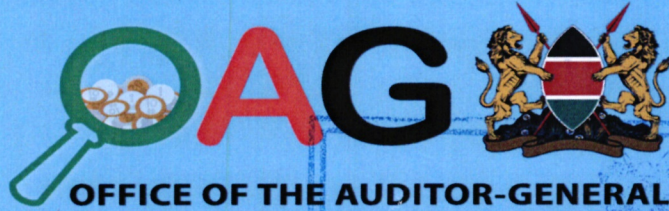


REPUBLIC OF KENYA



Enhancing Accountability

**REPORT**

DATE: 20 JUL 2023

DAY:

WED

TABLED  
BY:

HON Naomi Wago MP  
Deputy Majority Whip  
Fenaye Mwangi

OF

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

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





OFFICE OF THE GENERAL REGISTRAR  
P. O. Box 3008 NAIROBI  
REGISTRY  
05 APR 2023  
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EMBAKASI WEST CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2022

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

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## **I. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

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

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

#### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

The EMBAKASI WEST ConstituencyNGCDF day-to-day management is under the following key organs:

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

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**National Government Constituencies Development Fund (NGCDF)**  
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ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Alfred N. Mwangi
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Benson Kabucho
4.	Member NGCDFC	Douglas Mbogo

**(d) Fiduciary Oversight Arrangements**

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

**(e) EMBAKASI WEST Constituency NGCDF Headquarters**

P.O. Box EMBAKASI WEST NG-CDF  
EMBAKASI WESTNG-CDF Office  
Along Mtindwa Road Umoja 1  
Nairobi, KENYA

**(f) EMBAKASI WEST Constituency NGCDF Contacts**

Telephone: (254) 702 770 935 EMBAKASI WEST EMBAKASI WEST  
E-mail: [embakasiwestcdf@gmail.com](mailto:embakasiwestcdf@gmail.com), [cdfembakasiwest@cdf.go.ke](mailto:cdfembakasiwest@cdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

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**(g) EMBAKASI WEST Constituency NGCDF Bankers**

EquityBank Limited  
Embakasi West National Government Constituency Development Fund (NG-CDF)  
Account NO: 0950261868298  
Branch: Buruburu  
P.o Box 75104  
Nairobi

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NG-CDFC Chairman's Report



BENSON N. KABUCHO  
Chairman Embakasi West  
NG-CDF

Guided by the vision of Embakasi West Constituency, which is to utilize available resources in a transparent and accountable way to attain a vibrant economy throughout the entire constituency has led to the following key achievements through the NGCDF funds:

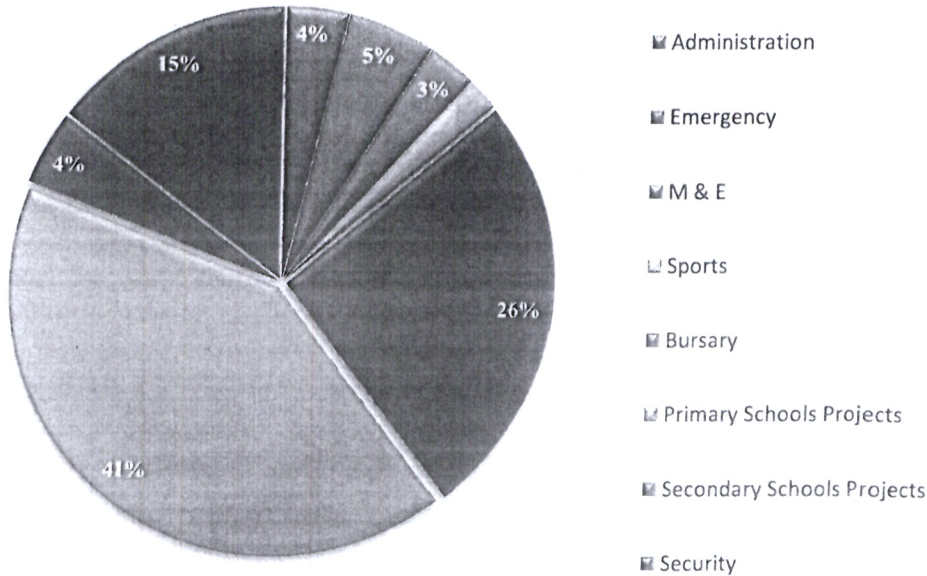
1. The Embakasi West NGCDF Five Year Strategic Plan (2018-2023) has continued to be implemented in a well-organized and coordinated manner, which follows clearly set performance indicators and time frame, under each of the eight strategic priorities namely: education, environment, health, water, security, vulnerable groups, equity and poverty elimination, and ICT.
2. Access to quality and equal opportunity in education by giving bursaries to the less fortunate children both in secondary and university level.
3. School drop outs are given the opportunity to undertake short courses such as driving, hairdressing, cookery, computer studies and sign language training.
4. Empowering vulnerable groups such as people living with disability (PWDs) skill training through short courses as well as creation of secure places for their business.
5. To improve security for the well-being of community members, the NGCDF has built police posts and an Administration Police camp with all the necessary amenities.

Our greatest aspiration as a committee for the next five years is to work towards building a vibrant, safe and prosperous community. The plans set a clear and visible direction for the constituency. The challenge for us all now lies in continuing to work together to ensure that these goals are achieved and we should account for the results

### Budget.

Embakasi West Constituency was allocated Ksh. 137,088,879.00 for the financial year 2021/2022

