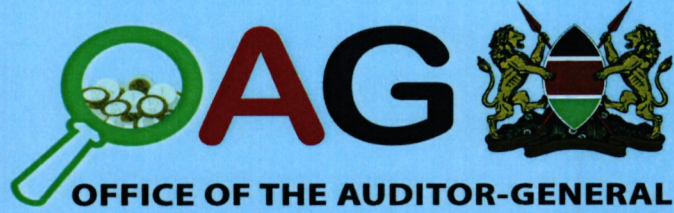


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OF

THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

29 SEP 2021

RECEIVED



EMBAKASI NORTH CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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

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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

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The EMBAKASI NORTH Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Robert Kioko
2.	Sub-County Accountant	Priscah Jepchumba
3.	Chairman NGCDFC	Emma Njeri Kimani
4.	NG-CDFC Member	Purity Wanjiku Ndirangu

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of EMBAKASI NORTH 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) Nairobi, KENYA NGCDF EMBAKASI NORTH CONSTITUENCY HEADQUARTERS

P.O. Box 66984-00200,

Living Goods Building,

Along Outering Road,

Nairobi, KENYA.

Telephone: (254)0720090730

E-mail: cdfembakasinorth@ngcdf.go.ke

Website: www.ngcdfboard.go.ke

(F) NGCDF EMBAKASI NORTH CONSTITUENCY NGCDF BANKERS

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

(g) INDEPENDENT AUDITORS

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

(h) PRINCIPAL LEGAL ADVISER

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

II. NG-CDFC CHAIRPERSON'S REPORT

I am pleased to present the unaudited financial statements for Embakasi North NGCDF for the Financial Year ended 30th June 2021. During the year the Constituency was allocated a total of amount of Kshs. 137,088,879.31. Upon submission of the projects proposal, National Government Constituencies Fund Board approved a total of Kshs.93,628,879.31 as unconditional allocation representing 68% while Kshs.43,460,000 being conditional allocation, representing 32% of the total allocation.

On receipt of the above allocations, Embakasi North NGCDF Pursuant to the provisions of the National Government CDF Act 2015, and amended in 2016 met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the constituency. It is noteworthy that during the FY 2020/2021, the constituency received 68% of the total allocation that is, kshs. 93,628,879.31 and balance of Kshs. 69,367,724.10 and 2,100,000 for financial years 2019/2020 and 2018/2019 respectively these funds were then disbursed to earmarked projects.

Table 1.1: Showing allocation on comparative basis

Financial year	Allocation	Disbursement	Difference
2020/21	137,088,879.31	93,628,879.31	43,460,000 (32%)
2019/20	137,367,724.14	137,367,724.14	0.00
Difference	278,844.83(-)		

On vote allocation, Embakasi North NGCDF allocated Kshs. 47,800,000 in FY 2020/21 to bursary an increase from Kshs. 45,559,321 allocations in financial year 2019/20. Increase in Bursary vote was necessitated by the high demand for bursary. Embakasi North Constituency educates needy students who would ordinarily miss the chance due to lack school fees.

The committee allocated other sectors as follows: Primary Schools Projects Kshs. 19,425,146 Secondary schools Projects Kshs. 11,995,240 and Security Projects Kshs. 13,551,272

Table 1.2 Showing Vote allocations on comparison with the previous financial year

Financial year	Primary schools	Secondary Schools	Security
2020/21	19,425,146	11,995,240	13,551,272
2019/20	40,200,000	6,464,462	22,813,119
Difference	(20,774,854)	5,530,778	(9,261,847)



Key Achievements

1. Embakasi North NG-CDF has earned the constituents trust over time when it comes to bursary issuance which has seen demand grow steadily thus Leading to an increase in transition rate from primary to secondary school graduates.

2. The fund continues to display quality in its quest to improve infrastructure in the government institutions such as public schools and security sector. During FY year 2020/21 the NG-CDF Office Purchased schools' buses for Ushirika and Dandora Girls secondary schools thus bringing convenience to students in their studies.

3. In FY 2020/21. We successful held sports tournament through which the participating teams were given uniforms, balls and other important sporting equipment useful in nurturing and identifying talents.

List emerging issues related to the entity

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

2. Funds were not disbursed as per what the fund was used to previously. The last disbursement was received in may making it difficult to implement projects at the right time.

Implementation challenges:

1. Delay in disbursements of NG-CDF Funds. The board with relevant bodies should strive to release funds to the NGCDFC in the first quarter of each financial year. It will also be helpful if the funds are released latest before the end of the second quarter of every financial year.

2. The NGCDF relies fully on ministerial technical departments for support in areas of bill of quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct of ND-CDFC. The National NG-CDF Board should have its own technical experts within her structures for uniformity.

3. Some projects may require a long span of implementation creating a big variance between initial budget and actual cost during implementation. The NGCDF Board needs to be flexible on financing of such projects.

4. Some technical assistance requires facilitation before the bill of quantities and technical designs are developed. It becomes difficult to submit such documents to the national government

constituencies Development Fund Board before project approval because such facilitation can only be from the 5% project administration.

