

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 DEC 2025

DAY.

Wed

OF

TABLED
BY:

Deputy leader of majority
Hon. Owen Bayo

CLERK-AT
THE-TABLE:

Halima Suleiman

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – EMBAKASI NORTH
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2025**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

EMBAKASI NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

**Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting
Method Under International Public Sector Accounting Standards (IPSAS)**

National Government Constituencies Development Fund (NGCDF)
Embakasi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the entity.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). 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 the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) 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.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Embakasi North Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Position	Name
1.	AIE holder	Mr MALAKI O MAGERO
2.	National Sub-County Accountant	Mr ANTONY MBUGUA NGUNJIRI
3.	Chairman NGCDFC	Ms EMMA NJERI KIMANI
4.	Member NGCDFC	Mrs PURITY WANJIKU NDIRANGU (ALTERNATIVE OPERATION)
5.	Member NG CDFC	Mr AGRIPAR ODIPO ODUOR (DEPOSIT)

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Embakasi North Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Embakasi North Constituency Headquarters

Living Goods Building
 Outering Road
 Nairobi KENYA.

(e) NGCDF Embakasi North Constituency Contacts

Telephone: (254) 0720090730

E-mail: cdfembakasinorth@ngcdf.go.ke

Website: www.ngcdfboard.go.ke

(f) NGCDF Embakasi North Constituency Bankers

1.Operation Account
 Equity Bank (Kenya) Limited
 Kenyatta Avenue
 P.O. Box 75104
 Nairobi, Kenya

2.Project management committee accounts
 Equity Bank (Kenya) Limited
 Kariobangi
 P.O. Box 40273-00200
 Nairobi, Kenya

JAMES GICHURU PRIMARY	EQUITY BANK	0320272107231
RONALD NGALA PRIMARY	EQUITY BANK	0320278520099
KARIOBANGI NORTH PRIMARY	EQUITY BANK	0320272052722
WANGU PRIMARY	EQUITY BANK	0320278508367
DANDORA PRIMARY	EQUITY BANK	0320272107034
USHIRIKA PRIMARY	EQUITY BANK	0320278509122
TOM MBOYA PRIMARY	EQUITY BANK	0320264695245
MARURA PRIMARY	EQUITY BANK	0320277981244
OURLADY OF FATIMA SECONDARY	EQUITY BANK	0320282118114
TOM MBOYA SECONDARY	EQUITY BANK	0320283785265
KARIOBANGI NORTH GIRLS SECONDARY	EQUITY BANK	0320279280950
USHIRIKA SECONDARY	EQUITY BANK	0320262211020

*National Government Constituencies Development Fund (NGCDF)
Embakasi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

DANDORA GIRLS SECONDARY	EQUITY BANK	0320272199689
DANDORA SECONDARY	EQUITY BANK	0320272078524
DANDORA POLICE STATION	EQUITY BANK	0320272078714
SHARP CORNER AP LINE	EQUITY BANK	0320279644487
DANDORA PHASE 3 D.OS OFFICE	EQUITY BANK	0320279620468
CANAAN ADMINISTRATION POLICE LINE	EQUITY BANK	0320279602597
KARIOBANGI POLICE STATION	EQUITY BANK	0320279645756
DANDORA II CHIEF OFFICE	EQUITY BANK	0320278452239
KARIOBANGI NORTH CHIEF OFFICE	EQUITY BANK	0320278499841
DANDORA 1 CHIEFS OFFICE	EQUITY BANK	0320278451937
DANDORA 4 CHIEF OFFICE	EQUITY BANK	0320278622458
Floodlights project pmc account	EQUITY BANK	0320284976360
SPORTS	EQUITY BANK	0320279572490

3. Deposit account
Equity Bank (Kenya) Limited
Kariobangi
P.O. Box 40273-00200
Nairobi, Kenya

(g) Independent Auditor

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





(h) Principal Legal Adviser



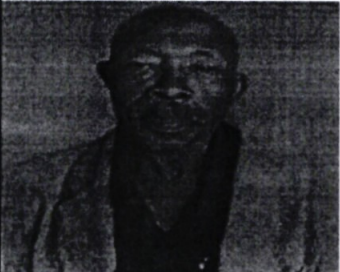
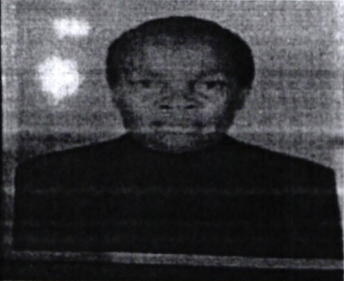
The Attorney General
State Law Office
Harambee Avenue


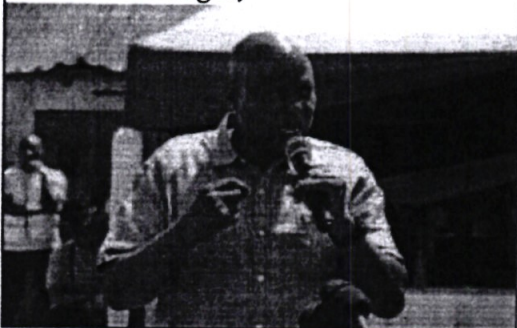
*National Government Constituencies Development Fund (NGCDF)
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**P.O. Box 40112
City Square 00200
Nairobi, Kenya**

3. NGCDF Committee

	<p><i>She was born on 4th February 1987, she has a degree in public relation, she has a ten years experience working at simbisa-brands as a supervisor, she has been a chair for ng-cdf for two years</i></p>
<p>EMMA KIMANI (CHAIR) AGGRIPAR ODIPO ODUOR (Secretary)</p> 	<p>He was born on 12th march 1983, He has a degree in bachelor of commerce, has eight years experience working at doom mabati as a consultant, he has been ng-cdfc secretary for two years</p>
<p>PURITY WANJIKU NDIRANGU (Member)</p> 	<p>She was born on 20th may 1965, has a diploma in secretariat and frontoffice, has fifteen years experience as a business woman, she has been ng-cdfc member for two years</p>
<p>JOHN MWARARI WANJERU (Driver)</p> 	<p>He was born on 13th jan 1970, he is a driver by profession and has experience of over 20 years, he has been a member for ng-cdfc for two years</p>

<p>JOSIAH MUCHIRI NJERU(Member)</p> 	<p>He was born on 2nd march 1994 ,has a diploma in software engineering ,has an experience of four years as a business person,has been a member for ng-cdfc for two years</p>
<p>ERICK CHONELWA ROVOGA(Member)</p> 	<p>He was born on 14th june 1984 ,has a diploma in food and beverages,has an experience of nine years as a business person,has been a member of ng-cdfc for two years</p>
<p>STANLEY MUTUA MUTHAMA(member)</p> 	<p>He was born on 19th February 1970,has a diploma in hotel management ,has an experience of sixteen years as a business person, he has been a member of ng-cdfc for three months</p>
<p>MARGARET AYUMA WERUNGA(Member)</p> 	<p>She was born on 12th dec 1968,has a diploma in teaching, has fourteen years' experience as a business person ,she has been a member of ng-cdfc for two years</p>

<p>THOMAS BETT(Dcc)</p> 	<p>He was born on 11th July 1975 ,has a degree in administration ,he has xperience of eight years in administration field ,he has been a member for ng-cdfc for three months</p>
<p>MALAKI OPIYO MAGERO(Fund account Manager)</p> 	<p>He was born on 2nd October 1965,He has a degree in human relation,has an experience of twenty two years as fund account manager ,He has been fund account manager for Embakasi North for three years</p>

Eros Kamu Mukami:two years as member with disability

4. NG-CDFC Chairman's Report



**Ms EMMA NJERI KIMANI
CHAIRPERSON NGCDFC**

I am Glad to present NGCDF Embakasi North Annual Financial statements for the FY 2024/2025.

We had an allocation of Kshs. **179,492,954.47** and by June 2024 we had only received Kshs. 129,000,000 representing 72% of the total allocation. Out of this funding we disbursed the total amount allocated for bursary Kshs 62,120,000.

As we all know the funds disbursement to constituencies delayed considerably up to almost the last quarter of the FY 2024/25. This situation made it impossible for us to implement projects during the just concluded financial year but rather to focus on available funds that had been disbursed to us during the other financial years.

CHALLENGES AND ACHEVEMENTS

It is clear that we didn't implement any construction projects approved in fy 2024/25 due to unavoidable circumstances. Another challenge and a serious impediment of project implementation is the protracted period of procurement process. This situation arises because insufficient personnel to handle procurement issues at the sub county as and when required. We only have one supply chain office manning 4 constituencies. This definitely slows the pace especially big projects that warrant several consultative sessions

At the time of compiling this report we had received 73% of the full budget fy 2024/25. It is our hope and target that come next financial year 2025/26 we shall move with a lot of speed in project implementation.

The table below shows the constituency original budget versus what the board actually funded.