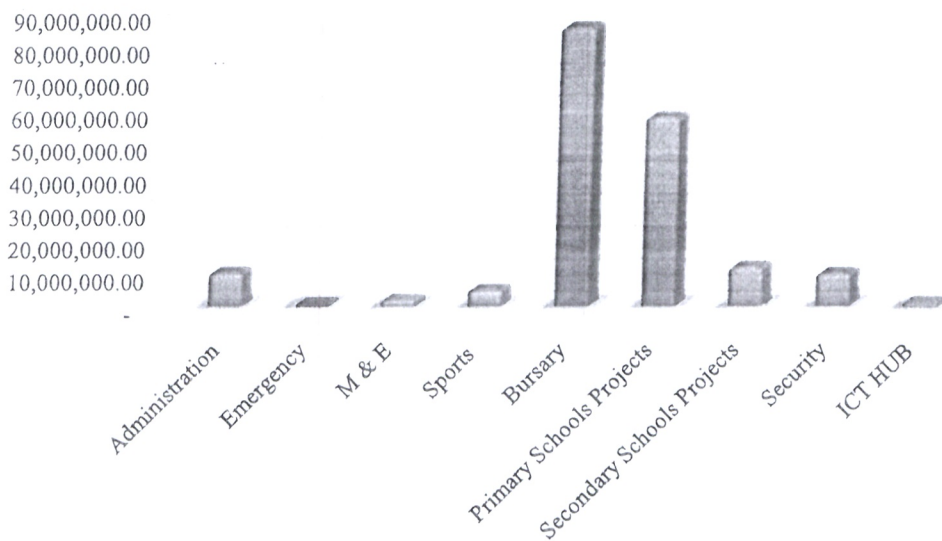
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In the 2021/2022 Financial year Embakasi West NG-CDF received a total of Kshs 161,088,789.00 which include Kshs. 38,000,000.00 and 36385285.1 previous years balance relating to previous years

**Utilization**

Out of the above Kshs 161,088,879.00 was utilized as illustrated in the graph below



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*Key achievements*

Some of the most notable projects in 2021/2022 financial year are as follows

1. **Construction of 8 (No) classrooms at Umoja 1 Primary School**



2. *Payment of bursary for needy students . in the financial year 2021/2022, Embakasi West NG-CDF issued bursary to needy students amounting to Kshs. 84,060,000.00*

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*3. Sponsoring sports tournament 2021/2022*

## **CORE VAUES**

Our values describe what we believe in and what we aspire to for the future. The community considered what they most valued about where they live and what they want Embakasi West to be like in the year 2022.

**Integrity;** we value an ethical and accountable processes that is open, accessible, and responsible steward of public funds.

**Excellence in service:** We will consider the needs of current and future generations and will ensure that services are prioritized according to whole of community needs and adequately resourced.

**Collaboration:** We will consider a range of information such as legislation, community and stakeholders' issues, in or-der to work together with the community to realize our goals

**Equity:** We are committed to ensure fairness in decision making, actions and management. Opportunities will be provided to all residents so they can participate in decisions and programmes that affect their lives.

The key development objectives of NGCDF-EMBAKASI WEST Constituency's *2018-2022* plan are to:

### **GOAL 1 - Creating a Socially Prosperous Constituency**

We will work with community groups to assess community needs and assist those groups and communities develop. Social prosperity is about communities maintaining their quality of life and being able to develop new opportunities to enhance that quality of life. We will work with the community to promote better accessibility of community sports infrastructure. In this regard, NG – CDF Committee will:

- I. Work collaboratively with the diverse groups and communities to improve their access to training and resources through TVETs and Vocational Training
- II. Support development, renovation and upgrading of both primary and secondary schools in the constituency.
- III. Increase and broaden the range of tertiary education choices
- IV. Ensure improved opportunity of access to services provided Ng – CDF Office i.e. Bursary support for needy students
- V. Promote sports as a vehicle for community development and achieving social cohesion

### **GOAL 2 - Building Vibrant Community**

We commit ourselves to working with members of the community to build creative, innovative and resilient com-munities where people feel able and encouraged to participate in the life of that community. NG – CDF will focus on;

- I. Promote all opportunities to increase safety in our community
- II. Work with others to improve community safety (Nyumba Kumi)
- III. Work to establish a Multipurpose Community Centre for Embakasi West Constituents
- IV. Collaborate with other institutions to establish ICT Hubs and increase opportunities for people to become involved in their communities.
- V. Increase skills and knowledge in sectors of local economic growth

***EMBAKASI WEST Constituency  
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**GOAL 3 - Caring for the Social Environment**

The term ‘social environment’ refers to living and working conditions of communities in which we live. NG – CDF Committee commit to manage and protect the social environment for the benefit of the entire community and will;

- I. Improve the quality of community facilities and public spaces in regard to disability access
- II. Increase participation in community based environmental activities
- III. Promote tree planting and environment protection
- IV. Advocate for improvement of community infrastructure including feeder roads, drainage systems and access to clean drinking water

