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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT

DATE: 15 AUG 2023

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BY

OF

CLERK AT
THE TABLE

TUESDAY
Hon. Kimani Ichunguwa, MP
Leader, majority party
Inzofu Mwale

THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
13 JUN 2023
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EMBAKASI SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

FUND ACCOUNT MANAGER
Sign:.....
05 SEP 2022
NG-CDF
EMBAKASI SOUTH CONSTITUENCY
P. O. Box 1253-00621, NAIROBI.

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

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

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

ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Elias Mate
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Duncan Mulwa
4.	Member NGCDFC	Sabina Wanjohi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1253-00621
Imara Daima ACC Office Embakasi South,
Nairobi, KENYA

(f) Embakasi south Constituency NGCDF Contacts

Telephone: (254)0715070030
E-mail: info@Embakasisouthngcdf.go.ke
Website: www.Embakasisouthngcdf.go.ke

(g) Embakasi south Constituency NGCDF Bankers

Equity Bank
Embakasi Junction
P.o Box 51304-00100`
Nairobi Kenya
Account No 1320261985991

(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



INTRODUCTION

Embakasi South constituency consist of five ward namely Pipeline, Imara Daima. Kware, Kwa Njenga and Kwa Reuben. The people of Embakasi South are determined to participate effectively in domesticating objectives of vision the big Four in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

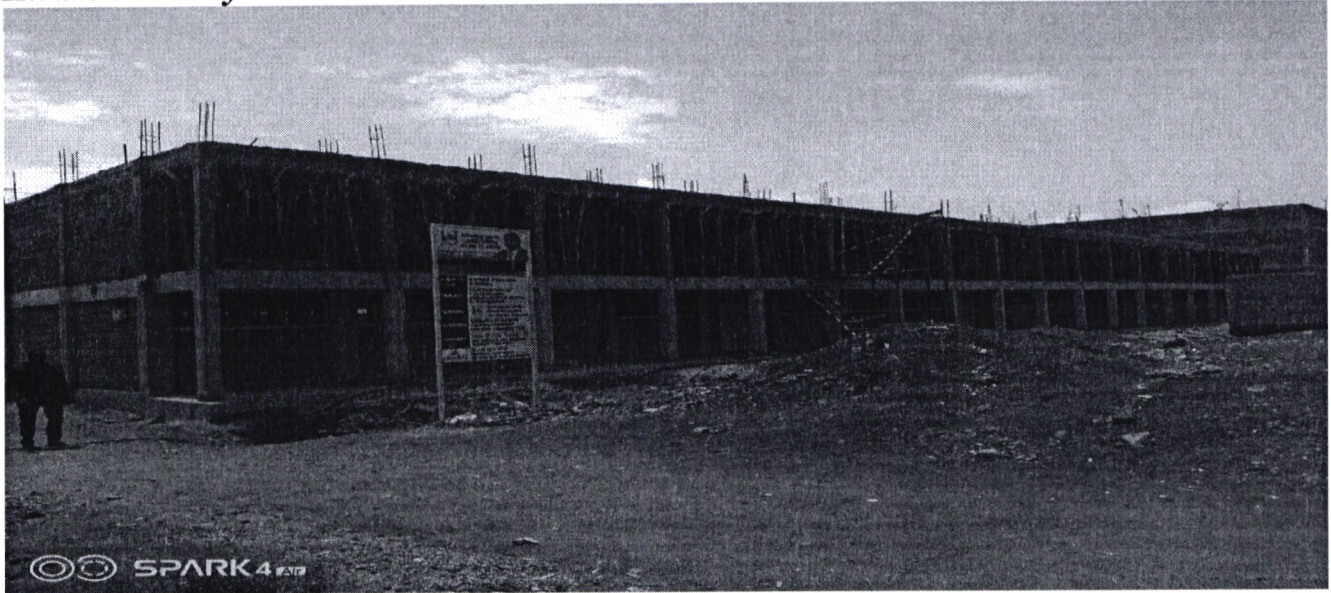
ACHIEVEMENT

During the financial year 2021/2022, Embakasi South constituency has been able to absorb more than 85% all the total allocation and also the balance of the other financial years. Construction of classrooms, security projects and helping the needy students through bursaries.

EMERGING ISSUES

There is a dire need by the community for some projects which are devolved. Embakasi South NG-CDFC would like to support the community with a well-build stadium help the youth have recreational and sports area. Insecurity has also affected the constituent thus there is need for more police stations.

