kshs.719,986 some of which date back to the year 2019 that had not been submitted to the Kenya Revenue Authority.
- ii. The bank reconciliation statement for June, 2021 includes a cheque of Kshs.10,800 recorded as payment in bank statement not yet recorded in cashbook. However, the

bank statement reflected an amount of Kshs.15,800 resulting to a variance of Kshs.5,000.

- iii. The bank reconciliation statement for June, 2021 includes an amount of Kshs.16,000 recorded as a receipt in cashbook not yet recorded in bank statement. However, the receipt was not dated and could not be traced to the cashbook.
- iv. Cheques amounting to Kshs.2,932,000 which had been issued in the month of March, 2021 were reversed under unclear circumstances in the month of May, 2021. The reversal took place only two (2) months from the date of issue. Further, no documentation approving the reversals was not provided for verification.
- v. Several payments in the Cashbook were not dated, and the cheque numbers did not follow a chronological order.
- vi. The cashbook reflected cash at hand amounting to Kshs.1,801,300 as at 31 December, 2020. However, the balance was not reflected as an opening balance in the month of January, 2021 and in the subsequent months. Further, no cash transactions were recorded during that period.
- vii. The financial statements in Note 10A reflects that the Fund had an account at Equity bank with Nil balance as at 30 June, 2021. However, no cashbook, bank statements, bank reconciliations, board of survey report and certificate of bank balance was provided for audit. In the absence of the above documents, it was not possible to confirm whether any transactions took place in the account.

In view of the above, the accuracy, validity and completeness of cash and cash equivalents as at 30 June, 2021 could not be confirmed.

6. Unutilized Project Management Committee Funds

The financial statements reflects unutilized Project Management Committee account balances amounting to Kshs.251,107 as reflected in Note 17.4. Review of the balances, also disclosed in Annex 5 to the financial statements, revealed the following anomalies:

- i. No bank statements for the PMC as listed in Annex 5 to the financial statements were provided. Further, two PMC accounts for Komarock South Primary PMC and Embakasi Central hall and office PMC where Kshs.60,500,000 and Kshs.1,142,500 respectively, were transferred to during the year under review were not disclosed in the financial statements.
- ii. Annex 5 reflects unutilized Project Management Committee account balances amounting to Kshs.251,107 which were not returned to the Constituency Fund account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the accuracy of PMC account balance of Kshs.251,107 could not be confirmed.

7. Unsupported Use of Goods and Services Expenditure

The statement of receipts and payments reflects use of goods and services amounting to Kshs.8,581,654 as disclosed in Note 5 to the financial statements. However, the amount includes Kshs.1,846,655 whose supporting documents such as payment vouchers, invoices among others records were not provided for audit.

As a result, the accuracy of the financial statements cannot be confirmed.

8. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.57,731,000 and as disclosed in Note 7 to the financial statements. The amount includes bursaries to tertiary institutions amounting to Kshs.42,791,000. However, bursary disbursements totalling Kshs.23,656,000 were not supported by payment vouchers and other relevant documents. In addition, review of the supporting schedules provided for audit revealed a disbursement of Kshs.35,085,000 which was wrongly charged to tertiary institutions' bursaries instead of secondary schools' bursaries leading to misclassification of the expenditure.

In addition, Kshs.14,940,000 was disbursed to special schools including three (3) private Institutions towards training of youths on various vocational courses. However, disbursements amounting to Kshs.8,982,413 were not supported by payment vouchers, acknowledgment letters. Further, confirmation of the beneficiaries' attendance of the training were also not provided for audit.

Consequently, the accuracy and validity of bursaries disbursement amounting to Kshs.42,791,000 could not be confirmed.

9. Unsupported Transfers

The statement of receipts and payments reflects acquisition of assets amounting to Kshs.6,573,277 and as disclosed in Note 8 to the financial statements. The amount includes Kshs.1,142,500 which was transferred to Embakasi Central halls and offices PMC account for works executed at the Embakasi Central Constituency office. However, project returns, appointment letters for the PMC members, request for the transfer of funds to the PMC, bank statements for the PMC account, bill of quantities for the works, site instructions, works progress reports, completion certificates and minutes of site meetings were not provided for audit.