**GOAL 4 - Striving for Excellence in Service Provision**

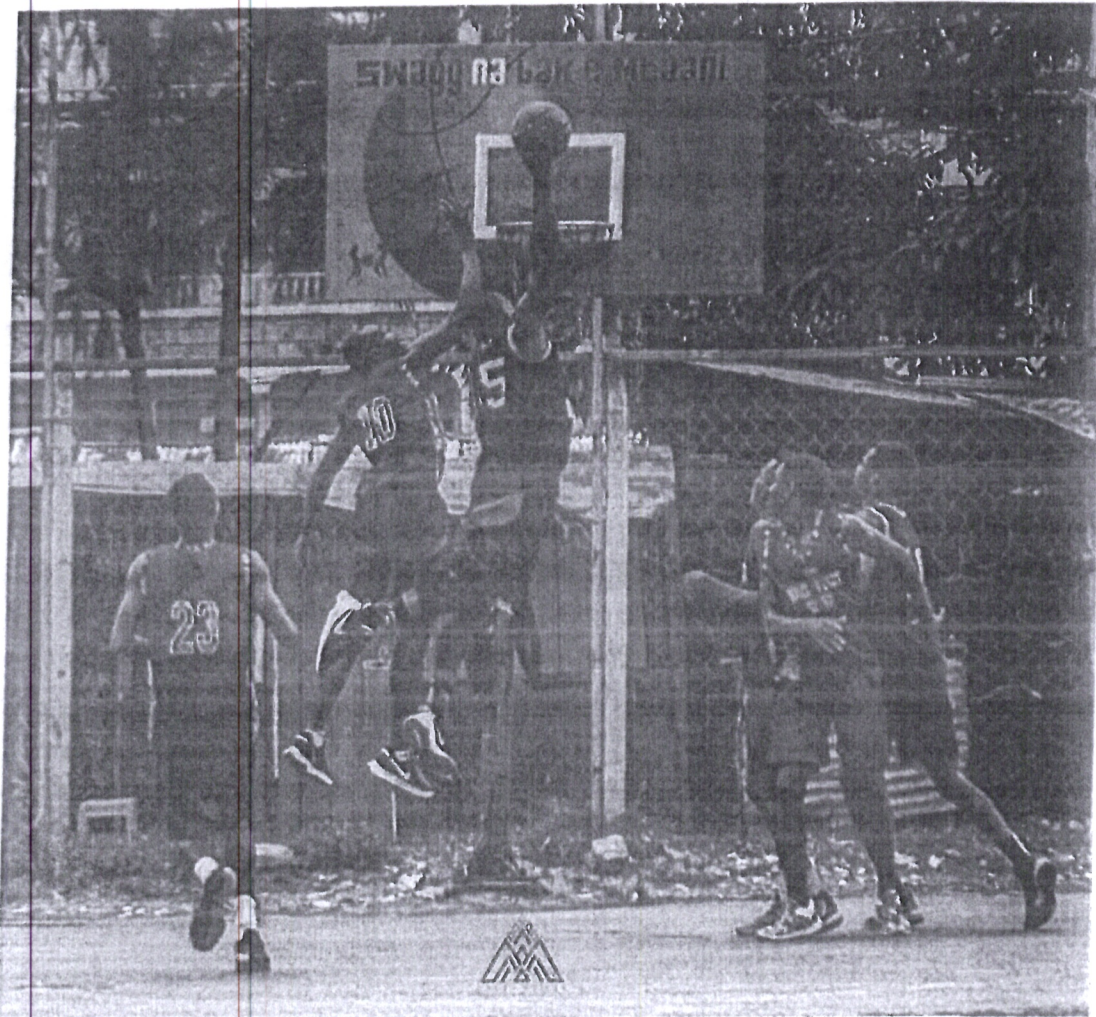
We will improve the effectiveness and efficiency of NG – CDF office and improve our accountability. Embakasi West needs a robust local economy, a safe and secure society that provides a live able community for future generations. The role of NG – CDF is to provide the necessary leadership to manage the funding and resources to deliver the community’s vision for the future. In this section of the plan we will;

- I. Ensure that we have regular monitoring and appraisals of our performance to improve accountability and effectiveness
- II. Work more collaboratively across the Community Development teams to promote the sharing of knowledge
- III. Ensure a better delivery of Community Development project
- IV. Develop and maintain relationships and partnerships for the greater benefit of the community

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To develop the society in the domains of economy, culture and maintain societal development.	To enhance better learning conditions in the primary schools by improving the infrastructure And to cater for bursary and	- number of usable physical infrastructure build in primary, secondary, - number of	In FY 21/22 Embakasi West NG-CDF increased number of classes by 27 new classrooms, twin laboratory,



**Implementation challenges**

The major challenge experienced by Embakasi West NGCDF in its implementation of its work plan is

1. Timely disbursement of funds from the board
2. Lengthy time in which the relevant technical department take in developing tender documents that have a direct effect in the timely implementation of the project

The Embakasi West NG-CDFC has however been seeking alternative technical department with capacity to deliver timely tender documents

Sign 

**Benson Kabucho**  
**CHAIRMAN NG-CDF COMMITTEE**

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

#### Introduction

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

Embakasi West Constituency is one of the 17 Constituencies in Nairobi County, Kenya. The constituency is situated approximately six kilometres (6km) East of Nairobi Central Business District (CBD). The Constituency covers an area of 9.35 km<sup>2</sup>. Embakasi West is a unique constituency because it has in it some of the most affluent localities in Nairobi as well as some of the poorest (slum) areas in Nairobi County. The slum areas are the most disadvantaged and challenged due to the number of poverty - stricken people and living in dilapidated living conditions especially in Kiambiu Slums. A new planning framework for constituency development fund was enacted in 2015, aligned with the constitution in the spirit of devolution. These reforms devolved most of the function and capacity to the county governments and the National Government focus was limited to two key areas' security and education. Nevertheless, the legislation recognizes the need to continue to support the less fortunate in the community through provision of social security. The Strategic Plan is the highest - level plan that members of NG - CDF prepares. Its purpose is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process considers the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aspirations. While NG - CDF committee has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, and wholly responsible for its implementation. Other partners, such as State Agencies and community Groups may also be responsible for the delivery of long - term strategies in the Plan these responsibilities are also identified in the Plan.

#### MISSION

Our pledge is to serve the community by enriching the quality of life through excellence stewardship, support education, innovation and civic engagement

#### VISION

Our community will be safe, vibrant, socially inclusive and innovative; where participation in community life is valued

#### GOALS

- Creating a Socially Prosperous Constituency
- Building Vibrant Community
- Caring for the Social Environment
- Striving for Excellence in Service Provision

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		CATs/Mocks and health insurance for vulnerable groups in the constituency	bursary beneficiaries at all levels	and issued bursary cheques to the amount of Kshs 84,060,000.00. enable higher enrolment to education.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service Number of usable physical infrastructure built in locations, sub locations and police stations	delivery Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	In FY 21/22 Embakasi West NG-CDF has initiated Construction of Community Hall & Police Post at Uhuru Estate at Kshs. 10, 000, 000.00
Environment	To improve public facilities by developing sanitation facilities	Ablution blocks in Public Schools	Number of students benefiting	Additional ablution blocks for our school at Uhuru Primary School and Tumaini Primary School
Sports	Sponsoring sports tournament and procuring games kits and uniforms for sports teams (boxing, football, netball and basketball)	Youth to be engaged in various tournaments.	Number of youths to benefit from sports kits.	Number of youth groups in the constituency they were engaged in boxing, football and basket tournament. 20 teams benefited from uniforms and sports kits

#### IV. Environmental and Sustainability Reporting

Embakasi Westng-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 WEST NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

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

## **2. Environmental performance**

- *Embakasi West NG-CDF utilized its environment funds through construction of ablution blocks at various schools*
- *Youth are sensitized against drug and substance abuse through involvement in sports activities*
- *Embakasi West NG-CDF sponsored sporting activities/ tournament and issue of sports gear like boxing ring to enable the youth become busy bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff has at least one day in FY to sensitize the local communities through public participation on proper garbage disposal methods that lead to proper utilization of the environment of NGCDF supported projects.*

## **3. Employee welfare**

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

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The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Embakasi West constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

**4. Market place practices-**

Embakasi West NG-CDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

**5. Community Engagements-**

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**National Government Constituencies Development Fund (NGCDF)**  
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Embakasi West NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

**Public Participation in Project Identification and Implementation and Monitoring**

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


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

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

**Public Awareness**

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

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

  
**Alfred N. Mwangi**  
**Fund Account Manager**

**V. Statement of Management Responsibilities**

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

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

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


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**National Government Constituencies Development Fund (NGCDF)**  
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The Accounting Officer in charge of the NGCDFEMBAKASI WEST 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 WESTX Constituency financial statements were approved and signed by the Accounting Officer on 3<sup>rd</sup> SEP 2022.