Kware Primary School Embakasi South



Ng-Cdf Embakasi South Office Embakasi South



*Embakasi south Constituency
National Government Constituencies Development Fund (NGCDF)
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ONGOING CONSTRUCTION KWA RUBEN SECONDARY SCHOOL

Dave

.....
Duncan Mulwa
CHAIRMAN NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

The key development objectives of **Embakasi south Constituency 2018-2022** plan are to:

- To have all children of school going age attending school
- To improve security in the Constituency
- Ensure increased access and connection to clean and safe water through
- Empower and develop youth and special groups
- Develop an emergency response system that will be in operation during emergencies

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:

Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	In FY 21/22 -we increased number of classrooms, dormitories, laboratories etc. by 32 classrooms in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
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Embakasi south Constituency
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Security	To improve security in the Constituency	Create, promote and sustain community policing programs in the constituency; profile crime trends to determine the status of security in the constituency, and in consultation with stakeholders,	Prioritize locations for the police posts/ security installations; and establish more and sufficiently equipped and staffed security installations with sufficient manpower and mobility.	In FY 21/22- Number of security posts and security high masts increased
Environment	Ensure increased access and connection to clean and safe water through,	protecting catchment areas to sustain natural water sources; increase household water connection from 40% to 65% in improve the water supply	Embakasi Central; sensitizing people on the need to follow rules regulating water supply discouraging people from illegally diverting water, encouraging roof catchment of rain water for domestic use; drilling of more boreholes, identify and stop water cartels, putting more pipe and maintain and eventually	Tanks supplied in different schools
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme is 37 teams around the constituency
Emergency	Develop an emergency response system that will be in operation during emergencies	Improved emergency response in the constituency	Covid 19 assortments supplied in the constituency	Put emergency equipment's in place. Have economically empowered youths

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Embakasi south NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

- **Environmental performance** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion
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2. Employee welfare

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

3. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

4. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

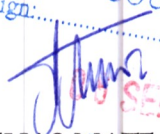
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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

FUND ACCOUNT MANAGER
Sign: 
17 SEP 2022
ELIAS MATE
EMB KASI SOUTH CDF
P. O. BOX 1253-00621, NAIROBI
FAM

V. Statement of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF- Embakasi south Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi south 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.

***Embakasi south Constituency
National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Embakasi south 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

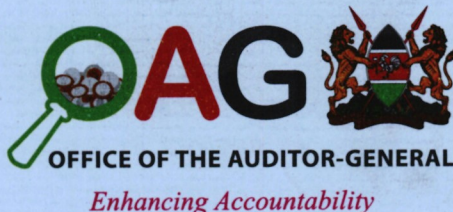
The NGCDF- Embakasi south Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.


.....

Name: DUNCAN N. MULWA
Chairman – NGCDF Committee


.....
Name: ELIAS MATE
Finance Account Manager

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal 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 South Constituency set out on pages 1 to 40, which comprise the statement of assets and liabilities as at 30 June, 2022, and the

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

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

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

Basis for Qualified Opinion

1. Misstatement of Emergency Projects

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and transfers amount of Kshs.89,644,672. Included in this expenditure is an amount of Kshs.6,035,859 on emergency projects, which in turn wrongly includes rent totalling to Kshs.862,500. In addition, there was a double payment of rent amounting to Kshs.172,500, whereby the related cheque was posted twice and therefore overstating the expenditure.

In the circumstances, the accuracy and completeness of the emergency projects balance of Kshs.6,035,859 could not be confirmed.

2. Unsupported Expenditures

2.1 Use of Goods and Services

The statement of receipts and payments reflects an expenditure of Kshs.7,082,703 for use of goods and services as disclosed under Note 5 to the financial statements. However, the payment vouchers submitted accounted for an amount of Kshs.6,355,211, resulting to unsupported payments of Kshs.727,492.

Further, examination of the cash book and the ledger revealed two payments amounting to Kshs.713,000 were recorded in the cash book but not captured in the ledger, resulting to understatement of the use of goods and services expenditure by a similar amount.

2.2 Transfers to Other Government Units

Note 6 to the financial statements reflects transfers to primary schools of Kshs.32,023,982 while the budget execution by sectors and projects for the year indicate total transfers of Kshs.35,593,982. Similarly, Note 6 to the financial statements reflect total transfers to secondary schools of Kshs.80,616,219 while the budget execution by sectors and projects reflect transfer total of Kshs.77,034,173. The resultant variances were not explained or reconciled.

In addition, analysis provided revealed that out of Kshs.32,023,982 transferred to primary schools, Kshs.6,995,000 was paid to a contractor while out of total amount of Kshs.80,616,219 transferred to secondary schools, Kshs.7,838,708 was paid to two (2) contractors. However, the details of the respective supplies were not provided for audit.