PROJECT	ORIGINAL BUDGET	ACTUAL DISBURSEMENT
Compensation of Employees	3,166,760	3,166,760
Committee expenses	5,340,788	5,340,788
Use of goods and services	7,602,817	7,602,817
Transfers to Other Government Units	77,597,059	77,597,059
Other grants and transfers	85,785,528	85,785,528
Acquisition of Assets		
Other Payments		
Unallocated Funds	50,492,955	

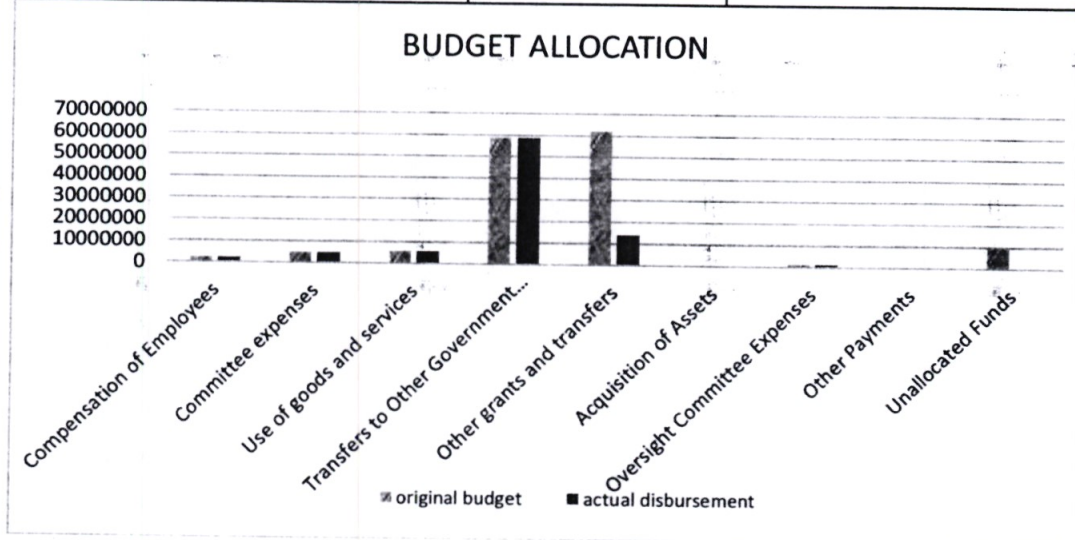
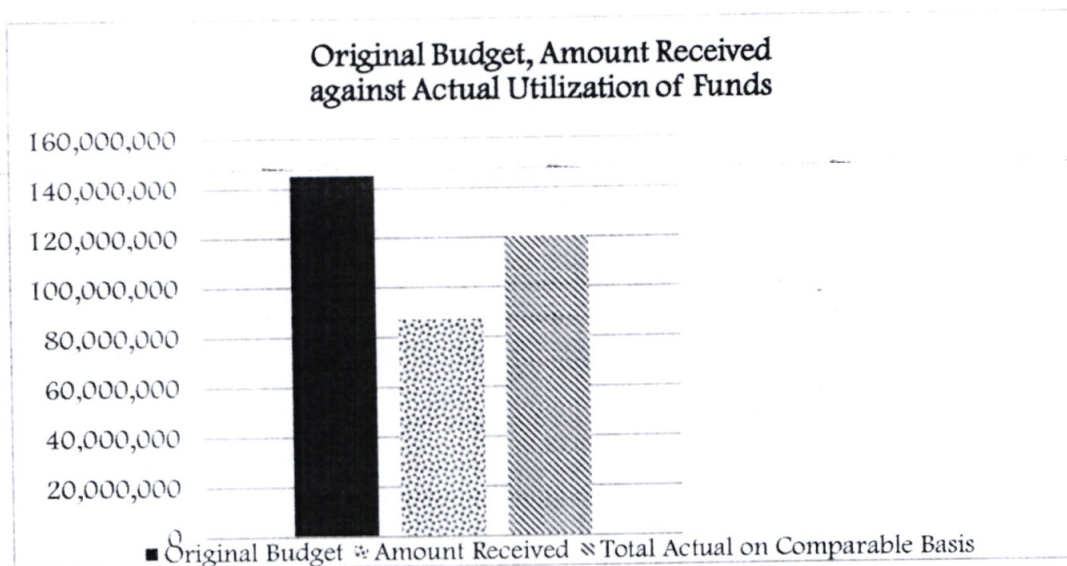
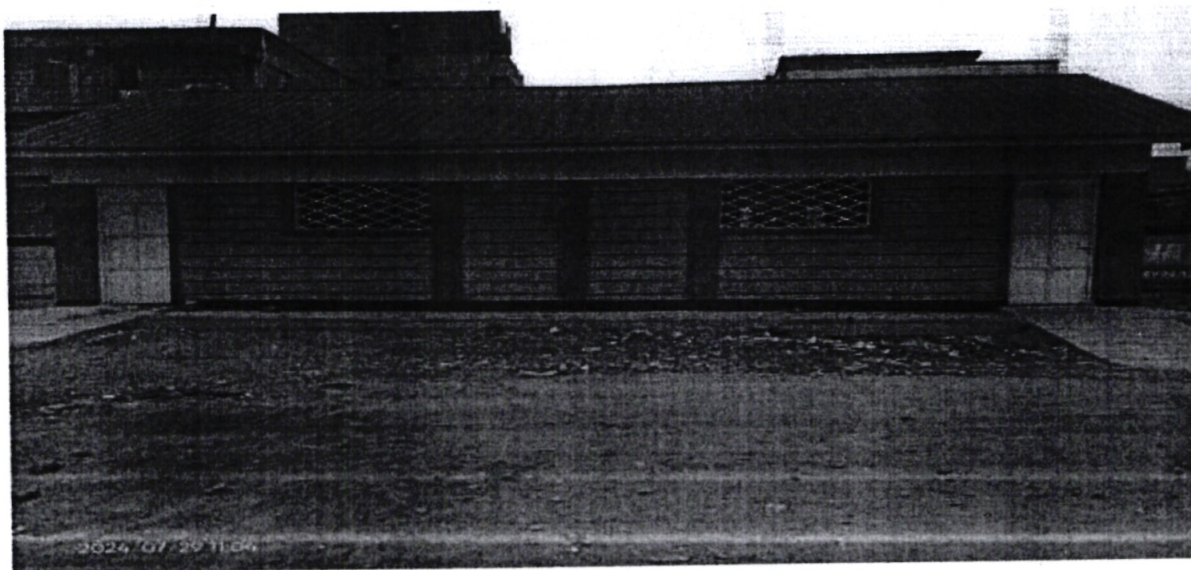


FIG 1: ORIGINAL BUDGET VERSUS ACTUAL FUNDING.



**FIG 2: ORIGINAL BUDGET VERSUS ACTUAL UTILIZATION.
KEY PROJECTS UNDERTAKEN**



**FIG 3: CONSTRUCTION OF TOILETS AND CHANGING ROOMS AT KARIOBANGI
NORTH PRIMARY SCHOOL**

This project carried out will ensure cleanliness within the school and also promote a more conducive learning environment for the students and better working condition for the teachers of Kariobangi north primary school, Nairobi



FIG 4: CONSTRUCTION OF FOUR NUMBER CLASSROOMS AT OURLADY OF FATIMA SECONDARY SCHOOL

This project was started in Jan 2025 and completed in June 2025, its meant to improve learning for the students a total of 1500 students will benefit from the structure.

Emerging issues

- The high university fees and the hard economic times has led to many students and parents to seek full sponsorships from the constituency bursary fund.
- In the 2024-2025 financial year the economic hardship led to inflation of construction materials, therefore making the initial budget of projects appear insufficient. This has led to Embakasi North NGCDF to review the bills of quantities to match the escalated building materials costs.

Challenges

- Main challenge that Embakasi North constituency faced was late fund disbursement that led to few projects to be implemented and others to stall while waiting funding.
- Although little funding was availed, the constituency committee agreed to give priority to the most important sectors such as bursary to ensure that students are retained in school and the ones joining secondary and tertiary institutions secure their chances on time.

Way forward

As a committee we have worked together to clear all our previous years pending disbursements from the board to facilitate developments of various projects in the constituency and improve living status of Embakasi North Residents

The constituency has endeavored to give priority to the very needy students to enable them cater for their school fees.



.....
**Name: Ms Emma Njeri Kimani
Chairman NGCDF Committee**

5. Statement Of Performance Against Predetermined Objectives for FY2024/25

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 the **NGCDF Embakasi North Constituency 2023-2027** plan are to:

- a) To Improve access to quality education
- b) To Nurture youth talent and empower them
- c) To Promote Environmental sustainability in the constituency
- d) To Enhance Security in the constituency
- e) To Cater for any unforeseen occurrences in the constituency
- f) To Improve tracking of implementation of NG-CDF Programmes

Progress on the 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:

Sector	Objective	Outcome	Indicator	Performance
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 2024/25 -we renovated 4 classrooms. The classrooms in primary schools increased from 5 to 7 while in secondary schools increased from 10 to 12. -Bursary beneficiaries at all levels were 9500 in secondary and

				2000 in tertiary institutions as per the attached schedules.
Security	Equip , facilitate and enhance capacity of provisional administration and other security organs in order to improve service delivery	Develop and enhance provisional administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs offices increased from 2 to 3, 5 high masts added in the constituency
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources	Equip Schools with tanks	Tanks supplied in different schools	Supplied 39 tanks. 23 tanks were supplied to various primary schools, 13 in secondary schools while the 3 to the D'os and Chiefs offices.
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Covid 19 assortments supplied in the constituency	

6. Governance Statement

The NGCDF Act 2016 on appointment of NGCDFC members' states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette of 1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

Embakasi North NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there was no phase out the existing committee.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of

the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender and forward the names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazette on 25th June 2025.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of JULY 2024, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

In Embakasi North constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October 2024. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Thomas Bett	chairman

2	Ann Njoroge	secretary
3	Nelson Chege	member
4	Mary Wanyika	member

The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of October 2024.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Embakasi North Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	John Mwangi	Male (Adult)	Kariobangi north
2.	Onesmus Oduor	Male (Youth)	Dandora phase iii
3.	Jane Wambui	Female (Adult)	Dandora phase 1
4.	Joy wanjiru	Female (Youth)	Dandora Phase iv
5.	Joseph mungai	Male (adult)	Dandora phase ii
6.	Joyce Wangare	Female (adult)	Dandora phase iii

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Julius Mawathe	Physical – Left hand Amputated.	Kariobangi North

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Celestine Ndunge	Female	Dandora phase i

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position –Emma Kimani

2. Secretary position –Agrripur Oduor

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 254 on 29th June 2025. The committee held its first meeting in July 2025

Sno.	Name	Position
1	Emma Kimani	Chair person
2	Agrripur Oduor	secretary
3	Purity Ndirangu	member
4	Stanley Muthama	member
5	Thomas Bett	member
6	Erick Ravoga	member
7	John Wanjeru	member
8	Margret Werunga	member
9	Josiah Njeru	member
10	Malaki Magero	member

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;

- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Embakasi North constituency Thomas Bett (Dcc) Replaced Edwin Gitau (Acc), Stanley Muthama Replaced Eros Mukami during financial year 2024/2025

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate on development matters.
- ii. Deliberate on project proposals and any other projects considered beneficial to the constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Induction and training of members

In the financial year 2024/2025 the NGCDF Board Was not able to organise Ng-cdfc training since their term was coming to an end the training has taken place in July 2025 Garissa County from 9th July to 14th July 2025. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Embakasi North.