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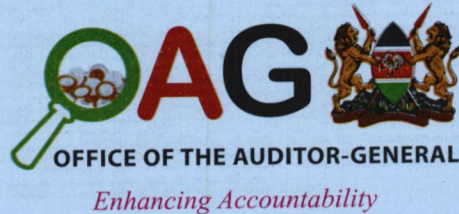
**Benson Kabucho**  
**Chairman – NGCDF Committee**

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**Alfred N. Mwangi**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi West set out on pages 1 to 40, which

comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund - Embakasi West as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.13,101,098 as disclosed in Note 10A to the financial statements. However, review of the bank reconciliation statement for balances as at 30 June, 2022 revealed unrepresented cheques totalling Kshs.5,344,621 which dating back to 25 February, 2022. The Management did not provide details on when the cheques were cleared and the status of the stale cheques. Further, the statement reflects payment in the bank statement not in the cash book described as overpayment of Kshs.45,000 whose basis for the over payment was not provided. No explanation was provided for not recording the transactions in the cashbooks contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

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

### **Other Matter**

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

The summary statement of appropriation revealed the Fund budgeted to receive Kshs.297,530,768 from the CDF Board out of which the Board remitted Kshs.197,474,164

resulting in a deficit of Kshs.100,056,604 equivalent to 34% of the budget. Similarly, a final expenditure budget of Kshs.297,530,768 against actual expenditure of Kshs.184,373,066 resulting in budget under-utilization of Kshs.113,157,702 equivalent to 38% of the approved budget.

As a result, the Fund did not implement planned and approved projects in accordance with the approved programme thereby denying residents of Embakasi West Constituency services.

In addition, it was observed that out of a budget of Kshs.134,936,898 under other grants and transfers, only an amount of Kshs.100,706,200 was utilized resulting to an unutilized amount of Kshs.34,230,693 or 25% of the budgeted amount. Subsequently, out of a budget of Kshs.115,956,486 under transfers to other Government entities, only an amount of Kshs.70,056,486 was utilized resulting to an unutilized amount of Kshs.45,900,000 or 40% of the budgeted. No reason was provided for the significant amount of unutilized funds.

Further, the budget execution by sectors and projects reflects expenditure in excess of budgeted amounts of Kshs.733,574 and Kshs.704,934 in respect of committee allowances and use of goods and services. The authority for the over expenditure was not provided. This is an indication that the Constituency Management did not implement the budget as approved by the Board.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Embakasi West Constituency.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Issuance of Bursaries**

The statement of receipts and payments and Note 7 to the financial statements indicates that a total payment of Kshs.100,706,200 in respect of other grants and transfers were made during the year under review. Included in this expenditure is Kshs.84,060,000 which

related to bursaries in respect of secondary schools totalling to Kshs.44,650,000 and tertiary institutions totalling to Kshs.39,410,000. However, the following anomalies were observed: -

- i. The Management did not provide evidence of formation of the Education bursary, Mock examinations and Continuous assessment tests committee, whose mandate is to vet applicants.
- ii. An examination of a sample of the application forms revealed that all the forms had no evidence of vetting by Education bursary, Mock examinations and Continuous assessment tests Committee.
- iii. The chairman or the secretary of the vetting committee did not sign the application forms as proof of approval or rejection of the application.
- iv. It was not possible to confirm the amount of bursaries awarded to the successful applicants, since there was no indication on the application form.
- v. The minutes of the vetting committee and the details of the successful applicants were not provided for audit review.
- vi. Analysis of the total bursaries issued revealed that some students did not have admission or registration numbers.
- vii. The total bursaries of Kshs.84,060,000 and social security programmes expenditure of Kshs.1,500,000, all totalling to Kshs.85,560,000 formed 53% of the funds allocated. This is contrary to the law as it formed more than thirty-five per centum of the total funds allocated for the Constituency in the year under review.

In the circumstances, regularity and authenticity of bursaries of Kshs.84,060,000 could not be confirmed.

## **2. Failure to Implement Classrooms Project**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reveals that NG-CDF Embakasi West Constituency made transfers to other Government entities amounting to Kshs.70,056,486 and Kshs.58,056,486 to primary schools and Kshs.12,000,000 to secondary schools.

Audit inspection carried out on 14 March, 2023 revealed that the project worth Kshs.12,000,000 for construction of classrooms at Dr Mwenje Secondary School had not been implemented while the amount being transferred to the Project Management Committee (PMC) Account on 31 May, 2022.

In the circumstances, the value for money on the Project whose implementation was delayed could not be confirmed.

## **3. Failure to Submit Monthly Bank Reconciliation Statements for Audit**

During the year, the Fund Management did not submit monthly bank reconciliation statements for audit, contrary to Section 90(1) of the Public Finance Management Act, 2012.

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

#### **4. Unutilized Project Management Committee (PMC) Funds**

The Fund Board approved projects in primary and secondary schools valued at Kshs.70,056,486, for implementation during the year under review. However, review of 16 PMC accounts in relation to prior years' projects revealed that a PMC balance of Kshs.14,628,732 for projects which were completed and in use.

No explanation was provided for not refunding back the Funds to the Constituency Account, despite the project implementation status provided indicating that the projects were complete and in use. This is contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015, which requires such funds to be refunded.