2.3 Other Grants and Transfers

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and other transfers total amount of Kshs.89,644,672. Included in this amount are bursaries to secondary and tertiary schools of Kshs.40,739,381 and Kshs.15,642,500 respectively. The total amount of Kshs.56,381,881 represents 38% of the total transfers from NG-CDF Board, which is 3% above the allowable limit of 35%. This was contrary to Section 48 of the National Government Constituencies Development Fund Act, 2015 which provide that the funding of social security programmes, education bursary schemes, shall be considered as development projects for the purposes of the Act, provided that such projects shall not be allocated more than thirty-five per centum of the total funds allocated for the Constituency in any financial year.

The analysis provided in support of the Kshs.15,642,500 for the bursary-tertiary institutions totalled to Kshs.14,970,000 resulting to a variance of Kshs.672,500, being a payment made on 18 May, 2022 that was not supported or explained.

In the circumstances, the accuracy and completeness of the financial statements balances on use of goods and services, transfers to primary and secondary schools and, other grants and other transfers of Kshs.727,492, Kshs.112,640,201 and Kshs.56,381,881 respectively could not be confirmed.

3. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.15,847,490 as disclosed in Note 10A to the financial statements. The bank reconciliation statements in support of the cash and cash equivalents balance reflects a bank balance of Kshs.69,244,817 which was not supported with a board of survey report as at 30 June, 2022. Further, the June, 2022 reconciliation statement revealed payments in cash book not recorded in bank statement (unpresented cheques) totalling to Kshs.21,308,448 which date back to 19 January, 2021. Management did not provide evidence and details on when the cheques were cleared and the status of the stale cheques.

In addition, the cash book postings were done in pencil thereby making them temporary in nature and susceptible to unauthorized alterations. Further, there were numerous over-writings and cancelations that were not signed by the officer making the corrections or examining the cash book as required.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.15,847,490 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Embakasi South 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs.284,930,345 and Kshs.230,629,663 respectively, resulting to an underfunding of Kshs.54,300,682 (or 24%) of the budget. Similarly, the Fund expended Kshs.214,762,566 against an approved budget of Kshs.284,928,345 resulting to budget under absorption of Kshs.70,165,779 (or 33%) of the budget.

The underfunding and under absorption of budget may have negatively impacted service delivery to the people of Embakasi South Constituency.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management did not resolve the issues or explain reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Branding of Projects

Inspection of projects implemented by the Fund on 22 March, 2023 revealed instances of noncompliance with the law in branding of projects at Imara Daima ACC Office and Reuben Primary School by branding them with the name of the area Member of Parliament. This was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 providing that the funds provided under this

Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

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

2. Non-Compliance in Management of Emergency Reserves

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.89,644,672 which includes emergency expenditure amounting to Kshs.6,035,859, as disclosed in Note 7 to the financial statements. However, no documentary evidence was provided indicating that the Fund reported the emergency expenditures to the Board using the prescribed format and within the stipulated period of 30 days as required of Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

Further, the Fund spent Kshs.4,497,840 on grading, levelling and compaction of a school play field. However, the request for funding from the school and the project details as evidence of the nature of the emergency were not provided and no minutes were provided as evidence that the project related to urgent and unforeseen need for expenditure that could not be delayed as per Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

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

3. Bursary Disbursement

The statement of receipts and payments and Note 7 to the financial statements reflect total expenditure of Kshs.89,644,672 relating to other grants and other payments. Included in this expenditure is an amount of Kshs.56,381,881 on bursaries to secondary schools and tertiary institutions. However, review of bursary records provided revealed that some students did not have their admission or registration numbers indicated in the schedules. Also, the evidence of applications vetting by the Education Bursary Committee, receipts acknowledgement by the beneficiary schools and institutions and cheque dispatch register to confirm the dispatching of cheques were not provided.

In the circumstances, the regularity of the bursaries of Kshs.56,381,881 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 controls 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

18 July, 2023

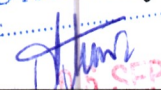
Embakasi south Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

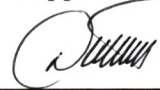
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	150,088,879	158,185,920
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	=	
Total Receipts		150,088,879	158,185,920
Payments			
Compensation Of Employees	4	5,414,596	5,613,315
Use Of Goods and Services	5	7,082,703	4,299,560
Transfers To Other Government Units	6	112,640,202	41,704,500
Other Grants and Transfers	7	89,644,672	62,044,360
Acquisition Of Assets	8		
Other Payments	9		
Total Payments		214,782,173	113,661,735
Surplus/(Deficit)		(64,693,294)	44,524,185