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

audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.221,484,645 and Kshs.186,153,267 respectively, resulting to an underfunding amounting to Kshs.35,331,379 or 16% of the budget. Similarly, the Fund spent Kshs.170,630,018 against an approved budget of Kshs.221,484,645 resulting to an under expenditure of Kshs.50,854,628 or 23% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unsupported Receipts

The statement of receipts and payments reflects other receipts amounting to Kshs.142,185 as disclosed in Note 2 to the financial statements. The other receipts relate to unutilized funds from Project Management Committees which were transferred to the Constituency Fund bank account. However, details of the closed PMC accounts and the individual bank statements for the accounts were not provided for audit. It was not possible to confirm whether all the unspent funds were surrendered to the Constituency Fund account as required by Regulation 15(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the PMC shall prepare and submit hand over reports to a constituency Committee.

Management was therefore in breach of the law.

2. Irregularities in Implementation of Emergency Projects

During the year under review, the Projects Fund disbursed Kshs.10,629,205 to various PMC accounts for implementation of emergency projects. Among the projects allocated funds was proposed boundary wall at Chief's office and Embakasi Central office grounds at a cost Kshs.5,573,863. However, there was no evidence of appointment of the Project Management Committees for the project as required by Regulation 15 of the National Government Constituency Development Funds Regulation 2016.

In addition, no separate bank account was opened for the project and instead, payments were made directly from the Constituency Fund account to the contractor. Also, documents relating to procurement of the contractor for the works including tender advertisement, tender opening and evaluation minutes, professional opinion and evidence of approval of award by the Accounting Officer were not provided for audit hence it was not possible to confirm whether the contractor was competitively procured.

Further, review of records in respect of emergency activities revealed that there was no National Government Constituencies Development Fund committee approval for the emergency projects. Although the amount was spent under emergency vote, procurement documents provided revealed that the process of awarding the contract and issuance of the local service order for the construction of the boundary wall was done in the financial year 2019/2020 implying that the project was not urgent or unforeseen as stipulated by Section 8(5) of the Act and could have been identified and prioritized for implementation in the year under review.

Management was therefore in breach of the law.

3. Non-compliance with Reporting Requirements for Emergency Expenditure

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.16,086,133 which includes emergency expenditure amounting to Kshs.10,629,205 as disclosed in Note 7 to the financial statements. However, no documentary evidence was provided to indicate the Fund had reported any of the emergency expenditure to the National Board using the prescribed format as required in Regulation 20 of the National Government Constituency Development Fund Regulations, 2016.

Management was in breach of the law.

4. Non-Compliance with Bursaries Disbursement Guidelines

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.73,817,133 as disclosed in Note 7 to the financial statements. The amount includes bursary disbursements of Kshs.42,791,000 and Kshs.14,940,000 to tertiary institutions and special schools respectively, all totalling to Kshs.57,731,000. Review of records of bursaries disbursement revealed the following anomalies;

- i. There was no evidence of formation of the education bursary committee to vet bursary applicants contrary to guidelines of the circular number NG-CDFB/CEO/BOARDCIRCULARS Vol II (021) issued on 18 June, 2020.

- ii. Review of sample of the application forms revealed that the forms lacked evidence of vetting by an education bursary committee in the application forms since they were not signed by the chairman, secretary or any member of the committee as prove of approval or rejection of the application. In addition, it was not ascertained whether the amounts were awarded to successful applicants in the absence of documentary evidence. Further, the minutes of the vetting committee and the details of the successful applicants were not provided for audit.

In the circumstances, Management was in breach of bursaries disbursement guidelines.

5. Irregularities in Implementation of Primary and Secondary Schools Projects

The statement of receipts and payments reflects transfer to other government entities amounting to Kshs.77,586,608 as disclosed in Note 6 to the financial statements. Review of documents provided for audit revealed irregularities in implementation of primary and secondary schools projects as shown below: -