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

#### **5. Irregular Branding of Projects**

Inspection of projects implemented in the Constituency carried out on 14 March, 2023 revealed that the projects implemented at Umoja 1 Primary School, Mowlem Supa Loaf Primary School and Unity Primary School were branded with the name of the area Member of Parliament. Similarly, the desks and chairs supplied to Busara Primary School were branded with the name of the area Member of Parliament. This is contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015, which require such branding to be in the name of the Constituency and not in the name of any individual.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

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

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

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

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

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

report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**27 June, 2023**

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

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

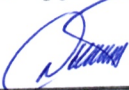
	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,088,879	158,440,875
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	653,709
<b>TOTAL RECEIPTS</b>		<b>161,088,879</b>	<b>159,094,585</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,468,293	2,329,766
Use of goods and services	5	9,201,040	9,533,875
Transfers to Other Government Units	6	70,056,486	72,504,258
Other grants and transfers	7	100,706,200	38,572,290
Acquisition of Assets	8	771,790	244,000
Other Payments	9	1,169,257	1,149,097
<b>TOTAL PAYMENTS</b>		<b>184,373,066</b>	<b>124,333,286</b>
<b>SURPLUS/DEFICIT</b>		<b>(23,284,187)</b>	<b>34,761,299</b>

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

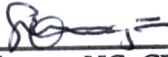
The Constituency financial statements were approved on 12 September 2022 and signed by:

  
 Fund Account Manager

Name: Alfred N. Mwangi

  
 National Sub-County  
 Accountant

Name: Dennis Mathenge  
 ICPAK M/No: 14373

  
 Chairman NG-CDF Committee

Name: Benson Kabucho




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

VIII. Statement of Assets and Liabilities as At 30<sup>th</sup> June, 2022

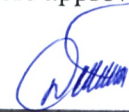
<b>II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES</b>			
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	13,101,098	36,385,285
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>13,101,098</b>	<b>36,385,285</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>13,101,098</b>	<b>36,385,285</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>13,101,098</b>	<b>36,385,285</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	36,385,285	1,623,984
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(23,284,187)	34,761,299
<b>NET FINANCIAL POSITION</b>		<b>13,101,098</b>	<b>36,385,283</b>

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

The Constituency financial statements were approved on 12 September 2022 and signed by:

  
 Fund Account Manager

Name: Alfred N. Mwangi

  
 National Sub-County Accountant

Name: Dennis Mathenge  
 ICPAK M/No: 14373

  
 Chairman NG-CDF Committee

Name: Benson Kabucho


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

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


STATEMENT OF CASH FLOW		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,088,879	158,440,875
Other Receipts	3	-	653,709
		<b>161,088,879</b>	<b>159,094,585</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,468,293	2,329,766
Use of goods and services	5	9,201,040	9,533,875
Transfers to Other Government Units	6	70,056,486	72,504,258
Other grants and transfers	7	100,706,200	38,572,290
Other Payments	9	1,169,257	1,149,097
		<b>183,601,276</b>	<b>124,089,286</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(22,512,397)</b>	<b>35,005,299</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(771,790)	(244,000)
<b>Net cash flows from Investing Activities</b>		<b>(771,790)</b>	<b>(244,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(23,284,187)</b>	<b>34,761,299</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>36,385,283</b>	<b>1,623,984</b>
<b>Cash and cash equivalent at END of the year</b>		<b>13,101,096</b>	<b>36,385,283</b>

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

The Constituency financial statements were approved on 12 September 2022 and signed by:

  
Fund Account Manager

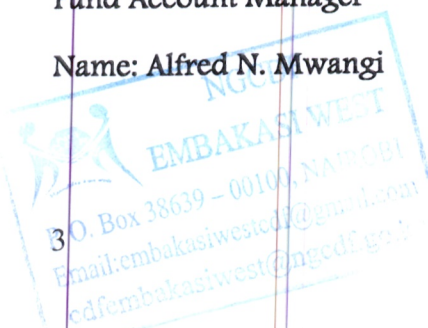
Name: Alfred N. Mwangi

  
National Sub-County Accountant

Name: Dennis Mathenge  
ICPAK M/No: 14373

  
Chairman NG-CDF Committee

Name: Benson Kabucho



**THE NATIONAL  
SUB-COUNTY ACCOUNTANT  
EMBAKASI**  
P. O. Box 30124 - 00100, NAIROBI

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

**X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	36,385,285	124,056,604	297,530,768	197,474,164	100,056,604	
Proceeds from Sale of Assets				0	-	-	66.4%
Other Receipts				0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>36,385,285</b>	<b>124,056,604</b>	<b>297,530,768</b>	<b>197,474,164</b>	<b>100,056,604</b>	<b>66.4%</b>
PAYMENTS							
Compensation of Employees	3,263,233		791,432	4,054,665	2,468,293	1,586,372	60.9%
Use of goods and services	5,346,661		3,857,874	9,204,535	9,201,040	3,495	100.0%
Transfers to Other Government Units	62,900,000		53,056,486	115,956,486	70,056,486	45,900,000	60.4%
Other grants and transfers	50,933,985	34,608,319	49,394,589	134,936,893	100,706,200	34,230,693	74.6%
Acquisition of Assets	645,000		956,223	1,601,223	771,790	829,433	48.2%
Other Payments	-	1,169,257	-	1,169,257	1,169,257	-	100.0%
Funds pending approval	14,000,000	607,709	16,000,000	30,607,709			
<b>TOTAL</b>	<b>137,088,879</b>	<b>36,385,285</b>	<b>124,056,604</b>	<b>297,530,768</b>	<b>184,373,066</b>	<b>113,157,702</b>	<b>62.0%</b>

(a) \*\* On receipts the total receipts Kshs 113,157,702

Funds of ksh 69,367,725 relating to Financial year 2019/2020 and Ksh. 16,688,879 relating to financial year 2020/2021 and Kshs. 14,000,000 FOR Financial year 2021/2022 for financial year 2021/2022 that not been received as at 30<sup>th</sup> June 2022

i. Kshs. 607,709.47 is moneys received back from PMCs

(b) On payments

i. On Compensation to employees the unutilized funds relate to gratuity set aside to be paid at the end of the employment On the end of the employment contracts.