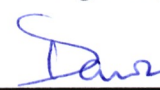
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on _____ 2022 and signed by:

FUND ACCOUNT MANAGER
 Sign: 
 13 SEP 2022
NG-CDF
EMBAKASI SOUTH CONSTITUENCY
CHARLES M. MATSIS
 Name: _____


 National Sub-County
 Accountant

Name: **JOSIUS MUIA**
 ICPAK M/No: **12228**


 Chairman NG-CDF
 Committee

Name: **Duncan Muthiga**

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

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	15,847,490	80,540,784
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		15,847,490	80,540,784
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		15,847,490	80,540,784
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		15,847,490	80,540,784
Represented By			
Fund Balance B/Fwd	13	80,540,784	36,016,599
Prior Year Adjustments	14		
Surplus/Deficit for The Year		(64,693,294)	44,524,185
Net Financial Position		15,847,490	80,540,784

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

The Constituency financial statements were approved on _____ 2022 and signed by:

FUND ACCOUNT MANAGER
Sign: _____
Fund Account Manager
05 SEP 2022
Name: ELIAS MATE
NG-CDF
EMBAKASI SOUTH CONSTITUENCY
P. O. Box 1253-00621, NAIROBI.

National Sub-County
Accountant

Name: JUSTUS MURIA
ICPAK M/No: 12228

Chairman NG-CDF
Committee

Name: DUNCAN N. MULWA

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

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

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	150,088,879	158,185,920
Other Receipts	3	-	-
		150,088,879	158,185,920
Payments for operating activities			
Compensation of Employees	4	5,414,596	5,613,315
Use of goods and services	5	7,082,703	4,299,560
Transfers to Other Government Units	6	112,640,202	41,704,500
Other grants and transfers	7	89,644,672	62,044,360
Other Payments	9	-	-
		214,782,173	113,661,735
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		(64,693,294)	44,524,185
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(64,693,294)	44,524,185
Cash and cash equivalent at BEGINNING of the year	10	80,540,784	36,016,599
Cash and cash equivalent at END of the year		15,847,490	80,540,784

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

FUND The Constituency financial statements were approved on _____ 2022 and signed by:
 Sign: _____
Fund Account Manager
 NG-CDF
Name: ELIAS MATE
 EMBAKASI SOUTH CONSTITUENCY
 P.O. BOX 123700-001, NAIROBI.

National Sub-County Accountant
 Name: **JOSUI MUIWA**
 ICPAK M/No: **12228**

Chairman NG-CDF Committee
 Name: **DUNCAN N. MULWA**

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

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

Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	80,540,784	67,300,682	284,930,345	230,629,663	54,300,682	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
TOTAL RECEIPTS	137,088,879	80,540,784	67,300,682	284,930,345	230,629,663	54,300,682	80.9%
PAYMENTS							
Compensation of Employees	7,072,630	1,489,920	0	8,562,550	5,414,596	3,147,954	63.2%
Use of goods and services	5,265,370	3,583,444	0	8,848,814	7,075,143	1,773,671	80.0%
Transfers to Other Govt Units	51,813,170	55,725,750	17,715,238	125,254,158	112,628,155	12,626,003	90.0%
Other grants and transfers	68,557,050	15,022,643	49,585,444	133,165,137	89,644,672	43,520,464	67.3%
Acquisition of Assets	0	0	0	0	-	-	
Other Payments	4,380,660	4,717,027	0	9,097,687	-	9,097,687	0.0%
TOTAL	137,088,879	80,538,784	67,300,682	284,928,345	214,762,566	70,165,779	75.4%

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

Explanatory Notes .

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

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

(b) Compensation of employees is below 90% due to gratuity due to staff as the contracts for staff have not lapsed. Gratuity is payable at the end of the contract.

(c) Use of goods and services was underutilized due to the term of the committee members resigning for the campaign and end of contract for some committee members

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	70,165,779
Less undisbursed funds receivable from the Board as at 30th June 2022	54,300,682
	15,865,097
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	15,865,097

The Constituency financial statements were approved on _____ 2022 and signed by:

FUND ACCOUNTANT MANAGER
 Sign: *[Signature]*
Fund Account Manager

[Signature]