Ngcdf meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NGCDFC Embakasi North held twelve meetings through the year, as illustrated bellow;

Sn. No.	Name	14 th July 2024	18 th Aug 2024	26 th Sept 2023	24 th Oct 2024	8 th Nov 2024	14 th Dec 2024	19 th Jan 2025	12 th Feb 2025	13 th March 2025	10 th April 2025	17 th May 2025	14 th June 2025
1	Emma Kimani(chairperson)	√	√	√	√	√	√	√	√	√	√	√	√
2	Agrippar odour(secretary)	√	√	√	√	√	√	√	√	√	√	√	√
3	Purity ndirangu(member)	√	√	√	√	√	√	√	√	√	√	√	√
4	Eros mukami(member)	√	√	√	√	√	√	√	√	√	√	√	√
5	Edwin ndichu(member)	√	√	√	√	√	√	√	√	√	√	√	√

National Government Constituencies Development Fund (NGCDF)
 Embakasi North Constituency
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6	Erick ravoga(member)	√	√	√	√	√	√	√	√	√	√	√	√
7	John wanjeru(member)	√	√	√	√	√	√	√	√	√	√	√	√
8	Margret werunga(member)	√	√	√	√	√	√	√	√	√	√	√	√
9	Josiah njeru(member)	√	√	√	√	√	√	√	√	√	√	√	√
10	Malaki magero(FAM)	√	√	√	√	√	√	√	√	√	√	√	√

7. Environmental and Sustainability Reporting

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

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

2. Environmental performance

Embakasi North NG-CDF has been planting trees annually and semi-annually throughout the year

Embakasi North NG-CDF has been sensitizing youth on drugs and impact in their lives

NG-CDF Embakasi North has been sponsoring sports activities in various wards by purchasing nets, uniforms, balls and paying league games to participate

3. Employee welfare

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

1. Market place practices

Embakasi North Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Embakasi North Constituency 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

Embakasi North Constituency 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 North Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

.....
Name: Mr Malaki Opiyo Magero
Fund Account Manager.

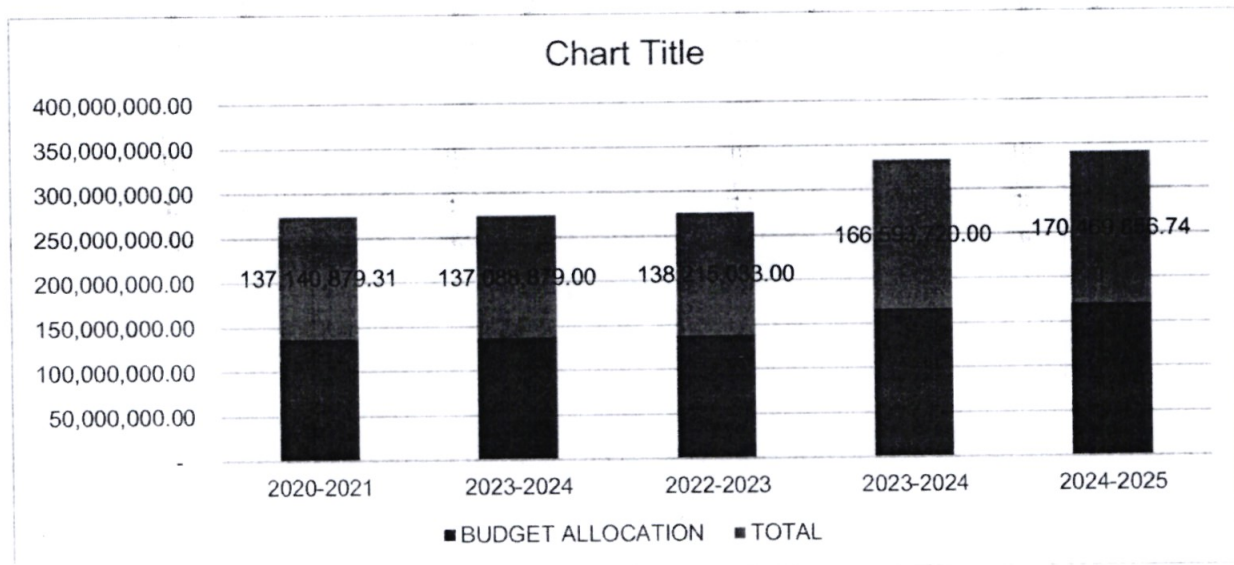
8. Management Discussion and Analysis

The Embakasi North National Government Constituency Development Fund (NG-CDF) has steadily advanced its mandate of enhancing socio-economic development through education, security, environmental conservation, and support for vulnerable groups. This Management Discussion and Analysis (MD&A) reviews the Fund's operational and financial performance over the past five years, highlights key achievements, and provides insight into challenges, risks, compliance, and future outlook.

2. Financial Performance (Five-Year Overview)

The table below shows annual budget allocations and absorption trends:

Financial Year	Budget Allocation (KES)
2020/2021	137,140,879.31
2021/2022	137,088,879.00
2022/2023	145,087,603
2023/2024	175,361,810
2024/2025	179,492,954.47



Key Achievements

Education Infrastructure: Over 30 new classrooms have been constructed across Kariobangi, Dandora, Marura, James Gichuru, Tommboya and Ushirika primary schools. Perimeter walls were erected at James Gichuru, Marura, Tommboya and Ushirika secondary schools, while Marura Secondary School, Kariobangi North Girls and Wangu primary school received a modern twin science laboratory. Furniture support was consistently provided, with between 200 and 330 desks, lockers, and chairs supplied to schools annually.

Education Support (Bursaries): Bursary allocations rose from KES 50 million in FY2022/23 to KES 68 million in FY2024/25, benefiting thousands of students at secondary, tertiary, vocational, and special needs institutions. Vocational bursaries in areas such as hairdressing, driving, and sign language were also introduced.

Security & Administration: The Fund constructed Chiefs' and Assistant Chiefs' offices in kariobangi, supported police facilities including ablution blocks, and improved administrative infrastructure to enhance community safety.

Environmental Interventions: Climate action remained a priority, with 420 trees planted and **80 metallic garbage bins** distributed across 13 schools. A climate change mitigation allocation of KES 2.5 million annually underscored the commitment to sustainable development.

Compliance with Statutory Requirements

The Fund operates under the NG-CDF Act (2015, amended 2023), Public Finance Management Act, and Procurement Regulations. Key compliance practices include: preparation of financial statements under IPSAS and independent audits by the Office of the Auditor General; structured public participation forums to guide project identification; and transparent, competitive procurement with a deliberate effort to empower local contractors.

Risk	Impact	Mitigation
Delayed Treasury disbursement	Low absorption & stalled projects	Phased implementation & expedited processing
Overwhelming bursary demand	17,000+ applicants vs. budget of 66.5M (2023/24)	Prioritization of the most vulnerable
Rising construction costs	Budget overruns	Value engineering & phased construction
Urban congestion & vandalism	Project delays & losses	Community policing & engagement
Low PWD participation	Underutilization of allocations	Disability desks & targeted outreach

Review of the Economy and Sector


Rising inflation and increased school fees have heightened demand for bursaries, while Embakasi North rapid urban growth—home to over 300,000 residents—has amplified pressure on classrooms, sanitation, and security infrastructure. Education continues to absorb over 60 percent of NG-CDF allocations, resulting in improved enrolment, retention, and transition rates. Security investments, including Chiefs' offices and police infrastructure, have enhanced service delivery but remain insufficient given the growing urban population and associated risks.

Future Outlook

Looking forward, the Fund will focus on expanding ICT hubs to equip youth with digital literacy and entrepreneurship skills, scaling up bursaries for TVET institutions to address unemployment, and upgrading sanitation infrastructure in schools. Enhanced monitoring and evaluation systems will be prioritized to improve accountability and ensure timely delivery of projects.

In Conclusion

Over the last five years, Embakasi North NG-CDF has made significant progress in education, infrastructure, security, environmental sustainability, and social inclusion. Despite challenges such as late disbursements and rising demand, the Fund has upheld compliance, transparency, and community participation. Sustained collaboration with stakeholders, efficient utilization of resources, and timely Treasury disbursement will be critical in achieving the goals of the 2023–2028 Strategic Plan, ensuring equitable and sustainable development for all residents.


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Name: Mr Malaki Opiyo Magero
Fund Account Manager.

9. 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 North 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, 2024. 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 North 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, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi North 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 North 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 North Constituency financial statements were approved and signed by the Accounting Officer on 30th June 2025.


.....
Name: Ms EMMAH NJERI KIMANI
Chairman – NGCDF Committee


.....
Name: Mr MALAKI MAGERO
Fund Account Manager

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI NORTH FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 North Constituency set out on pages 1 to

72, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015, (Amended 2023).