5.1 Komarock South Primary School

- (i) An amount of Kshs.60,500,000 was disbursed to the PMC of Komarock South Primary for construction of 32 classrooms, 72 toilet cubicles, 4 offices, a staff room and a school hall at a contract sum of Kshs.108,351,405. However, appointment letters for the project management committee members, bank account for the project, registration certificate for the school and ownership documents of the land where the school was constructed were not provided for audit.
- (ii) Similarly, procurement documents including tender opening and tender evaluation committees minutes, appointment letters for the tender opening and tender evaluation committees and inspection and acceptance committee reports, letter of notification, professional opinion and performance security were also not provided for audit. In addition, program of works, site instructions, works progress reports, completion certificates and site meeting minutes were also not provided for audit.
- (iii) A payment of Kshs.10,000,000 to the contractor was not approved by the Accounting Officer while another payment of Kshs.10,000,000 was not supported by a payment voucher. Further, site inspection done on 21 April, 2022 revealed that the project was incomplete and was not ready for occupation as earlier planned. There were indications of poor workmanship as evidenced by visible cracks on walls while asian type toilets were fixed without determination of tile level and were therefore submerged.
- (iv) Several works were incomplete including electrical works, plumbing works, wall tiles were not fitted, cabro blocks in the parking area were not done, inspection chambers (manholes) did not have covers and drainage works for the whole building had not been done. Additionally, a slab had been done instead of a roof as per the bill of quantities without evidence of contract variation contrary to Section 139(1) of the public Procurement and asset Disposal Act (2015) which states an amendment or a variation to a contract resulting from a procurement is effective only if the variants or amendment has been approved in writing.

5.2 Komarock Primary School

- (i) The Fund Management disbursed Kshs.5,184,485 to Komarock Primary School for construction and completion of three (3) classrooms at the School at a contract sum of Kshs.7,184,485. However, there was no evidence of appointment of the committee or a separate bank account opened and maintained for the project.
- (ii) In addition, procurement documents including tender opening committee and tender evaluation committee minutes, appointment letters for the tender opening, tender evaluation committee and inspection and acceptance committees, letter of notification to successful and unsuccessful bidders, professional opinion and performance security were not provided for audit. Also, program of works, site instructions, works progress reports, completion certificates and site meeting minutes were also not provided for audit.
- (iii) Further, physical inspection carried out on 21 April, 2022 revealed that the project had been implemented in the 2019/2020 financial year as per the project label. It was also revealed during the inspection that the staircase had not been done as provided for in the bill of quantities.

5.3 Mwangaza Secondary School

An amount of Kshs.800,000 was disbursed to the PMC of Mwangaza Secondary School for additional works of construction of an 832 metre perimeter wall at the school for a contract sum of Kshs.12,903,360. Review of documents provided for audit revealed that the funds for the additional works were transferred to the PMC despite the total contract sum of Kshs.12,903,360 having been paid in the financial year 2019/2020 to the contractor in three (3) installments on 30 September, 2019, 16 January, 2020 and 24 June, 2020 respectively. It was not clear why the Management of the Constituency for transferred additional funds as there were no documents provided as evidence request and approval of contract variation or extra works and approval for the contract variation.

Further, an inspection carried out on 21 April, 2022 revealed that the works for the wall had been fully executed. However, test results on reinforced concrete foundation base and columns were not provided for audit, and therefore, it was not possible to ascertain the strength of the wall.

5.4 Kayole North Primary School

The Fund Management disbursed Kshs.449,378 to the PMC for Kayole North Primary School for additional works for construction of a 558 metre perimeter wall at a contract sum of Kshs.10,604,978. Review of documents provided for audit revealed that the amount was in addition to Kshs.11,135,227 which had been earlier disbursed to PMC and paid to the contractor in three (3) instalments on 6 July, 2020, 7 August, 2020, and 24 June, 2020. However, the purpose for the additional funds was not explained and the documents such as contract variation or extra works were provided for audit.

In addition, physical inspection at the site on 21 April, 2022 revealed that the wall had been fully executed. However, test results on reinforced concrete foundation base and columns were not provided for audit, and therefore, it was not possible to ascertain the strength of the wall. Further, the project signage indicated that the project was implemented in the financial year 2018/2019.

6. Failure to Identify and Prioritize Projects

The statement of receipts and payments reflects transfer to government entities and other grants and transfers amounting to Kshs.77,586,608 which includes transfers to security, sports, environmental and emergency projects totalling to Kshs.16,086,133 as disclosed in Note 7 to the financial statements. Review of the documents provided for audit revealed that thirteen (13) projects were implemented during the year under review. Although the implemented projects were included in the approved list of the National Government Constituencies Fund Board for 2019/2020 and 2020/2021. There was no evidence that public participation was conducted in the wards to ensure the residents came up with the projects to be implemented and equal distribution of projects among the wards as no advertisements for public forums, venue for the public forums supported by photos, minutes of public participation, ward reports, project proposals and Committee minutes showing the criteria for prioritizing the projects were provided for audit.