National Sub-County Accountant _____ Chairman NG-CDF Committee

Name: *Jusier mwin*
 ICPAK M/No: *12228*

Name: DUNCAN N.MULWA

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

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c - d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	7,072,630	1,489,920	-	8,562,550	5,414,596	3,147,954	
1.2 Committee allowances	540,000	728,500	-	1,268,500	1,268,500	-	
1.3 Use of goods and services	612,703	767,306	-	1,380,009	1,200,000	180,009	
Total	8,225,333	2,985,726	-	11,211,059	7,883,096	3,327,963	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,600,000	1,778,897		3,378,897	2,322,743	1,056,154	
2.2 Committee allowances	960,000	99,666		1,059,666	522,159	537,507	
2.3 Use of goods and services	1,552,666	209,075		1,761,741	1,761,741	0	
Total	4,112,666	2,087,638	-	6,200,304	4,606,643	1,593,661	
3.0 Emergency							
	7,192,207	7,043,914	-	14,236,121	6,035,859	8,200,262	
Total	7,192,207	7,043,914		14,236,121	6,035,859	8,200,262	
4.0 Bursary and Social Security							
4.1 Secondary Schools	30,000,000	90,237		30,090,237	40,739,381	(10,649,144)	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
4.2 Tertiary Institutions	2021/2022 17,981,108	6,767,368		2021/2022 24,748,476	30/06/2022 15,642,500	9,105,976	
4.3 Social Security				-		-	
4.4 Special Needs				-			
Total	47,981,108	6,857,605	-	54,838,713	56,381,881	(1,543,168)	
5.0 Sports							
5.1	2,741,778	1,578		2,743,356	2,740,300	3,056	
Total	2,741,778	1,578	-	2,743,356	2,740,300	3,056	
6.0 Environment							
	2,741,778	1,119,546	838,659	4,699,983	2,851,603	1,848,380	
				-		-	
				-		-	
				-		-	
				-		-	
				-		-	
				-		-	
				-		-	
Total	2,741,778	1,119,546	838,659	4,699,983	2,851,603	1,848,380	
7.0 Primary Schools Projects							

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

Programme/Sub-programme	Original Budget (a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
Kwa Njenga Primary School	0.00	9,295,750	-	9,295,750	3,570,000	5,725,750	
Kware Primary school	12,833,820	13,000,000	0.00	25,833,820	32,023,982.00	(6,190,162)	
Reuben Primary School	-	-				-	
Reuben Primary School	-	-				-	
Total	12,833,820	22,295,750	-	35,129,570	35,593,982	(464,412)	
8.0 Secondary Schools Projects							
Kwa Njenga Secondary school	0.00	5,000,000	-	5,000,000	3,570,000.00	1,430,000	
Reuben Secondary school	20,758,910.00	5,430,000	-	26,188,910	35,361,072	(9,172,162)	
Imara Secondary School	1,500,000.00	9,000,000	-	10,500,000	9,000,000	1,500,000	
Kware Secondary school	16,720,440.00	14,000,000	-	30,720,440	28,416,440.00	2,304,000	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
Nazarithe	-	-	17,715,238	17,715,238	686,660.72	17,028,577	
Total	38,979,950	33,430,000	17,715,238	90,124,588	77,034,173	13,090,415	
9.0 Tertiary institutions Projects							
Total	-		-	-	-	-	
10.0 Security Projects							
Assistant County Commissioner's office Imara Daima	2,654,748.65	-	3,500,000	6,154,749		6,154,749	
County Commissioners office Imara Daima	3,750,431.00	-	10,640,648	14,391,079	14,391,079	(0)	
Pipeline police post		-	8,300,000	8,300,000		8,300,000	
AA Vila Police station	455,000.00	-	7,435,732	7,890,732	7,243,950	646,782	
Mombasa Road police post		-	2,300,000	2,300,000		2,300,000	
Kwa Reuben Chief Office	260,000.00	-	2,000,000	2,260,000		2,260,000	
Imara Daima Chief Office	260,000.00	-	2,000,000	2,260,000		2,260,000	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
Njenga Police Station	260,000.00	-	7,020,000	7,280,000		7,280,000	
Kware Chiefs Office	260,000.00	-	3,000,000	3,260,000		3,260,000	
Kwa Reuben Police Post		-	2,550,405	2,550,405		2,550,405	
				-		-	
				-		-	
				-		-	
				-		-	
Total	7,900,180	-	48,746,785	56,646,965	21,635,029	35,011,935	
11.0 Acquisition of assets				-		-	
	-						
	-			-	-	-	
	-			-	-	-	
	-			-	-	-	
Total	-	-	-	-	-	-	
12.0 Other payments				-		-	
Strategic Plan	-	40,000	-	40,000.00	0	40,000.00	
Innovation Hub	-	4,677,027	-	4,677,027.00	0	4,677,027.00	
NGCDF Office	4,380,660.00	-	-	4,380,660.00	0	4,380,660.00	
				-		-	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
				-		-	
				-		-	
				-			
				-			
Total	4,380,660	4,717,027	-	9,097,687	-	9,097,687	
13.0 unallocated fund							
Unapproved projects						-	
AIA						-	
PMC savings							
Total	137,088,879	80,538,784	67,300,682	284,928,345	214,762,566	70,165,779	