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

- ii. *On use of goods and services, 35.3% underutilization was as a result of late disbursement from the NGCDF.*
- iii. *On transfer to other Government Units, and grants and transfers underutilization is because of late disbursement from the NGCDF Board and reallocation still pending approval from the Board*


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	113,157,702
Less undisbursed funds receivable from the Board as at 30th June 2022	100,056,604
	13,101,098
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	13,101,098

The Constituency financial statements were approved on 12<sup>th</sup> September 2022 and signed by:

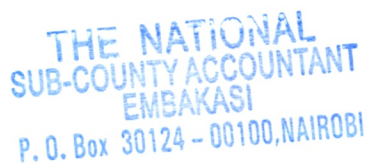
  
 Fund Account Manager

Name: Alfred N. Mwangi



  
 National Sub-County Accountant

Name: Dennis Mathenge  
 ICPAK M/No: 14373



  
 Chairman NG-CDF Committee

Name: Benson Kabucho

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

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,263,233		791,432	4,054,665	2,468,293	1,586,372
1.2 Committee allowances	1,000,000		35,405	1,035,405	1,364,595	(329,190)
1.3 Use of goods and services	233,995	15,028	3,471,132	3,720,155	4,425,089	(704,934)
<b>Total</b>	<b>4,497,228</b>	<b>15,028</b>	<b>3,506,537</b>	<b>8,810,225</b>	<b>8,257,977</b>	<b>552,248</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	3,000,000		-	3,000,000	1,600,613	1,399,387
2.2 Committee allowances	1,112,666		2,950	1,115,616	1,520,000	(404,384)
2.3 Use of goods and services			348,387	348,387	290,743	57,644
<b>Total</b>	<b>4,112,666</b>		<b>351,337</b>	<b>4,464,003</b>	<b>3,411,356</b>	<b>1,052,647</b>
<b>3.0 Emergency</b>						
Emergency	7,192,207		20,129,441	27,321,648	-	27,321,648
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>20,129,441</b>	<b>27,321,648</b>	<b>-</b>	<b>27,321,648</b>

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<b>4.0 Bursary and Social Security</b>				-		
4.1 Secondary Schools	23,500,000	21,150,000		44,650,000	44,650,000	-
4.2 Tertiary Institutions	10,000,000	12,551,000	16,859,999	39,410,999	39,410,000	999
4.3 Social Security	1,500,000	1,500,000		3,000,000	1,500,000	1,500,000
4.4 Special Needs				-	-	
<b>Total</b>	<b>35,000,000</b>	<b>35,201,000</b>	<b>16,859,999</b>	<b>87,060,999</b>	<b>85,560,000</b>	<b>1,500,999</b>
<b>5.0 Sports</b>						-
5.1	2,741,778		2,405,149	5,146,927	5,146,200	727
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>2,405,149</b>	<b>5,146,927</b>	<b>5,146,200</b>	<b>727</b>
<b>6.0 Environment</b>						
<b>Total</b>						
<b>7.0 Primary Schools Projects</b>						
Kifaru Primary School	5,000,000			5,000,000		5,000,000
Tumaini Primary School	4,200,000			4,200,000	4,200,000	-
Tumaini Primary School	9,000,000			9,000,000	9,000,000	-
Busara Primary School	9,000,000			9,000,000		9,000,000
Busara Primary School	2,500,000			2,500,000	2,500,000	-
Peter Kibukosya Primary School	10,000,000			10,000,000		10,000,000
Uhuru Estate Primary School	9,000,000			9,000,000		9,000,000

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Uhuru Estate Primary School	4,200,000			4,200,000	4,200,000	-
Umoja 1 Primary School	4,000,000			4,000,000		4,000,000
Umoja 1 Primary School			16,273,820	16,273,820	16,273,820	-
Supa loaf Primary School			7,373,820	7,373,820	7,373,820	-
Unity Primary School			8,900,000	8,900,000	8,900,000	-
Uhuru Primary School			608,846	608,846	608,846	-
Tumaini Primary School			5,000,000	5,000,000	5,000,000	-
Nairobi River Primary School			8,900,000	8,900,000		8,900,000
<b>Total</b>	<b>56,900,000</b>	<b>-</b>	<b>47,056,486</b>	<b>103,956,486</b>	<b>58,056,486</b>	<b>45,900,000</b>
<b>8.0 Secondary Schools Projects</b>						-
Dr Mwenje Secondary School	6,000,000		6,000,000	12,000,000	12,000,000	-
<b>Total</b>	<b>6,000,000</b>	<b>-</b>	<b>6,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>-</b>
<b>9.0 Tertiary institutions Projects</b>						-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						-
Mowlem Police Station	6,000,000			6,000,000		6,000,000
Uhuru Estate Police post			10,000,000	10,000,000		-

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

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***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

***Significant Accounting Policies continued***

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

*Significant Accounting Policies continued*

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**XII. Notes to the Financial Statements**

**1. Transfers from NG-CDF Board**

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2021-2022 Kshs	2020 - 2021 Kshs
	B104561		43,378,595.50
	B124806		11,662,279.90
Normal Allocation	B104760		16,000,000.00
	B124744		5,000,000.00
	B124924		8,500,000.00
	B119780		12,000,000.00
	B128070		6,900,000.00
	B128380		6,000,000.00
	B132125		6,000,000.00
	B138793		12,000,000.00
	B126088		8,000,000.00
	B126378		10,000,000.00
	B140524		13,000,000.00
	B140872	33,000,000.00	
	B105428	44,000,000.00	
	B105753	22,000,000.00	
	B132482	5,000,000.00	
	B128795	12,000,000.00	
	B154394	12,000,000.00	
	B154287	19,000,000.00	
	B155803	9,088,879.00	
	A888957	5,000,000.00	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>161,088,879.00</b>	<b>158,440,875</b>

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**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3. Other Receipts**

<b>3 OTHER RECEIPTS</b>		
Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	46,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		607,709
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>653,709</b>

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*Notes To the Financial Statements (Continued)*

<b>4 COMPENSATION OF EMPLOYEES</b>		
<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	1,561,214.00	1,570,666
<b>Personal allowances paid as part of salary</b>		
House allowance	297,000.00	367,000
Transport allowance	228,000.00	284,000
Leave allowance	20,000.00	30,000
NHIF	54,000.00	63,900
Gratuity-contractual employees	294,279.00	
Employer Contributions Compulsory national social security schemes	13,800.00	14,200
<b>TOTAL</b>	<b>2,468,293.00</b>	<b>2,329,766</b>