Consequently, the Fund Management was therefore 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 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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 August, 2022


VII. STATEMENT OF RECEIPTS AND PAYMENTS


	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	171,125,224	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	142,185	-
TOTAL RECEIPTS		171,267,409	123,040,876
PAYMENTS			
Compensation of employees	4	4,071,346	2,331,582
Use of goods and services	5	8,581,654	8,369,795
Transfers to Other Government Units	6	77,586,608	70,660,000
Other grants and transfers	7	73,817,133	18,113,619
Acquisition of Assets	8	6,573,277	14,382,931
Other Payments	9	-	-
TOTAL PAYMENTS		170,630,018	113,857,927
SURPLUS/DEFICIT		637,391	9,182,949

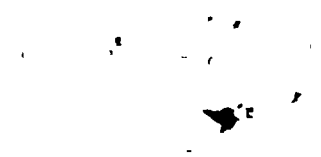
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Embakasi Central Constituency financial statements were approved on 10th September 2021 and signed by:

FUND ACCOUNT MANAGER

Fund Account Manager
 Name: Elias Maiti
 EMBAKASI CENTRAL CONSTITUENCY
 P. O. BOX 871 - 00518, NAIROBI - KENYA


National Sub-County Accountant
 Name: Dennis Mathenge
 ICPAK M/No:14373


Chairman NG-CDF Committee
 Name: Stephen Macharia





VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,523,249	14,885,857
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,523,249	14,885,857
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,523,249	14,885,857
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		15,523,249	14,885,857
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd	13	14,885,857	5,702,908
Prior year adjustments	14	-	-
Surplus/Deficit for the year		637,391	9,182,949
NET FINANCIAL POSITION		15,523,249	14,885,857

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Embakasi Central Constituency financial statements were approved on 10th September 2021 and signed by:

FUND ACCOUNT MANAGER
 Sign:
 Fund Account Manager
 10 SEP 2021
 Name: Elias Mate
 NG-CDF
 EMBAKASI CENTRAL CONSTITUENCY
 P. O. BOX 871 - 00518, NAIROBI - KENYA


 National Sub-County
 Accountant
 Name: Dennis Mathenge
 ICPAK M/No:14373


 Chairman NG-CDF
 Committee
 Name: Stephen Macharia

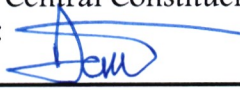
Embakasi Central Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

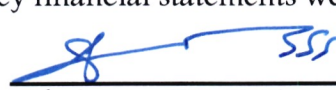
IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	171,125,224	123,040,876
Other Receipts	3	142,185	-
		171,267,409	123,040,876
Payments for operating activities			
Compensation of Employees	4	4,071,346	2,331,582
Use of goods and services	5	8,581,654	8,369,795
Transfers to Other Government Units	6	77,586,608	70,660,000
Other grants and transfers	7	73,817,133	18,113,619
Other Payments	9	-	-
		164,056,741	99,474,996
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		7,210,668	23,565,880
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(6,573,277)	(14,382,931)
Net cash flows from Investing Activities		(6,573,277)	(14,382,931)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		637,391	9,182,949
Cash and cash equivalent at BEGINNING of the year	10	14,885,857	5,702,908
Cash and cash equivalent at END of the year		15,523,248	14,885,857

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Embakasi Central Constituency financial statements were approved on 10th September 2021 and signed by:

FUND ACCOUNT MANAGER
 Fund Account Manager
 Name: Elias Mate
 NG-CDF
 EMBAKASI CENTRAL CONSTITUENCY
 P. O. BOX 871 - 00518, NAIROBI - KENYA