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

**Embakasi south Constituency
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

	2021-2022	2020 - 2021
Normal allocation	Kshs	Kshs
AIE NO. B 04936		66,185,919.00
AIE NO. B 124743		5,000,000.00
AIE NO. B 128069		6,900,000.00
AIE NO. B 119779		15,000,000.00
AIE NO. B 126087		7,000,000.00
AIE NO. B 126377		11,100,000.00
AIE NO. B 132124		6,000,000.00
AIE NO. B 124923		10,000,000.00
AIE NO. B 138793		12,000,000.00
AIE NO. B149523		12,000,000.00
AIE NO. B 128379		7,000,000.00
AIE NO. B 041083		
AIE NO. B140871	33,000,000.00	
AIE NO. B105427	44,000,000.00	
AIE NO. B154393	15,000,000.00	
AIE NO. B128794	12,000,000.00	
AIE NO. B132481	5,000,000.00	
AIE NO. B105752	24,000,000.00	
AIE NO. B155802	17,088,879.00	
	150,088,879.00	158,185,919.00

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Others (specify)	00	00
Total	00	00

Embakasi south Constituency
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3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	00	00
Rents	00	00
Receipts from sale of tender documents	00	00
Hire of plant/equipment/facilities	00	00
Unutilized funds from PMCs	00	00
Other Receipts Not Classified Elsewhere	00	00
Total	00	00

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	5,376,396.00	5,543,715
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	38,200.00	69,600
Total	5,414,596.00	5,613,315

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5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	-	59,000
Electricity	-	0
Water & sewerage charges	-	-
Office rent	-	690,000
Communication, supplies and services	100,000	195,000
Domestic travel and subsistence	-	150,000
Printing, advertising and information supplies & services	-	248,000
Rentals of produced assets	-	-
Training expenses	1,864,400.00	394,000
Hospitality supplies and services	-	170,000
Other committee expenses	2,322,743.00	760,500
Committee allowance	1,588,000.00	1,020,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	300,000
Fuel , oil & lubricants	-	0
Other operating expenses	1,200,000.00	296,500
Bank service commission and charges	7,560.00	16,560
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance vehicles & other transport equipment	-	0
Routine maintenance- other assets	-	0
TOTAL	7,082,703.00	4,299,560

Embakasi south Constituency
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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	32,023,982.00	41,704,500
Transfers to Secondary Schools	80,616,219.00	-
Transfers to Tertiary Institutions	-	-
TOTAL	112,640,201.00	41,704,500

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	40,739,381.00	32,825,483
Bursary -Tertiary (see attached list)	15,642,500.00	16,325,034
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	21,635,029.00	-
Sports Projects (see attached list)	2,740,300.00	2,740,200
Environment Projects (see attached list)	2,851,603.00	4,921,778
Emergency Projects (see attached list)	6,035,859.00	5,231,865
TOTAL	89,644,672.00	62,044,360

8. Acquisition Of Assets

Non Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles & Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture& Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	-	0

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	00	00
	00	00

10: Cash Book Bank Balance

Name of bank, account no. & currency	2021-2022	2020-2021
	Kshs	Kshs
10a: bank accounts (cash book bank balance)	15,847,490	80,540,784
<i>Equity bank Embakasi branch . Embakasi south NG-CDF</i>	-	-
Total	15,847,490	80,540,784
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

Name of Officer	Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Kshs	Kshs	Kshs
		-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
TOTAL	-	-	-

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Notes to the Financial Statement Continued

12A. Retention

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	80,540,784	36,016,599
Cash in hand		
Imprest		
TOTAL	80,540,784	36,016,599

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjusments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-		-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	-	-	-

**** The adjusted balances are not carried down on the face of the financial statement.
 (Entity to provide disclosure on the adjusted amounts)**

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	-	-
Net changes in accounts receivables A-D		

16. Changes in Accounts Payable – Deposits and Retentions

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-
Net changes in accounts payables A-D		

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020- 2021
	Kshs	Kshs
NGCDF Staff	-	-
Others (Gratuity)	2,789,130	243,063
	2,789,130	243,063