Basis for Qualified Opinion

1. Failure to Maintain Cash Books and Bank Reconciliations for PMC Accounts

The statement of financial position reflects cash and cash equivalents balance of Kshs.360,317,392 as disclosed in Note 19 to the financial statements. Included in this amount is Project Management Committee (PMC's) amount totalling Kshs.114,395,592 as analysed in Annex 2 to the financial statements. However, there were no cashbooks or bank reconciliations maintained for the PMC accounts. Further, audit review of the sampled PMC bank statements revealed that cash amounting to Kshs.7,201,000 was withdrawn without any supporting documents, and the respective expenditure returns were not provided for audit confirmation.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.360,317,392 could not be confirmed.

2. Unsupported Payments of Retention Funds

The statement of financial performance reflects other Government units actual expenditure of Kshs.80,383,233 which as disclosed in Note 13 to the financial statements includes secondary school actual expenditure of Kshs.35,914,834. However, review of Dandora Girls Secondary School PMC account revealed that on 7 May, 2025, the contractor was paid Kshs.2,426,540 for works done, and retention funds of Kshs.254,648. Further, renovations of Ushirika Secondary school playground were done at a contract cost of Kshs.3,937,589. The contractor was paid for works done together with the retention funds amounting to Kshs.3,197,716 and Kshs.339,415, respectively. In the two instances, the completion and inspection reports confirming the works had been done satisfactorily and the recommendation for payment of retention funds were not provided.

In the circumstances, it has not been possible to confirm the validity of payments totalling Kshs.6,218,319 under secondary school expenditure.

3. Inconsistencies in Project Management Committee (PMC) Bank Balances

The statement of financial position reflects comparative cash and cash equivalents balance of Kshs.177,947,253 which has been adjusted with the PMC account balance of Kshs.112,629,400 as disclosed in Note 19 to the financial statements. However, the confirmed PMC balance for the financial year 2023-2024 was Kshs.12,839,495 resulting to a variance of Kshs.99,789,905 which was not explained or supported.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts revealed that, the Fund had budgeted revenue of Kshs.593,774,216 against actual revenue of Kshs.537,722,261 resulting in budget under-funding of Kshs.56,051,955 equivalent to 9% of the budget. Similarly, the Fund incurred actual expenditure of Kshs.177,463,869 against actual revenue of Kshs.537,722,261 resulting in budget under-utilization of Kshs.360,258,392 equivalent to 67% of the actual revenue.

The underutilization affected the service delivery to the public and the Fund did not implement planned and approved projects in accordance to the approved program. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. Review of the status during audit of the National Government Constituencies

Development Fund – Embakasi North Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported PMC Balances
2	2023/2024	Budgetary Control and Performance
3	2023/2024	Non - Implementation of Projects
4	2023/2024	Irregularities in Implementation of Primary and Secondary Schools Projects (6 Projects)
5	2023/2024	Irregularities in Implementation of Projects Relating to Other Grants and Transfers
6	2023/2024	Irregularities in Bursary Disbursement
7	2023/2024	Excessive Use of Cash
8	2023/2024	Violation of the Principles of Ethnicity and Regional Balancing

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxvi which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDF Chairman’s Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the National Government Constituencies Development Fund - Embakasi North Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Failure to Return Unutilized Project Management Committee Balances

Annex 2 to the financial statements reflects Project Management Committee bank balances totalling Kshs.114,395,592 as at 30 June, 2025. This amount includes Kshs.4,677 relating to dormant Project Management Committee balances for Canaan Administration Police line and Dandora Police stations accounts. These unutilized funds at the end of the projects were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, the Fund Management is in breach of law.

2. Irregularities in the Payment of Committee Sitting Allowances

Audit review of NGCDF Committee minutes for the year under audit revealed that, the Committee held more than 31 meetings during the year under review contrary to Section 53(6) of the Public Finance Management Act, 2012 that limits the number of sittings by the NGCDF Committee to 24 sittings per financial year. No justification or approval for the excess meetings was provided for audit review.

Further, review of the Fund's sampled payment vouchers revealed the following anomalies:

- i. Payment vouchers totalling Kshs.1,609,000 relating to committee allowances revealed no evidence that the payments were subjected to tax deductions as required by law.
- ii. It was noted that Kshs.50,000 of PV No. 1826, Kshs.6,250 PV No. 86, Kshs.80,000 PV No. 51 and Kshs.20,000 PV No. 38 totalling Kshs.156,250 was paid to non - Constituency Committee Members who had not been approved by the National Assembly prior to their appointment and gazettelement.

In the circumstances, Management is in breach of law and value for money on the expenditure could not be confirmed.

3. Irregular Branding of Projects

Audit inspection of projects implemented by Fund carried out on 14 June, 2025 revealed that the projects were branded with the Name of the area Member of Parliament. The branding includes the Member of Parliament's (MP's) name and title, conveying personal ownership of the projects financed through taxpayer funds. The personal branding of projects funded through CDF creates the impression of individual ownership, which is misleading and constitutes misuse of public resources. This practice may also infringe upon regulations prohibiting the personalization of taxpayer-funded initiatives.

In the circumstances, Management is in breach of law and the practice undermines transparency, fairness, and collective responsibility in public project delivery.

4. Renovations at Dandora Phase 3 Assistant County Commissioner's Office

During the year under audit, the Fund entered into a contract for the proposed renovations at the Assistant Commissioner's Office at a contract price of Kshs.1,191,586. However, review of procurement files revealed the following anomalies;

- i. The procurement for the renovations at the Assistant Commissioner's office was not budgeted for.
- ii. The Fund did not open a PMC account for the renovation project at the Assistant Commissioner's Office
- iii. A complete and signed confidential business questionnaire was lacking.
- iv. Examination of the scores of each evaluator indicated that none of the evaluators signed against their individual score sheets

In the circumstances, Management was in breach of law.

5. Proposed Installation of Floodlights in Dandora Phase 1 and Phase 2

Review of payment vouchers and procurement files amounting to Kshs.2,845,253 paid for the supply and installation of 20m floodlights in phase 1 and phase 2 revealed the following irregularities;

- i. The contract was entered into on 11 March, 2023 and the Local Purchase Order (LPO) raised on the same date. However, the inspection for the delivery was done on the 12 August, 2024 after expiry of LPO validity period of 30 days.
- ii. Kshs.400,000 which relates to provisional sums was paid. However, no evidence of the additional works done, evaluated and approved to justify the provisional sums paid was provided.

In the circumstances, Management was in breach of law and value for money on the expenditure could not be confirmed.

6. Irregular Expenditure on Emergency Expenses

During the year under audit, the Fund awarded a tender to a local company for Kshs.2,133,762 that was charged as emergency expenditure for construction of a 60m perimeter wall at James Gichuru Primary School. However, there was no evidence provided to show that the expenditure was reported to the National Government Constituencies Development Fund Board within thirty days of the occurrence of the emergency. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

7. Anomalies in Issuance of Bursaries

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.76,768,453. Included in the amount is bursary disbursed to secondary and primary schools of Kshs.39,433,000 and Kshs.22,665,000 respectively. Audit review of awarding of bursaries revealed the following anomalies

7.1 Lack of Vetting Committee Meeting

The Fund Management did not provide appointment letters and minutes of the vetting committee for recommendation of award of bursary to the beneficiaries. Therefore, it was not possible to ascertain if the award was done competitively and if the guidelines set was followed in awarding bursaries.

7.2 Double Issuance of Bursary- Tertiary and Secondary Schools

Analysis of the bursary beneficiary list revealed that seven secondary school applicants were issued with multiple bursary allocations under a single application, amounting to Kshs.80,000. Further, analysis of the tertiary bursary schedule provided revealed that two (2) students were issued with multiple bursaries amounting to Kshs.60,000. The criteria for the multiple disbursements to individual applicants were not provided for audit verification

7.3 Multiple Bursary Awards Using the Same Identification Number

Analysis of the ledger provided for audit revealed that four (4) secondary school beneficiaries from Riruta Central School, Maliera Sec School and Nile Road Special School were awarded bursary totalling Kshs.45,000. However, some of the beneficiaries shared the same national identification number, had similar beneficiary names and similar admission numbers. Management did not provide an explanation to support the authenticity of these awards. Further review of the Tertiary bursary schedules provided for audit revealed that 24 students were awarded bursary worth Kshs.245,000. However, the students shared same identification number. Management did not provide explanation to support the authenticity of these awards.

7.4 Bursary Awards with Duplicate Admission Numbers

Review established that three (3) secondary school beneficiaries from the same institution were awarded bursary totalling Kshs.40,000. However, the students shared the same admission number, casting doubt on the integrity of the beneficiary data provided. No documentation was provided to support the legitimacy of these awards as analysed below;

Students Name	Name Of Institution	ADM	ID NO	Amount (Kshs)
Student A	Gitongu Sec Sch	2808		5,000
Student A	Gitongu Sec Sch	2808		5,000
Student B	Gatugi Girls Sec Sch	5982		5,000
Student B	Gatugi Girls Sec Sch	5982	22456120	10,000
Student C	Mwarano Sec Sch	2978	22682915	5,000
Student C	Mwarano Sec Sch	2978	39405579	10,000
	Total			40,000

Further, review of the schedules provided for audit revealed that thirteen (13) tertiary school beneficiaries were awarded with bursary of Kshs.285,000. However, the student shared the same admission number and were from the same institution, casting doubt on the integrity of the beneficiary data provided. No documentation was provided to support the legitimacy of these awards.