 National Sub-County
 Accountant
 Name: Dennis Mathenge
 ICPAK M/No:14373


 Chairman NG-CDF
 Committee
 Name: Stephen Macharia

X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	137,088,879	69,367,724	221,342,460	186,011,082	35,331,379	84.0%
Proceeds from Sale of Assets					-	
Other Receipts(sale of tender documents)		142,185	142,185	142,185	-	100.0%
TOTAL RECEIPTS	137,088,879	69,367,724	221,484,645	186,153,267	35,331,379	84.0%
PAYMENTS						
Compensation of Employees	3,219,411		5,825,216	4,071,346	1,753,870	69.9%
Use of goods and services	9,118,588		10,725,126	9,444,384	1,280,742	88.1%
Transfers to Other Government Units	44,927,835	44,500,000	90,227,835	77,586,608	12,641,227	86.0%
Other grants and transfers	74,823,045	20,910,696	104,565,700	72,954,403	31,611,297	69.8%
Acquisition of Assets	5,000,000	3,877,027	9,918,583	6,573,277	3,345,306	66.3%
Other Payments		80,000	80,000	-	80,000	
Un Approved AIA			142,185		142,185	
TOTAL	137,088,879	69,367,724	221,484,646	170,630,018	50,854,628	77.0%

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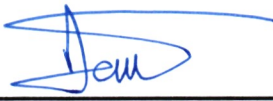
**Embakasi Central Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

- i. *The under-utilization under compensation of employees at 69.9%, use of goods and services at 88.1%, transfers to other Government Units at 86%, other grants and transfers at 69.8% and acquisition of assets at 66.3% was generally due to the fact that Embakasi Central NGCDF only had Kshs 186,011,082 out of the budgeted Kshs 221,342,460 within the financial year under review. With this it meant that full budget implementation was not practical.*
- ii. *The difference between the original and the final budget was brought about by the opening cashbook balance and funds for financial year 2019/2020 received in the financial year under review. These funds were available for utilization during the financial year under review and thus the difference in the budget.*

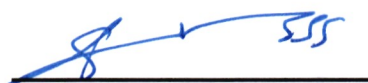
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	50,854,628
Less undisbursed funds receivable from the Board as at 30th June 2021	35,331,379
	15,523,249
Add Accounts payable	
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 202021	15,523,249

The NGCDF-Embakasi Central Constituency financial statements were approved on 10th September 2021 and signed by:

FUND ACCOUNT MANAGER
 Sign: _____
Fund Account Manager
 Name: Elias Maito
NGCDF
EMBAKASI CENTRAL CONSTITUENCY
P. O. BOX 871 - 00518, NAIROBI - KENYA



**National Sub-County
Accountant**
 Name: Dennis Mathenge
 ICPAK M/No:14373



**Chairman NG-CDF
Committee**
 Name: Stephen Macharia

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	2020/2021	2019/2020	2020/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Employees' Salaries	3,071,811	2,546,005.00		5,617,816	3,975,146	1,642,670
NHIF	97,200	35,800		133,000	67,800	65,200
NSSF	50,400	24,000		74,400	28,400	46,000
Goods and Services	3,757,922	866,201		4,624,123	3,527,354	1,096,769
Committee Expenses	1,248,000	16,000		1,264,000	889,000	375,000
Sub-Total	8,225,333	3,488,006	-	11,713,339	8,487,700	3,225,639
2.0 Monitoring and Evaluation				-		-
Goods and Services	912,666	421,088		1,333,754	851,300	482,454
Committee Expenses	1,200,000	191,049		1,391,049	1,330,000	61,049
Capacity Building of NG-CDFs/PMCs	2,000,000	112,200		2,112,200	1,984,000	128,200
Sub-Total	4,112,666	724,337		4,837,003	4,165,300	671,703
3.0 Emergency				-		-
Emergency	7,192,206	7,198,241		14,390,447	10,629,205	3,761,242
Emergencies				-		-
Sub-Total	7,192,206	7,198,241	-	14,390,447	10,629,205	3,761,242
4.0 Bursary and Social Security Programme				-		-
Bursary Secondary Schools	24,932,242	412,556	20,910,696	45,842,938	37,731,000	8,111,938
Bursary Tertiary Schools	21,649,107			21,649,107	20,000,000	1,649,107
Bursary Special Schools				-		-