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	3,147,954	1,489,922.00
Use of goods and services	1,773,671	3,583,444.00
Amounts due to other Government entities (see attached list)	12,626,003	73,442,987.00
Amounts due to other grants and other transfers (see attached list)	43,520,465	64,608,086.00
Acquisition of assets	-	
Others (<i>specify</i>)	9,097,687	4,717,027.00
Funds pending approval	-	
	70,165,779	147,841,466.00

***Embakasi south Constituency
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17.4: PMC account balances (See Annex 5)

PMC	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
AA VILLA POLICE POST	1141800174800.00	0	0
KWA NJENGA PRIMARY	1141800174700.00	17,817,956.00	0
IMARA DAIMA DO OFFICE	1141800397900.00	0	0
IMARA DAIMA DO OFFICE	1320279905940.00	0	0
KWARE PRIMARY	1320280275475	810,000.00	5,897,710
KWARE SECONDARY	1320280271240	3,542,280.00	5,887,590
REUBEN SECONDARY	1320280271180	3,282,432.00	0
ASSISTANT COUNTY COMMISSIONER IMARA DAIMA	1320279905940	0	626,362.37
AEF REUBEN PRIMARY	1320279904121	0	447,110
KWA NJENGA PRIMARY	1320279902384	17,817,956.00	18,848,882
EMBAKASI GIRLS	1320279899037.00	0	65,140
MUKURU COMMUNITY CENTRE	1320280844325.00	102,160.00	3,102,760
EMBAKASI SOUTH ENVIRONMENT PMC	1320280900077.00	36,898.59	36,897.59
		43,409,682	34,912,451

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Annexes
Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

**Embakasi south Constituency
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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
	CLERICAL OFFICER	1 st July 2019	175,916.24	Unpaid gratuity
	SECURITY OFFICER	1 st nov 2019	223,944.00	Unpaid gratuity
	WARD CORDINATOR	1 st July 2019	175,916.24	Unpaid gratuity
	WARD CORDINATOR	1 st nov2019	175,916.24	Unpaid gratuity
	CLERICAL OFFICER	1 st July 2019	175,916.24	Unpaid gratuity
	OFFICE ASSISTANT	1 st nov 2019	223,944.00	Unpaid gratuity
	WARD CORDINATOR	1 st nov 2019	175,916.24	Unpaid gratuity
	CLERICAL OFFICER	1 st NOV 2019	175,916.24	Unpaid gratuity
	SECURITY OFFICER	1 st July 2019	175,916.24	Unpaid gratuity
	OFFICE ASSISTANT	1 st nov 2019	175,916.24	Unpaid gratuity
	OFFICE ASSISTANT	1 st nov 2019	175,916.24	Unpaid gratuity
	CLERICAL OFFICER	1 st July 2019	175,916.24	Unpaid gratuity
	ASSISTANT ACCOUNTANT	1 st NOV 2019	223,944.00	Unpaid gratuity
	WARD CORDINATOR	1 st sept 2020	119,378.52	Unpaid gratuity
	WARD CORDINATOR	1st sept 2020	119,378.52	Unpaid gratuity
	WARD CORDINATOR	1st sept 2020	119,378.72	Unpaid gratuity
Sub-Total			2,789,130.16	
Grand Total			2,789,130.16	

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			64,608,086.00
	EMMERGENCY	8,545,262.00	
	BURSARY	(968,539.00)	
	ENVIRONMENT	1,848,380.00	
	SPORTS	3,056.00	
	Assistant County Commissioner's office Imara Daima	6,154,748.65	
	County Commissioners office Imara Daima	3,750,430.74	
	Pipeline police post	8,300,000.00	
	AA Vila Police station	646,782.00	
	Mombasa Road police post	2,300,000.00	
	Kwa Reuben Chief Office	2,260,000.00	
	Imara Daima Chief Office	2,260,000.00	
	Njenga Police Station	7,280,000.00	
	Kware Chiefs Office	3,260,000.00	
	Kwa Reuben Police Post	2,550,405.00	

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	Sub-Total		48,190,525.39	64,608,086.00	
Acquisition of assets					
Others (<i>specify</i>)				4,717,027.00	
		STRATEGIC PLAN	40,000.00		
		ICT HUB	4,677,027.00		
		CDF OFFICE	4,380,660.00		
	Sub-Total		9,097,687.00	4,717,027.00	
Funds pending approval					
	Grand Total		74,835,839.39	147,841,466.00	

**Embakasi south Constituency
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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs)	
	2020/2021	-			2021/22	-
Land	-	-	-	-	-	-
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-
Office equipment, furniture and fittings	885,798	-	-	-	885,798	-
ICT Equipment, Software and Other ICT Assets	33,999	-	-	-	33,999	-
Other Machinery and Equipment	-	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Total	919,797	-	-	-	919,797	-