In the circumstances, the authenticity and propriety of bursary expenditure totalling Kshs.62,098,000 could not be confirmed and Management was in breach of the law governing the issuance and administration of bursaries.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 controls, 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 the 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 (Accrual

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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

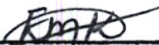
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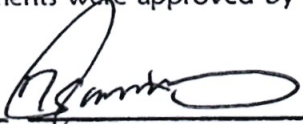
National Government Constituencies Development Fund (NGCDF)
 Embakasi North Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025


11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,492,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	59,000
Total revenue		179,551,954
Expenses		
Employee costs	10	3,162,149
Committee expenses	11	8,204,205
Use of Goods and Services	12	11,683,915
Other Government Units Actual expenditure	13	80,383,233
Other Grants and Transfers Actual expenditure	14	76,768,453
Depreciation and amortization expense	15	60,917
Digital Hubs Actual expenditure	16	-
Total expenses		180,262,872
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(710,917)

The Constituency financial statements were approved by the NGCDFC on 30th June 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: EMMA KIMANI


 National Sub-County
 Accountant
 Name: ANTONY NGUNJIRI
 ICPAK M/No: 15171


 Fund Account Manager
 Name: MALAKI MAGERO

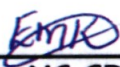
12. Statement Of Financial Position As At 30th June, 2025

	Not	Period as at June 2025	Opening Statement in July 2024
		KSh	KSh
Assets			
Current Assets			
Cash And Cash Equivalents	19	360,317,392	177,947,253
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	55,992,954	236,275,008
Prepayments	22	-	-
Total Current Assets		416,310,347	414,222,261
Non-Current Assets			
Property, Plant and Equipment	23	426,418	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		426,418	-
Total Assets (A)		416,736,765	414,222,261
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	2,699,041	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,184,355	657,975
Total Current Liabilities		3,883,396	657,975
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,883,396	657,975
Net Assets (A-B)		412,853,369	413,564,286
Represented by:			
Revaluation Reserves		412,853,369	413,564,286
Accumulated surplus			

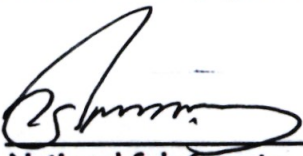
*National Government Constituencies Development Fund (NGCDF)
Embakasi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Total Net Assets	412,853,369	413,564,286
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The Constituency financial statements set out on pages 1 to 20 approved by NG CDFC on 30th June 2025 and signed by:



**Chairman NG-CDF
Committee
Name: EMMA KIMANI**



**National Sub-County
Accountant
Name: ANTONY NGUNJIRI
ICPAK M/No:15171**



**Fund Account Manager
Name: MALAKI MAGERO**

13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Reserves	Accumulated surplus/Deficit	Total
	KSh	KSh	KSh
As at 30th June 2024 (cash basis)	64,659,879	-	64,659,879
Adjustments: (to recognize assets and liabilities)			
Add Assets	348,904,408		348,904,408
Less Liabilities	-		-
As at July 1, 2024	413,564,286	-	413,564,286
Surplus/(Deficit) For the Period	(710,917)		(710,917)
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	412,853,369	-	412,853,369

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

14. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	Period ended June KSh
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		359,775,008
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		59,000
Total Receipts		359,834,008
Payments		
Employee costs		2,635,769
Committee expenses		8,204,205
Use of Goods and Services		11,683,915
Other Government Units Certified Works		77,684,192
Other Grants and Transfers		76,768,453
Digital Hubs Expenses		-
Total Payments		176,976,534
Net Cash Flows from/ (used in) Operating Activities	30	182,857,474
Cash flows From Investing Activities		
Purchase of PPE		487,335
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		487,335
Net increase/(decrease) in cash & Cash equivalents		182,370,139
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		182,370,139
Cash and cash equivalents at Period Start	19	177,947,253
Cash and cash equivalents at Period End	19	360,317,392

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustment		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	KSh	KSh	KSh	KSh	KSh	KSh	(=d/c*100)
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,492,954	177,947,253	236,275,008	593,715,216	537,722,261	55,992,954	91%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	59,000	-	59,000	-	59,000	
Totals	179,492,954	178,006,253	236,275,008	593,774,216	537,722,261	56,051,954	91%
Expenses							
Employee costs	3,166,760	2,154,676	-	5,321,436	2,635,769	2,685,667	50%
Committee expenses	6,473,846	3,183,308	-	9,657,154	8,204,205	1,452,949	85%
Use of Goods and Services	6,469,760	6,224,247	-	12,694,007	11,683,915	1,010,092	92%
Other Government Units Certified Works	77,597,059	110,991,884	119,171,946	307,760,889	77,684,192	230,076,697	25%

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Other Grants and Transfers	85,785,530	34,849,803	-	120,635,333	76,768,453	43,866,880	64%
Digital Hubs Expenses	-	487,335	-	487,335	487,335	-	100%
Funds Pending Approval**	-	20,115,000	117,103,062	137,218,062	-	137,218,062	0%
Total Expenditure	179,492,954	178,006,253	236,275,008	593,774,216	177,463,869	416,310,347	30%
Surplus for the period							


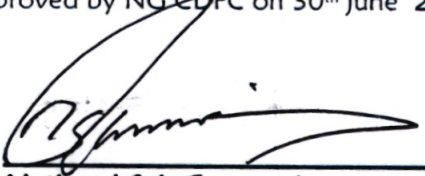

***Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	416,310,347
Less undischursed funds receivable from the Board as at period June, 2025	55,992,954
Cash and Cash Equivalents at the end of the 30 th June 2025	360,317,392

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NGCDFC on 30th June 2025 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: MALAKI MAGERO	Name: ANTONY KANGETHE ICPAK M/No:15171	Name: EMMA KIMANI

National Government Constituencies Development Fund (NGCDF)

Embaka: North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Subprogramme	Original Budget	Revised Budget	Previous Years Outstanding	Final Budget	Actuals comparable	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,166,760	2,154,676		5,321,436	2,635,769	2,685,667
1.2 Committee allowances	2,963,357	(3,933)		2,959,424	3,134,105	(174,681)
1.3 Use of goods and services	4,639,460	2,580,231		7,219,691	7,138,344	81,347
Sub-total	10,769,578	4,730,974	-	15,500,552	12,908,218	2,592,334
2.0 Monitoring and evaluation						
2.1 Capacity building	370,000	2,172,083		2,542,083	1,815,400	726,683
2.2 Committee allowances	3,510,489	3,187,241		6,697,730	5,070,100	1,627,630
2.3 Use of goods and services	1,460,300	1,471,933		2,932,233	2,730,171	202,061
Sub-total	5,340,788	6,831,257	-	12,172,045	9,615,671	2,556,374
4.0 Emergency						
unutilized	9,444,313	12,473,186		21,917,499	4,376,110	17,541,389
JAMES GICHURU PRIMARY(8.2)		1,700,000		1,700,000		1,700,000
Sub-total	9,444,313	14,173,186	-	23,617,499	4,376,110	19,241,389
5.0 Burial and Social Security						
5.1 Primary Schools						
5.2 Secondary Schools	47,321,860	(1,826,803)		45,495,057	39,433,000	6,062,057

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Embakasi, North Constituency

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5.3 Tertiary Institutions	20,563,322	3,821,078		24,384,400	22,665,000	1,719,400
5.4 special needs						
5.5 Education Support Programmes	3,912,000			3,912,000		3,912,000
5.6 Social Security						
Sub-total	71,797,182	1,994,275		73,791,457	62,098,000	11,693,457
7.0 Environment						
DANDOF A SEC SCHOOL	772,017			772,017		772,017
KARIOB, NGI NORTH PRIMARY	772,017			772,017		772,017
Sub-total	1,544,035		1,544,035			1,544,035
8.0 Primary Schools Projects						
TOM-MB WYA PRIMARY SCHOOL	532,569	6,000,000		6,532,569		6,532,569
TOM-MB WYA PRIMARY SCHOOL	11,467,431	12,872,443		24,339,874	9,034,676	15,305,198
WANGU PRIMARY SCHOOL	1,060,000		201,740	1,261,740	800,000	461,740
WANGU PRIMARY SCHOOL	1,240,000	11,126,000		12,366,000		12,366,000
MARURA PRIMARY SCHOOL	800,000	11,530,932		12,330,932	7,585,963	4,744,969
DANDORA PRIMARY SCHOOL	600,000	23,630,033	1,612,429	25,842,462	14,112,818	11,729,644
DANDORA PRIMARY SCHOOL			201,740	201,740		201,740
KARIOB, NGI NORTH PRIMARY		5,702,253	2,400,000	8,102,253	4,767,310	3,334,943
JAMES G CHURU PRIMARY(8.2)		10,631,949		10,631,949	2,443,762	8,188,187
USHIRIKIWA PRIMARY		1,843,343	2,550,817	4,394,160	4,020,401	373,759
RONALD NGALA PRIMARY		11,125,897		11,125,897		11,125,897
Sub-total	15,700,000	94,462,851	6,966,726	117,129,577	42,764,930	74,364,647