**Embakasi Central Constituency Development Fund (NGCDF)
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Social Security Programmes - NHIF					-			
Sub-Total	46,581,349	412,556	20,910,696	67,904,601	57,731,000	10,173,601		
5.0 Sports								
Constituency Sports Tournament	2,741,778	1,063,559		3,805,337	2,738,600	1,066,737		
6.0 Environment								
Constituency Environmental activities	2,741,777.59	156,586		2,898,364	2,602,393	295,971		
Sub-Total	2,741,778	156,586	-	2,898,364	2,602,393	295,971		
7.0 Primary School Projects								
Kayole North Primary.	449,378			449,378	449,378	-		
Komarock Primary School.	12,064,485			12,064,485	5,184,485	6,880,000		
Mwangaza Primary School	652,745			652,745	652,745	-		
Komarock South Primary School	31,761,227		44,500,000	76,261,227	70,500,000	5,761,227		
Sub-Total	44,927,835	800,000	44,500,000	90,227,835	77,586,608	12,641,227		
8.0 Tertiary institutions projects								
Sub-Total	-							
9.0 Security Projects								
Kayole Chief's Camp	115,935	1,017		116,952	115,935	1,017		
Kayole Police Station	10,450,000			10,450,000				
Embakasi Sub-County Offices-DCC Office	5,000,000			5,000,000		5,000,000		
Sub-Total	15,565,935	1,017	-	15,566,952	115,935	15,451,017		
10.0 Acquisitions of Assets								
NG-CDF office	5,000,000	1,041,556	3,877,027	9,918,583	6,573,277	3,345,306		

**Embakasi Central Constituency
National Government Constituencies Development Fund (NGCDF)
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11.0 Others									
strategic plan			80,000		80,000				80,000
Sub-Total	5,000,000	1,041,556	3,957,027		9,998,583		6,573,277		3,425,306
12.0 Un Approved AIA		142,185			142,185				142,185
GRAND TOTAL	137,088,879	15,028,043	69,367,724		221,484,645		170,630,018		50,854,627

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

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XII. 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-Embakasi Central Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

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External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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 Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

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 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

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.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO....B041102	1		27,040,876
AIE NO....B041495	2		28,000,000
AIE NO....B047954	3		4,000,000
AIE NO....B049352	4		20,000,000
AIE NO....B104375	5		7,000,000
	6		9,000,000
	7		9,000,000
B 104713	1	28,000,000	
B 823506	2	40,225,224	
	3	9,000,000	
B124920	4	12,000,000	
B 119775	5	15,000,000	
B 128066	6	6,900,000	
B128377	7	8,000,000	
	8	21,000,000	
	9	16,000,000	
	10	15,000,000	
TOTAL		171,125,224	123,040,876

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents		
Hire of plant/equipment/facilities		
Unutilized funds from PMCs	142,185	
Other Receipts Not Classified Elsewhere		
Total	142,185	

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,778,809	2,305,182
Personal allowances paid as part of salary		-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,264,137	
Employer Contributions Compulsory national social security schemes	28,400	26,400
Total	4,071,346	2,331,582

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	2,800,000	2,219,660
Electricity		
Water & sewerage charges		
Office rent		
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services	135,968	63,880
Rentals of produced assets		330,981
Training expenses	2,462,800	2,183,500
Hospitality supplies and services		
Other committee expenses	889,000	1,153,301
Committee allowance	1,330,000	1,350,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services	434,100	847,289
Fuel, oil & lubricants		
Other operating expenses	372,500	
Bank service commission and charges	157,286	221,184
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets		
Total	8,581,654	8,369,795

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	77,586,608	57,646,000
Transfers to secondary schools (see attached list)		13,014,000
Transfers to tertiary institutions (see attached list)		-
TOTAL	77,586,608	70,660,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	-	5,442,000
Bursary – tertiary institutions (see attached list)	42,791,000	-
Bursary – special schools (see attached list)	14,940,000	-
Mock & CAT (see attached list)	-	
Social Security programmes (NHIF)		
Security projects (see attached list)	115,935	2,350,000
Sports projects (see attached list)	2,738,600	1,770,000
Environment projects (see attached list)	2,602,393	2,812,625
Emergency projects (see attached list)	10,629,205	5,738,993
Total	73,817,133	18,113,618

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	5,574,077.00	14,382,931
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Overhaul 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	999,200	
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	6,573,277	14,382,931