**Embakasi south Constituency
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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
AA VILLA POLICE POST	1141800174800.00		
KWA NJENGA PRIMARY	1141800174700.	17,817,956.00	
IMARA DAIMA DO OFFICE	1141800397900.		
IMARA DAIMA DO OFFICE	1320279905940.		
KWARE PRIMARY	1320280275475	810,000.00	5,897,710
KWARE SECONDARY	1320280271240	3,542,280.00	5,887,590
REUBEN SECONDARY	1320280271180	3,282,432.00	0
ASSISTANT COUNTY COMMISSIONER IMARA DAIMA	1320279905940		626,362.37
AEF REUBEN PRIMARY	1320279904121		447,110
KWA NJENGA PRIMARY	1320279902384	17,817,956.00	18,848,882
EMBAKASI GIRLS	1320279899037.		65,140
MUKURU COMMUNITY CENTRE	1320280844325.	102,160.00	3,102,760
EMBAKASI SOUTH ENVIRONMENT PMC	1320280900077.	36,898.59	36,897.59
Total		43,409,683	3,204,798

**Embakasi south Constituency
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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Fit a date when you expect the issue to be resolved)
1	The statement of assets and liabilities reflects bank balances of Kshs.36,016,599 and nil balance for cash in hand respectively as disclosed in Note 10A and 10B to the financial statements. However, the cash book and board of survey report for the year ended 30 June, 2020 reflects a cash in hand balance of Kshs.1,915,000 which was not included in the cash and cash equivalents balance resulting to understatement of the cash balance by Kshs.1,915,000. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.36,016,599 could not be confirmed.	Not responded	Not resolved	

**Embakasi south Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	The statement of receipts and payments reflects use of goods and services expenditure of Kshs.10,584,119 as disclosed in Note 5 to the financial statements. However, as per the payment vouchers provided, the expenditure for use of goods and services amounted to Kshs.12,957,270 resulting to unexplained variance of Kshs.2,373,151. In the circumstances, the accuracy and completeness of the use of goods and services expenditure of Kshs.10,584,119 could not be confirmed	Not responded	Not resolved	
3	he statement of receipts and payments reflects transfers to other	Not responded	Not resolved	

**Embakasi south Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>government units amounting to Kshs.19,500,000 which includes transfers to primary schools of Kshs.16,500,000 as disclosed in Note 6 to the financial statements. Review of payment vouchers provided for audit showed that the money was transferred to Kwa Njenga Primary PMC bank account and according to the approved project code list, the amount of Kshs.16,500,000 was meant to convert class to computer lab, purchase a 52-seater bus and rehabilitate the school field within the year ended 30 June, 2020. However, audit inspection carried out on</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>22 January, 2021 showed that the project work had not been done and the amount of Kshs.15,400,000 had already been utilized leaving a balance of Kshs.1,100,000 which could not be traced in the PMC Account. In the circumstances, the validity and regularity of the transfers to other government units expenditure amounting to Kshs.16,500,000 could not be confirmed.</p>			
4	<p>The statement of receipts and payments reflects compensation of employees amounting to Kshs.3,695,480 as disclosed in Note 4 to the financial statements. However, review of employees documents</p>	Not responded	Not resolved	

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	<p>provided for audit showed that only three (3) employees were working in the constituent office despite the office paying fourteen (14) employees every month. The eleven (11) employees were not accounted for and employment contracts were not provided for audit. Consequently, the validity and regularity of compensation of employees expenditure of Kshs.3,695,480 could not be confirmed.</p>	
	<p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs.54,421,336 which includes an amount of Kshs.17,549,218 for bursary to tertiary</p>	<p>Not responded</p>
<p>5</p>		<p>Not resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>institutions, out of which an amount of Kshs.15,137,000 was paid to various tertiary institutions for various training programs as disclosed in Note 7 to the financial statements. However, documents showing acknowledgment of receipt of the monies and confirmation of the beneficiaries attendance of the training and whether they gained the required skills were not provided. Further, an amount of Kshs.5,637,218 was paid to private institutions as bursaries for training various courses which could not be confirmed. In the circumstances, the validity and regularity of</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	bursary to tertiary institutions amounting to Kshs.17,549,218 could not be confirmed.			

FUND ACCOUNT MANAGER
 Sign:
ELIAS M. MATS
 N.G. Name
 EMBAKASI SOUTH CONSTITUENCY
 P.O. Fund Account Manager.