National Government Constituencies Development Fund (NGCDF)
 Embakasi North Constituency
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9.0 Secondary Schools Projects (List all the Projects)							19,400,000
JAMES GICHURU SEC	14,400,000		5,000,000	19,400,000			
KARIOFI ANGI NORTH GIRLS SEC	897,059.00	7,244,391	5,401,740	13,543,190	10,353,944		3,189,246
TOM-MBOYA SEC SCHOOL	24,100,000.00		25,000,000	49,100,000	400,000		48,700,000
DANDORA SECONDARY	11,250,000.00		4,450,000	15,700,000	8,275,774		7,424,226
OURLADY OF FATIMA SEC	11,250,000.00		201,740	11,451,740			11,451,740
USHIRIKA SEC		1,140,189	4,000,000	5,140,189	4,742,292		397,897
DANDORA GIRLS		141,824	3,000,000	3,141,824	2,898,830		242,994
DANDORA SECONDARY		4,007,412	201,740	4,209,152			4,209,152
OURLADY OF FATIMA SEC		3,995,217	4,450,000	8,445,217	8,248,423		196,795
TOMMBOYA SEC			5,000,000	5,000,000			5,000,000
JAMES GICHURU SEC			37,000,000	37,000,000			37,000,000
							-
							-
Sub-total	61,897,059	16,529,034	93,705,220	172,131,313	34,919,263		137,212,050
10.0 Tertiary Institutions Projects (List all the Projects)							
RONALD NGALA TERTIARY			11,000,000	11,000,000			11,000,000
DANDORA EMPOWERMENT CENTRE			7,500,000	7,500,000			7,500,000
Sub-total			18,500,000	18,500,000			18,500,000
11.0 Security Projects							
KINYAGO DANDORA POLICE STATION	500,000	1,400,224		1,900,224			1,900,224
KARIOFI BANGI POLICE STATION	500,000	48,345		548,345			548,345
KWAMBABO POLICE POST	200,000	500,000		700,000			700,000
POSTAL POLICE POST	200,000			200,000			200,000

CAANAN POLICE POST	200,000	2,762	202,762	202,762	
SHARP CORNER POLICE POST	200,000	10,029	210,029	210,029	
CHIEF CAMP KARIOBAGI	200,000	38,756	238,756	238,756	
CHIEF CAMP DANDORA	200,000		200,000	200,000	
ASSISTANT CHIEF CAMP DANDORA PHASE 1	200,000		200,000	200,000	
ASSISTANT CHIEF CAMP DANDORA PHASE 1	200,000	75,890	275,890	275,890	
ASSISTANT CHIEF CAMP DANDORA PHASE 2	200,000	40,586	240,586	240,586	
ASSISTANT CHIEF CAMP DANDORA PHASE 3	200,000		200,000	200,000	
ASSISTANT CHIEF CAMP DANDORA PHASE 4	200,000	43,595	243,595	243,595	
DANDORA PHASE 3 D.O.S OFFICE		617,892	617,892	496,210	121,682
DANDORA POLICE POST		6,098,000	6,098,000		6,098,000
FLOODLIGHT PMC		9,800,000	9,800,000	9,798,133	1,867
Sub-total	3,000,000	18,676,078	21,676,078	10,294,343	11,381,735
12.0 Acquisition of assets					
12.1 Motor Vehicles (including motorbikes)					
12.2 Purchase of furniture and fittings		487,335	487,335	487,335	
12.2 Construction of CDF office					
Sub-total	-	487,335	487,335	487,335	-
13.0 Other					
SPORTS					
		1,697.08	-	1,697	1,697

National Government Constituencies Development Fund (NGCDF)

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NG-CD	Strategic Plan	4,568.00	-	4,568
Sub-total	-	6,265	-	6,265
Funds pending approval **				
MARUF A PRIMARY SCHOOL		19,600,000	19,600,000	19,600,000
DANDORA PRIMARY SCHOOL		19,700,000	19,700,000	19,700,000
WANGI PRIMARY		19,523,529	19,523,529	19,523,529
RONALD NGALA PRIMARY		2,000,000	2,000,000	2,000,000
WANGI PRIMARY		13,000,000	13,000,000	13,000,000
RONALD NGALA PRIMARY		15,000,000	15,000,000	15,000,000
WANGI PRIMARY		10,291,033	10,291,033	10,291,033
KARIOBANGI NORTH GIRLS		6,000,000	6,000,000	6,000,000
JAMES GICHURU SECONDARY		10,000,000	10,000,000	10,000,000
JAMES GICHURU		162,500	162,500	162,500
PRIMARY (8.2)				
TOM NBOYA PRIMARY		157,750	157,750	157,750
SCHOOL (8.3)				
RONALD NGALA PRIMARY		157,750	157,750	157,750
WANGI PRIMARY		162,500	162,500	162,500
DANDORA PRIMARY		157,750	157,750	157,750
KARIOBANGI NORTH		157,750	157,750	157,750
PRIMARY SCH				
MARUF A PRIMARY SCHOOL		157,750	157,750	157,750
USHIRKA PRIMARY SCHOOL		157,750	157,750	157,750
OUR LADY OF FATIMA		132,250	132,250	132,250
SECONDARY				
KARIOBANGI NORTH GIRLS		132,250	132,250	132,250
USHIRKA SECONDARY		157,750	157,750	157,750

National Government Constituencies Development Fund (NGCDF)

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DANDORA SECONDARY SCHOOL			162,500	162,500		162,500
DANDORA GIRLS SECONDARY SCHOOL			132,250	132,250		132,250
		20,056,000		20,056,000		20,056,000
unapproved projects		-		-		-
AiA	-	59,000		59,000		59,000
Sub-total	-	20,115,000	117,103,062	137,218,062	-	137,218,062
Total	179,492,954	178,006,253	236,275,008	593,774,216	177,463,869	416,310,347

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Embakasi North Constituency principal activity is implementation of NG CDF funded projects at the constituency.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Embakasi North has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement. The NG-CDF Embakasi North has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Not applicable</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Not applicable</p>

<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not applicable</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not applicable</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not applicable</p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity*.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget was approved by Parliament on 30th June 2024 for the period 1st July 2024 to 30th June 2025 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 final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

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.

o) 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

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

q) 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 June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,492,954
Total	179,492,954

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

Description	2024-2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	2024-2025
	Kshs
Rental Income	
Income from sale of tenders	59000
Hire of plant/equipment/facilities	
Other Income Not Classified Elsewhere <i>(specify)</i>	
Total	59000

10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	2,265,909
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	526,380
Employer Contributions Compulsory national social security schemes	247,340
Employer Contributions Compulsory Housing levy	62,640
Employer contributions to National Industrial Training Authority	3,000
Other Specify	56,880
Total	3,162,149

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	5,070,100
Other Committee expenses	3,134,105
Total	8,204,205

12. Use of Goods and services

Description	Period ended June 2025
	KShs
Utilities, supplies and services	45,670
Communication, supplies and services	67,000
Domestic travel and subsistence	1,155,400
Printing, advertising and information supplies & services	-
Office Rent	660,000
Training expenses	1,569,220
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,039,952
Fuel, oil & lubricants	-
Bank Charges	8,329
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	7,138,344
Total	11,683,915

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	KShs
Primary Schools Actual expenditure	44,468,399
Secondary Schools Actual Expenditure	35,914,834
Tertiary Institutions Actual Expenditure	-
Total	80,383,233

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14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	39,433,000
Bursary – tertiary institutions	22,665,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	10,294,343
Climate change mitigation projects	-
Emergency projects Actual Expenditure	4,376,110
Roads projects	-
Others specify	-
Total	76,768,453

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
Property Plant and Equipment	60,917
Intangible Assets	-
Total	60,917

16. Digital Hubs Expenses

Description	Period ended June 2025
	Kshs
Construction/ renovation/ Actual expenditure	
Digital Hub utility costs Water, Electricity,	
Maintenance of ICT equipment	
Maintenance of building	
Others (specify)	
Total	

17. Gain/loss on Sale of Assets

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, 1300261118717. (Operations account)</i>	244,737,445	64,659,879
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, 0320285448119. (Deposit account)</i>	1,184,355	657,975
<i>Equity Bank, 0320283785265. (PMC's account)</i>	114,395,592	112,629,400
Total	360,317,392	177,947,253
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

(Provide a schedule of all reconciled PMC bank balances as at the end of the period)

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20. Receivables from Exchange Transactions

Description	Period ended June 2025	Opening Statement 1 July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)		
Less: impairment allowance		
Totalreceivables		
a. Current receivables		
b. Non-current receivables		
Total Receivables (a+b)		

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 July 2024	
	Ksh		Ksh	
Transfers from NGCDFB	55,992,954		236,275,008	
Outstanding imprest	-		-	
Total	55,992,954		236,275,008	
Ageing Analysis- Receivables from non-exchange transactions	Period ended June 2025	% of the total	Opening Balance	% of the total
Less than 1 year	55,992,954	100%	236,275,008	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	55,992,954	%	236,275,008	%

22. Prepayments

	Period ended June 2025	
	Ksh	
Prepaid Rent		
Prepaid Insurance		
Prepaid Electricity Costs		
Other Prepayments (<i>Specify</i>)		
Total		

23. Property, Plant and Equipment

Depreciation Rate		10%	0.25	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 20xx	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	487,335	-	-	-	487,335
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 20xx	-	-	-	-	487,335	-	-	-	487,335
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	60,917	-	-	-	60,917
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 20xx	-	-	-	-	60,917	-	-	-	60,917
Net Book Values									
Opening Bal as at 1 st July 20xx	-	-	-	-	-	-	-	-	-
As At xx, 20xx	-	-	-	-	426,418	-	-	-	426,418

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

22 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land			
Buildings	-		
Plant And Machinery	-		
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment			
Office Equipment, Furniture, And Fittings			
Total			

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost	Accumulated Depreciation	NBV
Plant and Machinery			
Motor Vehicles including Motorcycles			
Computers and Related Equipment			
Office Equipment, Furniture and Fittings			
Total			

24. Intangible Assets

Description	Period ended June 2025 Kshs
Cost	
Opening balance at 1 st July 2024	
Additions	
Disposal	
At end of the 2025	
Amortization and impairment	
At beginning of the year	
Amortization	
At end of the year	
Impairment loss	
At end of the year	
NBV at July 1st 2024	
NBV at June 30th 2025	

25. Right-of use assets

Description	Building Kshs	Plant Kshs	Equipment Kshs
Cost			
As At 1 July (Comparative period)			
Additions			
As At 30 June 2024 (Comparative Period)			
Additions			
As At 30 June 2025 (Current FY)			
Accumulated Depreciation			
As At 1 July 2024 (Comparative period)			
Charge for the period			
As At 30 June 2024 (Comparative period))			
Charge for the period			
As At 30 June 2025 (Current FY)			
Carrying Amount			

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As At 30 June 2025 (Current FY)				
As At 30 June 2024. (Comparative Period)				

26. Trade and Other Payables

Description	Period ended June 2025			
	Current FY	% of the Total	1 st July	% of the Total
Trade payables				
Employee payables				
Other payables				
Total trade and other payables				
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

27. Third-Party deposits

	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	6,722,353	-
Retention paid during the period (C)	4,023,312	-
Closing Retention, D= A+B-C	2,699,041	-

Retentions aging analysis.