<b>5 USE OF GOODS AND SERVICES</b>		
<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	814,812.00	714,687
Electricity	36,000.00	35,700
Water & sewerage charges	-	-
Office rent	278,400.00	276,000
Communication, supplies and services	155,070.00	318,570
Domestic travel and subsistence	666,180.00	575,595
Printing, advertising and information supplies & services	467,264.00	591,986
Rentals of produced assets		-
Training expenses		0
Hospitality supplies and services	2,617,680.00	2,552,823

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Other committee expenses	334,495.00	844,595
Committee allowance	2,988,930.00	2,568,050
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	842,209.00	827,379
Fuel , oil & lubricants	-	0
Other operating expenses	-	0
Bank service commission and charges		138,490
Other Operating Expenses		90,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	0
Routine maintenance- other assets	-	0
<b>TOTAL</b>	<b>9,201,040.00</b>	<b>9,533,875</b>

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*Notes To The Financial Statements (Continued)*

<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	58,056,486.00	70,504,258
Transfers to Secondary Schools	12,000,000.00	2,000,000
Transfers to Tertiary Institutions		
<b>TOTAL</b>	<b>70,056,486.00</b>	<b>72,504,258</b>

<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	44,650,000.00	28,850,000
Bursary -Tertiary ( see attached list)	39,410,000.00	6,260,000
Bursary- Special Schools		-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	1,500,000.00	
Security Projects ( see attached list)	10,000,000.00	
Sports Projects ( see attached list)	5,146,200.00	3,462,290
Environment Projects ( see attached list)	-	-
Emergency Projects ( see attached list)	-	-
<b>TOTAL</b>	<b>100,706,200.00</b>	<b>38,572,290</b>

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<b>8 ACQUISITION OF ASSETS</b>		
<b>Non Financial Assets</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	399,990.00	-
Purchase of computers ,printers and other IT equipments	371,800.00	244,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
<b>TOTAL</b>	<b>771,790.00</b>	<b>244,000</b>

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**Notes To the Financial Statements (Continued)**

<b>9 Other Payments</b>		
Strategic Plan		-
ICT Hubs	1,169,256.80	1,149,097
<b>TOTAL</b>	<b>1,169,256.80</b>	<b>1,149,097</b>

<b>10A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
		<b>(30/6/2022)</b>	<b>(30/6/2021)</b>
<i>Equity Bank - Buruburu Branch</i>	950261868298	<b>13,101,098</b>	36,385,285
<b>TOTAL</b>		<b>13,101,098</b>	<b>36,385,285</b>

**11: Outstanding Imprests**

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

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

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*Notes to the Financial Statement Continued*

**12A. Retention**

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

[Provide short appropriate explanations as necessary.]

**12B. Gratuity**

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

[Provide short appropriate explanations as necessary]

**13. Balances Brought Forward**

<b>13 BALANCES BROUGHT FORWARD</b>		
	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	36,385,285.15	1,623,984
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>36,385,285.15</b>	<b>1,623,984</b>

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**14. Prior Year Adjustments**

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

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

**15. Changes in Accounts Receivable – Outstanding Imprests**

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

**16. Changes in Accounts Payable – Deposits and Retentions**

	2021-2022	2020-2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C		
Changes in Accounts Payable E= D-E		

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*Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

17.2: PENDING STAFF PAYABLES (See Annex 2)		
	2021-2022	2020- 2021
	Kshs	Kshs
NGCDF Staff	918,347.00	771,554
Others (specify)	-	-
	918,347.00	771,554

**EMBAKASI WEST Constituency**  
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**17.3: Unutilized Fund (See Annex 3)**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	<b>1,586,372.00</b>	<b>725,611.00</b>
Use of goods and services	<b>3,495.42</b>	<b>32,610,953.00</b>
Amounts due to other Government entities (see attached list)	<b>45,900,000.00</b>	<b>47,456,487.00</b>
Amounts due to other grants and other transfers (see attached list)	<b>34,230,692.68</b>	<b>78,261,000.00</b>
Acquisition of assets	<b>829,433.00</b>	<b>846,000.00</b>
Others ( <i>specify</i> )	-	0
Funds pending approval		5,000,000.00
<b>TOTAL</b>	<b>113,157,702.00</b>	<b>164,900,051.00</b>

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17.4: PMC account balances (See Annex 5)

4) 17.4: PMC ACCOUNT BALANCES (See Annex		
	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	61,270,616.99	63,095,008.00

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**Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

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

**Annex 2 - Analysis of Pending Staff Payables**

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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1. JOSEPH ANDAR ATIENO	Account Assistant	1/1/2020	296,787.00	
2. FRED MUKOMA ARESI	Security/Cleaner	1/1/2020	208,657.00	
3. SALOME WARINGA GITUMA	Secretary	1/1/2020	244,647.00	
4. GABRIEL BRIAN OTIENO OKOTH	Clerical Officer	1/1/2020	168,256.00	
	<b>Sub-Total</b>			
	<b>Grand Total</b>		<b>918,347.00</b>	

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance
		2021/2022	2020/2021
Compensation of employees		1,586,372.00	725,644.00
Use of goods & services			4,807,421.00
Committee Allowances			2,720,082.00
NGCDFc/PMC Capacity Building			83,450.00
<b>Amounts due to other Government entities</b>			
1. Primary Schools			
unity Primary School 4 Classrooms			8,600,000.00
Supa loaf Primary School 4 Classrooms Phase III			7,373,820.00
Umoja 1 Primary School 8 Classrooms			16,273,820.00
Nairobi River primary school 4 Classrooms		8,900,000.00	8,900,000.00
Uhuru Estate Primary School( renovations)			608,846.73
Kifaru Primary School perimeter wall		5,000,000.00	
Busara Primary School 4 Classrooms		9,000,000.00	
Uhuru Estate Primary School4 Classrooms		9,000,000.00	
Umoja 1 Primary School 8 Classrooms PWD Center Equipment		4,000,000.00	
Peter Kibukoasya Primary School Multi purpose hall			