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan		
ICT Hub		

Embakasi Central Constituency

National Government Constituencies Development Fund (NGCDF)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>FAMILY BANK, EMBAKASI CENTRAL NG-CDF</i>	15,523,249	14,885,857
<i>EQUITY BANK LIMITED, EMBAKASI CENTRAL NG-CDF</i>	-	
	-	
Total	15,523,249	14,885,857
10B: CASH IN HAND		
Location 1	~	~
Location 2	~	~
Location 3	~	~
Other Locations (<i>specify</i>)	~	~
Total	~	~
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

Provide short appropriate explanations as necessary

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	14,885,857	5,702,908
Cash in hand		-
Imprest		-
Total	14,885,857	5,702,908

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)	3,507,300	4,451,301
Imprest surrendered during the Year (C)	3,507,300	4,451,301
closing accounts in account receivables D= A+B-C		

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff Gratuity	420,814	1,594,367
Others (<i>specify</i>)		
	420,814	1,594,367

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,753,870	2,605,805
Use of goods and services	2,143,472	1,606,538
Amounts due to other Government entities (see attached list)	12,641,227	14,500,000
Amounts due to other grants and other transfers (see attached list)	30,748,567	59,742,656
Acquisition of assets	3,345,306.10	1,041,556
Others (<i>specify</i>)	80,000	4,757,027
Funds pending approval	142,185	
Total	50,854,627	84,253,581

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	251,106.94	39,233,786.08
	251,106.94	39,233,786.08

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					



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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
		a	b	c	d=a-c		
NGCDF Staff Gratuity							
Fridah Kamau			Jan-22		34,215		
Peterson Kiritu			Jan-22		34,215		
Josephine Ayido			Jan-22		34,215		
Lucy Njeri Maina			Jan-22		265,819		
Milka Kamau			Jan-22		42,350		
Sub-Total					420,814		
NGCDFC Staff gratuity							
1							
2							
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total					420,814		

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		1,753,870	2,605,805	
Use of goods & services		2,143,472	1,606,538	
Amounts due to other Government entities				
Komarock South Primary School		6,880,000	14,500,000	
Komarock Primary School		5,761,227		
Sub-Total		12,641,227	14,500,000	
Amounts due to other grants and other transfers				
Bursary		10,173,601	51,323,252	
Emergency		3,761,242	7,198,241	
Constituency sports tournament		1,066,737	1,063,559	
Constituency Environmental activities		295,971	156,586	
Kayole Chief's Camp		1,017	1,017	
Kayole Police Station		10,450,000		
Embakasi Sub-County Offices- Deputy County Commissioner's Office		5,000,000		
Sub-Total		30,748,567	59,742,655.00	
Acquisition of assets				
Embakasi Central NG-CDF Office		3,345,306	1,041,556	
Others (specify)				
Strategic plan		80,000	80,000	
ICT Hubs			4,677,027	
Sub-Total		3,425,306	4,757,027	
Sub-Total		3,425,306	5,798,583	
Funds pending approval		142,185		
Grand Total		50,854,627	84,253,581.00	

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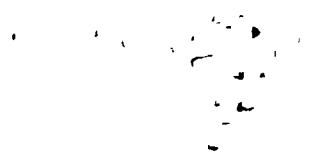
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	58,000,000			58,000,000
Buildings and structures	26,579,160	5,574,077		32,153,237
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets		999,200		999,200
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	84,579,160	6,573,277		91,152,437

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
BONDENI PRIMARY SCHOOL	FAMILY-KAYOLE	061000032864	10,444.02	14,044
KAYOLE NORTH PRIMARY SCHOOL	FAMILY-KAYOLE	061000032863	110,149.42	117,469
THAWABU PRIMARY SCHOOL	FAMILY-KAYOLE	061000032866	-	-
IMARA PRIMARY SCHOOL	FAMILY-KAYOLE	061000032865	380.00	380
MWANGAZA PRIMARY SCHOOL	FAMILY-KAYOLE	061000033419	10,854.27	73,597
KOMAROCK PRIMARY SCHOOL	FAMILY-KAYOLE	061000034090	2,228.62	1,991,595
KAYOLE CHIEFS CAMP	FAMILY-KAYOLE	061000034163	191.00	1,793,897
KAYOLE NORTH PRIMARY SCHOOL ACC B	FAMILY-KAYOLE	061000034091	103,442.21	610,984
KAYOLE 1 PRIMARY PMC	FAMILY-KAYOLE	061000034093	0.21	25,026
KAYOLE SOUTH SECONDARY SCHOOL	FAMILY-KAYOLE	061000034092	13,416.51	20,017
MWANGAZA SECONDARY SCHOOL	FAMILY-KAYOLE	061000034089	-	1,284,993
THAWABU PRIMARY SCHOOL PERIMETER WALL PMC	FAMILY-KAYOLE	061000035594	-	11,864,592
THE KOMAROCK SCHOOL PERIMETER WALL PMC	FAMILY-KAYOLE	061000035595	0.68	11,282,192
KAYOLE NORTH PRIMARY PERIMETER WALL PMC	FAMILY-KAYOLE	061000035681	-	10,155,000
TOTAL			251,106.94	39,233,786