	Insert Current FY 2024-2025	% of the total	Insert Comparative FY 2023-2024	% of the total
Less than 1 year	2,699,041	100%	-	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	2,699,041		-	

(The total above should be equal to the closing retention)

28. Lease Liabilities

Description	Insert Current FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and onwards	
Less: unearned Interest	

Analysed as:

	Amount
Current	
Non- Current	
Total	

29. Gratuity Provision

		Opening Statement 1st July 2024
Gratuity at the beginning of the year 1 st of July	657,975	
Gratuity held during the year	526,380	657,975
Gratuity paid during the year	-	
Total Gratuity Provision 30th June (A+B-C)	1,184,355	657,975

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	KSh
Surplus for the period before tax	(710,917)
Adjusted for:	
Depreciation	60,917
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(180,282,054)
Changes in deferred income	-
Changes in Third party deposits	(2,699,041)
Changes in gratuity provision	(526,380)
Changes in payments received in advance	-
Net cash flow from operating activities	182,857,474

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended

to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) **Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows: from note 19

Description	Total amount	Fully performing	Part due	Impaired
	KShs	KShs	KShs	KShs
As at 30th June 2025 (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	55,992,954	55,992,954	-	-
Bank balances	360,317,392	360,317,392	-	-
Total	416,310,346	416,310,346	-	-
As at 30 June 2024 (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	236,275,008	236,275,008	-	-
Bank balances	177,947,253	177,947,253	-	-
Total	414,222,261	414,222,261	-	-

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(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025 (Current FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(retention)	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30th June 2024(Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) **Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) **Foreign currency risk**

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) **Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs NIL (Current FY: Kshs NIL). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs NIL (Current FY – Kshs NIL)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1 Ksh	Level 2 Ksh	Level 3 Ksh	Total Ksh
As at 30 June 2025(Current FY)	N/A			
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total				
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total				

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2024-2025	2023-2024

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	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	412,181,335.36	403,094,119.97
Capital Reserve	-	-
Total Funds	412,181,335.36	403,094,119.97
Total Borrowings	-	-
Less: Cash and Bank Balances	(360,317,392)	(177,947,253)
Net Debt/(Excess Cash And Cash Equivalents)	51,863,943.4	225,146,867
Gearing	13%	56%

32. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 July 2025
	KSh	KSh
Committee Members Remuneration		
Sitting allowance of committee Members during the year	5,070,100	2,178,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,492,954	162,877,846
Total	184,563,054	165,055,846

33. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Period ended June 2025	Opening Statement 1 July 2025
	KSh	KSh
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Description	Period ended June 2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

37. Ultimate And Holding Entity

The Embakasi North Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

18. Annexes
Annex 1: Summary of Asset Register

Assets	Original Cost	Accumulated Depreciation	Net Book Value (NBV)
Land			
Buildings and structures			
Transport equipment			
Office equipment, furniture, and fittings	3,278,985	487,335.00	3,766,320
ICT Equipment and Other ICT Assets			
Other Machinery and Equipment			
Intangible assets			
Total			

(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

Annex 2 – JMC Bank Balances As At 30th June 2025

	Bank	Account number	Bank Balance Current FY 2024-2025	Bank Balance Comparative FY 2023-2024
JAMES GICHURU PRIMARY	EQUITY BANK	0320272107231	8,188,187	10,286,949.40
RONALD NGALA PRIMARY	EQUITY BANK	0320278520099	11,125,897	11,535,897.20
KARIOE ANGI NORTH PRIMARY	EQUITY BANK	0320272052722	3,334,943	2,381,520.00
WANGU PRIMARY	EQUITY BANK	0320278508367	10,527,740	11,128,813.35
DANDORA PRIMARY	EQUITY BANK	0320272107034	11,331,384	14,726,313.55
USHIRIKA PRIMARY	EQUITY BANK	0320278509122	373,759	1,646,586.76
TOM MBOYA PRIMARY	EQUITY BANK	0320264695245	2,705,338	11,287,713.75
MARUFA PRIMARY	EQUITY BANK	0320277981244	23,544,969	11,165,400.70
OURLA DY OF FATIMA SECONDARY	EQUITY BANK	0320282118114	398,535	4,201,695.10
TOM MBOYA SECONDARY	EQUITY BANK	0320283785265	19,600,000	
KARIOE ANGI NORTH GIRLS SECONDARY	EQUITY BANK	0320279280950	21,890,187	6,698,817.35
USHIRIKA SECONDARY	EQUITY BANK	0320262271020	357,897	993,245.15
DANDORA GIRLS SECONDARY	EQUITY BANK	0320272199689	242,994	79,995.87
DANDORA SECONDARY	EQUITY BANK	0320272078524	383,378	4,200,562.10
DANDORA POLICE STATION	EQUITY BANK	0320272078714	1,915	1,914.50
SHARP CORNER AP LINE	EQUITY BANK	0320279644487	10,029	10,028.75
DANDORA PHASE 3 D.OS OFFICE	EQUITY BANK	0320279620468	121,682	88,919.59

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	Bank	Account number	Bank Balance Current FY 2023-2025	Bank Balance Comparative FY 2023-2024
CANAAN ADMINISTRATION POLICE LINE	EQUITY BANK	0320279602597	2,762	2762.23
KARIOBANGI POLICE STATION	EQUITY BANK	0320279645756	21,395	21,394.72
DANDORA II CHIEF OFFICE	EQUITY BANK	0320278452239	40,586	40,585.70
KARIOBANGI NORTH CHIEF OFFICE	EQUITY BANK	0320278499841	38,756	38,935.50
DANDORA I CHIEFS OFFICE	EQUITY BANK	0320278451937	75,890	75,890.10
DANDORA 4 CHIEF OFFICE	EQUITY BANK	0320278622458	43,595	43,595
Floodlights project pmc account	EQUITY BANK	0320284976360	1,867	9,800,000.00
SPORTS	EQUITY BANK	0320279572490	1,697.08	1,697.08
Total			114,395,592	100,459,233

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Unsupported PMC Bank Balances</p> <p>Review of Project Management Committee (PMC) bank balance in Annex 5 of the financial statements reported Kshs.12,839,495 as at 30 June, 2024. However, it was noted the cashbook and the reconciliation of the PMC balances reported in the financial statements was not provided for audit. Further, the circularization of the bank confirmation certificate was also not availed for audit as requested. In addition, no explanation was provided as to why the unutilized funds of the project Management committee were not returned to the Constituency account.</p> <p>In the circumstances, the accuracy of the cash and bank balance of</p>	<p>The funds are for ongoing projects therefore they could not have been returned to the main account until the projects were complete</p> <p>The ng - cdf funds are managed in a roll over fund management system</p> <p>Attached is the bank balance certificate indicating PMCs account balances.</p>	Resolved	one month

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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)
	Kshs.65,317,854 could not be confirmed.			
2	<p>Inaccuracy in the Financial Statements</p> <p>Note 19.3 to the financial statements reflects comparative years amounts relating to unutilized fund. Review of audited prior year financial statements revealed variances between the current comparative and prior year amounts of Kshs.-683,449 and kshs.616,551 for committee allowances.</p> <p>In the circumstances, the accuracy of the financial statements could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Embakasi North NGCDF Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance</p>	<p>Error has been rectified as per the attached unutilized funds report</p>	Resolved	immediately

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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)
	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.			
3	<p>Emphasis of Matter</p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis totaling Kshs.489,841,614 and Kshs.253,566,600 respectively resulting to an under funding of Kshs.236,275,008 or 48% of the budget. Similarly, the statement reflects actual expenditure of Kshs.188,906,727 against actual receipts of Kshs.253,566,600 resulting to an under expenditure of Kshs.64,659,879 or 26% of the actual receipts.</p> <p>The underfunding and underperformance affected the planned activities and may have impacted negatively on service</p>	<p><i>I. Under funding was as result of Non-remittance of total budget by the National Government to the board hence causing the board to delay in the disbursement of the funds</i></p> <p><i>II. As of now we are implementing big projects costing between 30</i></p>	Solved	Two weeks

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>delivery to the residents of the Embaka North Constituency.</p> <p>My opinion is not modified in respect of this matter.</p>	<p><i>million and 77 million, the project department at NG-CDF board wanted to establish realistic bill of quantities and implementation plans, this made us to have protracted sessions to explain how this project are going to be implemented</i></p>		
4	<p>1. Non - Implementation of Projects</p> <p>The statement of receipts and payments reflects transfers to other Government units of Kshs.63,961,866 as disclosed in Note 8 to the financial statements. Audit revealed that five (5) schools (Ronald Ngala primary school,</p>	<p><i>There was a change of design awaiting approval by the board as well as additional funds. Initially this projects had a design which later on we realized that with the</i></p>	resolved	Three weeks