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**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2020/2021			2021/2022
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1024565	399,990.00		1,424,555.00
ICT Equipment, Software and Other ICT Assets	545500	371,800.00		917,300.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>				<b>2,341,855.00</b>

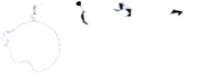
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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/2022	2020/2021
UMOJA 11 CHIEF'S CAMP QUARTERS NGCDF PROJECT	EQUITY	0950272961209	1,175.00	11.75
SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT	EQUITY	0950272949182	23,243.00	23,243.00
Kwa maji police post	EQUITY	0950277385887	1,601.00	161,721.00
Mowlem Super Loaf Class Block(phase 1)	EQUITY	0950278891117	826.50	826.50
Umoja 1 Primary Asbestos PMS	EQUITY	0950278890893	288,653.00	1,193,801.53
Umoja 2 Chiefs camp	EQUITY	950279883186		424,931.50
Unity Primary School perimeter wall Phase 2 (PMC)	EQUITY	0950279578694	649,547.50	857,039.50
Kariobangi South Primary School Classroom block PMC-		09502798323968		136,844.00
Kariobangi South Primary School Ablution Block PMC	EQUITY	0950279832329	55,677.00	1,701,322.50
Superloaf primary School Classrooms (Phase II)	EQUITY	0950279877955	68,507.50	433,651.00
Umoja 1 primary School Music centre	EQUITY	0950279886725	68,106.00	10,638,481.50
Peter Kibukosya Secondary School 6 classroom block PMC	EQUITY	0950279836853	2,475.00	578,910.00
Supa Loaf Primary School Ablution Block PMC	EQUITY	0950280554661	209,369.50	2,061,810.50
Buruburu 1Primary school and Dormitory PMC	EQUITY	0950280606507	2,074,857.00	9,263,652.00
Dr. Mwenje Secondary School Laboratory PMC	EQUITY	0950280258814	632,576.30	4,881,730.20

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Buruburu 1 Primary School classroom Block PMC	EQUITY	0950280846332	10,269,655.50	16,273,370.00
Kariobangi South Primary School-Dr. Mwenje Secondary School Access Road	EQUITY	0950280761294	5,926.99	628,680.00
Peter Kibukosya Secondary School Furniture PMC	EQUITY	0950280836323	11,450.00	1,999,550.00
Kariobangi South Primary School Classroom block PMC-Phase II	EQUITY	0950280769491	333,595.50	
Umoja 1 Primary School classrooms Block PMC	EQUITY	0950280956397	3,154,520.50	
Supa loaf Primary School classrooms Block PMC Phase III	EQUITY	0950280856312	373,679.50	
Unity Primary School classrooms Block PMC	EQUITY	0950281286457	3,671,373.70	
PMC for Community Hall and Police Post-Uhuru	EQUITY	0950281303690	1,864,955.00	
Nairobi river Primrsry School Clsrrom PMC	EQUITY	0950280861712	0	
uhuru Primary School renovation PMC	EQUITY	0950282476641	608,846.00	
uhuru Primary School Ablution block PMC	EQUITY	0950282476617	4,200,000.00	
uhuru Primary School Classroom Block PMC	EQUITY	0950282476595	0	
Busara Primary School Furniture PMC	EQUITY	0950282487563	2,500,000.00	
Tumaini Primary School Ablution block PMC	EQUITY	0950282702817	4,200,000.00	
Tumaini Primary School renovations PMC	EQUITY	0950282702885	9,000,000.00	
Tumaini Primary School perimeter wall phase II PMC	EQUITY	09502882789377	5,000,000.00	
KIFARU Primary School Perimeter wall PMC	EQUITY	0950280837622	0	
Dr Mwenje Secondary School Classroom Block PMC	EQUITY	0950280837622	12,000,000.00	
Busara Primary School Classroom Block PMC	EQUITY	0950283026172		

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			-	
<b>Total</b>			<b>61,270,617</b>	<b>51,259,576</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	The Summary statement of appropriation reflects a final expenditure budget of Kshs. 284,775,173 against actual expenditure of Kshs.124,333,286 resulting to budget under absorption of Kshs.160,441,887 or approximately 56% of the budgeted funds. The budget performance on the various items is as indicated in the table below: -	The management attribute the under absorption to late disbursement from the NGCDF Board and reallocation awaiting approval from the board. Under absorption of budgeted funds may negatively impact on service delivery hence affecting the residents of Embakasi West Constituency.	Not Resolved	F/Y 2021/2022
2.	Regulation 21 (3) of the National Government Constituencies Development Fund Regulations, 2016 states that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board while	The Embakasi West NG-CDF committee has within its mandate been vetting all applicants of bursary. The committee is a representative of all wards within the constituency with each ward represented.	Resolved	

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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>regulation 21 (5) states that a Constituency Committee shall allocate not less than twenty-five percent of the funds allocated to a constituency for bursaries. Again, National Government Constituencies Development Fund Board Circular No NG-CDFB/CEO/BOARD CIRCULARS VOL II (021) dated 18<sup>th</sup> June, 2020 guidelines directs that in conformity with Paragraph 7 (6) of the NG-CDF Regulations 2016, NG-CDF Committee in every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests. The sub-committee to be known as "Education bursary, Mock examinations and Continuous assessment tests" shall consist of the officer in charge of education in the sub-county, the officer of the Board seconded to the constituency</p>	<p>All applicants who at application of bursary have all necessary documents including voter's card, fees structures and needy documents like medical bills will qualify for bursary award. Resolved</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>who shall be the secretary to the committee and at least two (2) but not more than four (4) members drawn from the NGCDF Committee, but excluding the chairman and secretary. The sub-committee may in addition co-opt in writing up to four (4) other persons drawn from the government or the community to strengthen efficient decision making.</p>			
3.	<p>National Government Constituency Development Fund Act, 2015 under Section 25 (3) funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.</p>	<p>1. Initially projects in previous years have been branded as above by the previous management as you will see in the photo below.</p> <p>2. However the management has taken corrective action to ensure that projects are being correctly branded</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		as per regulations		

.....  
 Name  
 Fund Account Manager.