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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Budget under utilization	The issue of delays in disbursement has been raised with NG-CDF Board to ensure timely disbursement of funds	ELIAS MATE FUND ACCOUNT MANAGER	Not Resolved	
4.2	The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs. 9,822,381 as at 30 June 2019 which is not supported by signed bank reconciliation statements. However, bank confirmation certificates of the two Embakasi Central NGCDF bank accounts (Family and Equity) and equity bank account reconciliation for June 2019 were not availed for audit verification. The cashbook for equity bank account was also not availed for audit review. Further, family bank reconciliation shows payments in cashbook not yet recorded in bank statement Kshs. 4,597,511 which includes	Firstly, the committee resorted to change of bank account from Equity Bank to Family Bank to enable convenience and ease of transacting since the bank is closer to the office. Equity Bank had a cash book balance of kshs.847,288.68 while Family Bank cash book balance was kshs.4,855,619.43 giving a total of kshs. 5,702,908.11. It is true the bank statement (Family Bank) as at 30th June 2019 has a balance of kshs 9,453,130.43 with	ELIAS MATE FUN D ACCOUNT MANAGER	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>stale cheques totalling Kshs. 1,086,015 dated from 20/07/2018 to 26/11/2018 which have not been reversed in the cashbook contrary to Regulation 90 (3) the Public Finance Management (National Government) Regulations, 2015. In the circumstances, the cash and cash equivalents balance reported in the statement of assets and liabilities could not be confirmed</p>	<p>reconciling items of kshs 4,597,511 having a cash book balance of kshs 4,855,619.43 The balance as per the bank statement (Equity bank) was Kshs 1,108,376.28 and a cash book balance of kshs 847,288.68 as at 30th June 2019.</p> <p>The account had not been closed as at the financial year end as per the garnishee orders that had been issued</p>			
4.3	<p>The statement of receipt and payments shows under other financial statements strategic plan expenditure of Kshs. 3,420,000 which is not supported by a payment voucher and relevant documentation contrary to Regulation 99 and 104 (1) of the Public Finance Management (National Government) Regulations, 2015. In the absence of payment</p>	<p>It is true that the payment voucher was not available at the time of audit. This could be a case of misplacement as we were relocating the files from the former office at Nyayo House. We will submit the voucher as soon as we get it. However, we have attached a copy of the strategic plan</p>	<p>ELIAS MATE FUND ACCOUNT MANAGER</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.4	<p>vouchers supported by appropriate authority and documentation, it was not possible to ascertain whether the expenditure is a proper charge to public funds</p> <p>The statement of receipts and payments shows acquisition of assets Kshs. 2,196,229 spent on construction of Embakasi Central Constituency Offices. Further, an amount of Kshs. 326,085 was paid towards electricity installation and Kshs. 55,149 for water connection to make the office ready for immediate occupation. However, as at the time of audit inspection, ground floor was complete, the CDF offices had not relocated to their new offices and instead continued to occupy rented offices. No reason was provided for delays to relocate to the new office building.</p>	<p>The above observation is true. The office on the ground floor is complete but unoccupied. The reason is that the works officers advised that it would be a hazard occupying the office while the 1st floor was under construction. The management is however committed to move into the new premises from 1st March 2020 upon completion of the 1st floor</p>	<p>ELIAS MATE</p> <p>FUND ACCOUNT MANAGER</p>	<p>Not Resolved</p>	