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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>Tom Mboya primary school, Wangu primary school, Dandora primary school and Marura primary school) were each advanced Kshs.11,000,000 totaling Kshs.55,000,000 for proposed construction of laboratories on 14 August, 2023. However, no progress towards the construction including the procurement process have been kicked off. Further, examination of documents provided revealed those balances had already been transferred to the relevant PMC accounts even before any processes had been done and no explanation was given by Management for the above noted anomaly.</p> <p>In the circumstances, value of the expenditure could not be confirmed.</p>	<p>roll out of the CBC they could not be beneficial to the primary schools. The committee later on enhanced the funding of this five projects and this warranted a change of activity which had to be approved by the board</p>		
5	<p>2.1 Dandora Primary/Ushirika Primary/Wangu Primary/Ronald Ngala Primary</p> <p>The National Government Constituency Development Fund disbursed a total of Kshs.3,000,000 to the Project Management Committee (PMC) for the</p>	<p>The above mentioned 4 primary schools each had a budget of Kshs 600,000. A total budget for the 4 primary schools was Kshs.2, 400,000.00.</p>	resolved	immedietly

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>primary schools for purchase of desks. Review of procurement documents provided for audit showed that the desks were procured through Tender KAS/Q/010/EMB N/2023/2024. The contract was awarded to a company at a contract sum of Kshs.2,784,000.</p> <p>It was noted that, the amount deposited in the PMC account and contract sum as noted above had a variance of Kshs.216,400 which was not explained. Further, provisional sums of Kshs.120,000 were not accounted for. In addition, the contracts were not provided for audit.</p>	<p><i>The variance was caused since the lowest evaluated bidder had quoted a higher price than the budget of Kshs 2, 400,000. The committee has not made arrangements to clear the debt. Provisional sum of Kshs 120,000 was allowances for the 4 schools PMCs at 30,000 each.</i></p>		
6	<p>2.2 Tom Mboya/Kariobangi North Primary/Marura Primary</p> <p>The National Government Constituency Development Fund disbursed a total of Kshs.3,000,000 to the Project Management Committee (PMC) for the primary schools for purchase of desks. Review of procurement documents provided for audit revealed that the desks were procured through Tender</p>	<p><i>The above mentioned 3 primary schools each had a budget of Kshs 600,000 . A total budget for the 3 primary schools was Kshs 1,800,000.00. The variance was caused since the lowest evaluated bidder had quoted a higher price</i></p>	Resolved	immediately

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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>KAS/Q/011/EMB N/2023/2024. The contract was awarded to Juwin builders Limited at a contract sum of Kshs.2,366,400. However, it was noted that, the amount deposited in the PMC account and contract sum as noted above had a variance of Kshs.633,600 which was not explained. Further, the provisional sum of Kshs.90,000 was not accounted for.</p>	<p><i>than the budget of Kshs 1,800,000. The committee has not made arrangements to clear the debt. Provisional sum of Kshs.90,000 was allowances for the 3 schools PMCs at 30,000 each.</i></p>		
7	<p>2.3 Our Lady of Fatima Secondary School</p> <p>The National Government Constituency Development Fund awarded to a company vide tender EMBN/NGCDF/002/2023-2024 for construction of four (4) No of classrooms at a contract sum of Kshs.14,098,674. Kshs.1,156,033 was paid during the year under review. It was noted that, provisional sum of Kshs.2,100,000 was not accounted for. Further, a site visit on 26 November, 2024 revealed that the project is incomplete and there was no contractor on site. In addition, the project was in</p>	<p>Kindly note the project was for financial year 2019/2020, The main reason for the delay of the implementation of the above project was because the project was wrongly captured as Our Lady of Fatima Primary school instead of Our Lady of Fatima Secondary school. This typing error took a lot of time to be corrected at the board.</p>	Resolved	immediately

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Reference No. on the external audit Report	Issue / Observation from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>the 2017/2018 code list which means implementation and completion were delayed. It was also noted that there was no ramp and the project had not been labelled.</p>	<p>Also the funds allocated to the project were insufficient and the committee had to allocate more funds for implementation. The provisional sums of Kshs 2,100,000 as indicated in the document is for contingencies 500,000, Electrical works 500,000, Project Management Committee allowances 550,000 and Technical Team Allowances 550,000. k</p>		
8	<p>2.4 Dandora Secondary School The National Government Constituency Development Fund awarded to a company for construction of four (4) No classrooms at a contract sum of Kshs.14,015,462 vide tender no EMBN/NG/003/2023/2024. It was noted that, provisional sum of Kshs.2,100,000</p>	<p>Kindly note the project was for financial year 2019/2020, It is true that there was no provision of a Ramp in the project. However, the project is being proposed to be continued in the second</p>	Resolved	immediately

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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>was not accounted for. Further, a site visit on 26 November, 2024 revealed that the project is incomplete despite being in the 2017/2018 Code list which means implementation and completion were delay.it was also noted that there was no ramp and the project had not been labelled.</p>	<p>phase which will involve construction of a ramp for the whole building. The project is ongoing and labelling is part of the works not yet done. The provisional sums of Kshs 2,100,000 as indicated in the document is for contingencies, 500,000, Electrical works 500,000, Project Management Committee allowances 550,000 and Technical Team Allowances 550,000.</p>		
9	<p>2.5 Dandora Primary School</p> <p>The National Government Constituency Development Fund awarded to a company for construction of four (4) no classroom at a contract sum of Kshs.13,933,221 vide tender no EMBN/NG/001/2023/2024. A site visit</p>	<p>The project is complete and the inspection had been carried out, waiting for final payment and handing over as the project was completed while the</p>	resolved	Two weeks

	Description of Issue / Observations from Audit	Management Comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>on 26 November, 2024 revealed that the project is complete but is yet to be inspected and handed over and it's not in use.</p>	<p>school had closed for December holiday. The provisional sums of Kshs 2,100,000 as indicated in the document is for contingencies, 500,000, Electrical works 500,000, Project Management Committee allowances 550,000 and Technical Team Allowances 550,000.</p>		
10	<p>2.6 Kariobangi North Primary School</p> <p>The National Government Constituency Development Fund awarded to a company for construction of toilets and changing rooms at a contract sum of Kshs.4,758,915 vide tender No.KAS/2/009EMBN/N/001/2023/2024. It was noted that, provisional sums of Kshs.665,000 was not accounted for. Further, the professional opinion had not been signed. A site visit on 26 November, 2024 revealed that the</p>	<p>Kindly note the professional opinion had been signed in every page by the Procurement Officer. The project is complete and the inspection had been carried out, waiting for final payment and handing over as the project was completed while the</p>	resolved	immediately

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	<p>project is complete but is yet to be inspected and handed over and it's not in use.</p> <p>In the circumstances, value of the expenditure on the projects could not be confirmed.</p>	<p>school had closed for December holiday. The provisional sums of Kshs 665,000 as indicated in the document is for contingencies, 100,000, Electrical works 325,000, Project Management Committee and Technical Team Allowances 240,000(120,000 each)</p>		
11	<p>3.1 Supply of Sets of Lockers and Chairs to 3 Secondary Schools</p> <p>The Fund disbursed a total of Kshs.1,800,000 to the Project Management Committee (PMC) to three schools for purchase of 100 sets of lockers for each school - Ushirika Secondary, Dandora Girls Secondary School and Kariobangi North Girls Secondary School, with each school allocated a sum of Kshs.600,000. Review of procurement documents</p>	<p>Kindly note the project was not an emergency project rather it was a new project reallocated from emergency funds. The lockers were officially handed over to the schools and the school heads signed the inspection and acceptance forms.</p>	Resolved	immediately

	Issue / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>provided for audit revealed that the works were procured through request for quotations under Tender No: KAS/Q/012/EMBN/2023-2024 and the contract was awarded to a company at a contract sum of Kshs.2,088,000. However, the hand over report was not provided for audit. In addition, the funds used to purchase the lockers were sourced from the emergency fund, yet there was nothing to show that an unforeseen event had occurred.</p>			
12	<p>3.2 Supply and Installation of 20m Floodlights in Dandora Phase 1 and 2 Wards in Embakasi North Constituency</p> <p>The Fund disbursed a total of Kshs.4,000,000 to the Project Management Committee (PMC) for the supply and installation of 20m floodlights in Dandora Phase 1 and 2 wards in Embakasi North Constituency with each costing Kshs.2,000,000. Review of procurement documents provided for audit revealed that the floodlights were procured through</p>	<p>The delay of the project was due to the delay of approval and disbursement of funds from the NG-CDF board. The approval and release of funds was done on October 2023.</p>	Resolved	immediately

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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)
	request for quotations under tender No: EMBN/Q/03/2023/2024 and contract was awarded to a company at a contract sum of Kshs.3,851,664. Further, the inspection report was not provided for audit.			
13	<p>3.3 Supply and Installation of 20m Floodlights in Dandora Phase 3 and 4 Wards in Embakasi North Constituency</p> <p>The Fund disbursed a total of Kshs.4,000,000 to the Project Management Committee (PMC) for the supply and installation of 20m floodlights in Dandora Phase 3 and 4 wards in Embakasi North Constituency, with each costing Kshs.2,000,000. Review of procurement documents provided for audit revealed that the goods were procured through request for quotations under tender No: EMBN/Q/04/2023/2024 and contract was awarded to a company at a contract sum of Kshs.3,851,664. However, the inspection report was not provided for audit. Further, audit</p>	<p>The delay of the project was due to the delay of approval and disbursement of funds from the NG-CDF board. The approval and release of funds was done on October 2023</p>	Resolved	immediately

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	inspection carried out on 26 November, 2024 in the two sites revealed the existence of the flood masts. However, the projects were meant to be done in 2017/2018 financial year, but were implemented in 2023/2024, meaning that there was late implementation of the project.			


Name Malaki o Magero
Fund Account Manager.