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

You may include photos of successfully implemented projects during the year to underscore the performance of the constituency.

EMBAKASI NORTH NG-CDF PROJECT GALLERY

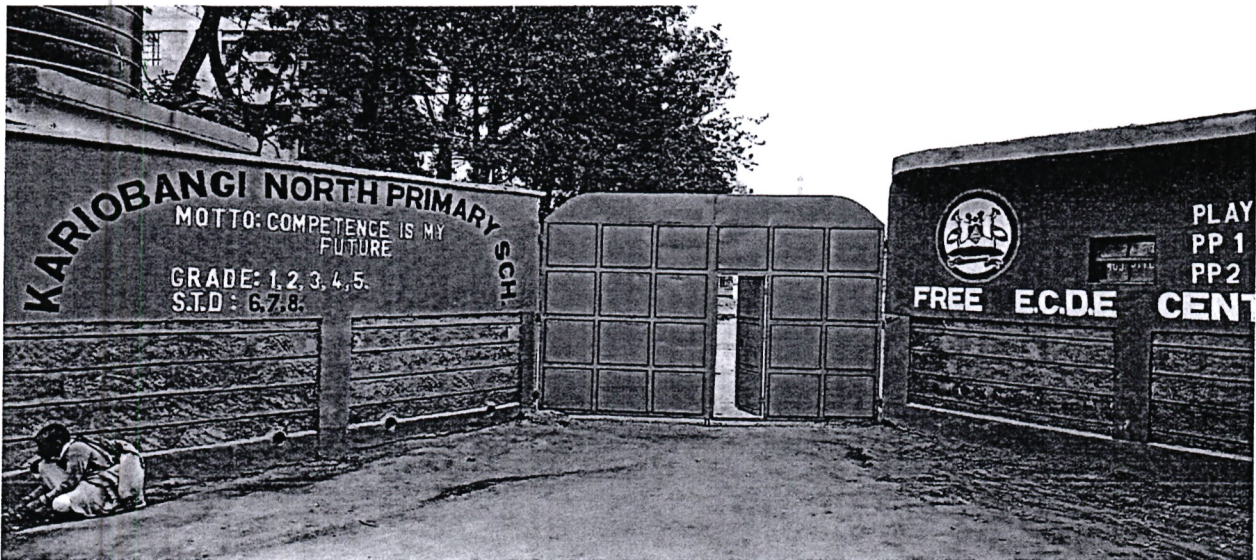


USHIRIKA SECONDARY –SCHOOL BUS





DANDORA GIRLS SECONDARY –SCHOOL BUS



KARIOBANGI NORTH PRIMARY SCHOOL--CONSTRUCTION OF PERIMETER WALL

Signature

CHAIRMAN NGCDF COMMITTEE

II. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of *EMBAKASI NORTH CONSTITUENCY 2018-2022* plan are to:

Strategic Issue 1: Unemployment

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

Strategic program and activities:

i) Youth, Women and people with disability empowerment

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

ii) Education Support Program

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

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

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

Strategic program and activities:

i) Safety and Security Program

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

Water and Sanitation Program

- Work with county government and other stakeholders to ensure clean drainage, sewer system is clean and proper garbage management policies

ii) Partner with national and county government and other stakeholders to drill bore holes and provide clean drinking water

iii) Social Amenities and Housing

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

iv) Public Health Programs

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

- Partner with relevant stakeholders and increase the number of health workers in the current and new health facilities

Issue 3: Leadership and management

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

Planned program and activities:

Performance Capacity Building Program

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

Progress on attainment of Strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Unemployment	Increase the percentage of youth (Male and Female) at EMBAKASI NORTH Constituency, by sponsoring them in driving	Increased number of skilled youths in the constituency.	•Number of youth (male and female), persons empowered economically by the identified	2020/2021 Employing competent youths improves performance in the constituency.

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

		courses ,computer studies and other short courses		partners at end of short courses.	
Social health, housing, secure environment.	Increase by 20% community access to quality social health, housing, and environmental secure services by the end of 5 years	•5% of the community accessing quality social health, housing and environmental secure services by the end of 5 years	Survey reports at the mid and end of 5 years on quality social health, housing and environmental secure services by a consultant for NG-CDF	2020/2021F.Y . Members of the community hold regular responsive forums under the guidance of the local administration.	
Youth empowerment and involvement	Increased number of youths with business management skills and start-up from the identified agencies	Increased number of partners delivering empowerment programs to the youth	5 partners delivering empowerment programs to the youth	2020/2021 F.Y Increased number of partners delivering empowerment programs to the youth	
Education	Ensuring that bright and needy students in Embakasi North constituency benefit from the bursary kitty	•Number of Students in the constituency supported by the NG-CDF and are accessing quality education	Increased enrolment of pupils and students in public schools as well as reduced non-schooling children in the constituency.	There was an increase in the number of bursary beneficiaries thus 5,970 (2020/2021 Financial Year) against 5169 (2019/2020 Financial Year).	

III. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Embakasi North NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of EMBAKASI NORTH CONSTITUENCY NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g planting trees once in an academic calendar*
- *Embakasi North NG-CDF Borrows its environmental conservation policy from Prof. Wangar Mathais mantra, " You cannot protect the environment unless you empower people, you inform them, and you help them understand that these resourecs are their own, that they must protect them"*

EMBAKASI NORTH NG-CDF Environmental policy aspects

- ✓ In adherence to the Environmental Management and Co-ordination Act (EMCA) 1999, the Fund strives to protect the environment by mitigating any pollution activities by ensuring that such measures as water harvesting measures are taken through the provision of water tanks.
- ✓ In its effort to manager biodiversity, the Fund continues to engage in schools landscaping activities and supporting of pupils raring rabbits in schools.
- ✓ Through its policy on waste management, the Fund has installed waste bins in a number of public schools and it hopes to continue doing this in the coming years.

Among the successes, the Fund has seen appreciation from the beneficiaries our environmental policy. However, due to limited resources the fund is yet to impact all relevant institutions.

- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. EMBAKASI NORTH 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. EMBAKASI NORTH CONSTITUENCY also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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 NORTH 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 interests

5. Community Engagements-

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

STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF- EMBAKASI NORTH CONSTITUENCY is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- EMBAKASI NORTH CONSTITUENCY accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial

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

The Accounting Officer in charge of the NGCDF EMBAKASI NORTH CONSTITUENCY confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- EMBAKASI NORTH CONSTITUENCY financial statements were approved and signed by the Accounting Officer on 16 SEPT 2021.



Chairman NGCDF Committee

Name: Emmah Kimani

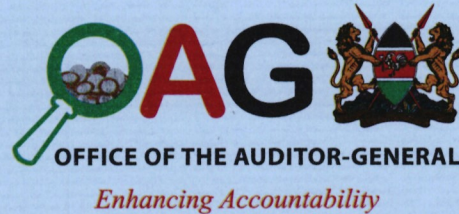


Fund Account Manager

Name: Robert Kusiro

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi North Constituency set out on pages 22 to 73, which comprise the statement of receipts and payments as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies

and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments, reflects total receipts amount of Kshs.146,906,724, comprising of Kshs.146,867,724 in respect of transfers from the National Government Constituencies Development Fund (NG-CDF) Board and Kshs.39,000 is in respect of other receipts. Review of the disbursements records from the NG-CDF Board revealed that total disbursements during the year under review amounted to Kshs.153,867,724, resulting to an unreconciled variance of Kshs.7,000,000.

In the circumstances, the accuracy of receipts of Kshs.146,906,724 in respect of transfers from NG-CDF Board could not be confirmed.

2. Unsupported Committee Allowances

The statement of receipts and payments reflects an expenditure of Kshs.7,868,331 in respect of use of goods and services which as disclosed in Note 5 to the financial statements includes payments amounting to Kshs.2,891,000 in respect to committee allowances. However, the Fund paid an amount of Kshs.440,000 as allowances during bursary registration and vetting exercise without the necessary supporting documents.

In the circumstances, the validity of the expenditure of Kshs.440,000 included in committee allowances could not be confirmed.

3. Misclassification of Expenditure

The statement of receipts and payments reflects an amount of Kshs.31,420,386 in respect of transfers to other government units. The amount includes Kshs.19,425,146 transferred to Projects Management Committees in primary schools. However, review of supporting ledger and respective payment vouchers revealed that payments totalling Kshs.4,847,354 were related to other grants and other payments.

In the circumstances, the accuracy and completeness of transfers to other government unit amounting to Kshs.19,425,146 could not be confirmed.

4. Un-Disclosed on Expenditure Environment Projects

The statement of receipts and payments reflects an amount of Kshs.51,053,626 in respect to other grants and transfers which as disclosed in Note 7 to the financial statements includes a Nil balance in respect to expenditure on environment projects. Review of documents revealed that the Fund transferred Kshs.2,747,354 and Kshs.2,100,000 for implementation of two (2) environment projects at Kariobangi North Primary School. However, the transfer was not disclosed in the financial statements under environmental projects.

In the circumstances, the accuracy and completeness of Kshs.51,053,626 in respect of other grants and transfers could not be confirmed.

5. Unsupported Security Projects Payments

The statement of receipts and payments reflects other grants and other payments amount of Kshs.51,053,626 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.13,551,272 in respect of security projects. However, no documentary evidence was provided to support the expenditure.

In the circumstances, the accuracy of the expenditure of Kshs.13,551,272 in respect of security projects could not be confirmed.

6. Understated Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.94,074,258 as disclosed in Note 10 to the financial statements. The bank reconciliation statement in support of the cash and cash equivalent balance for June, 2021 reflected un-presented cheques totalling Kshs.31,987,178 which included stale cheques amounting to Kshs.111,324 hence, understating the cash and cash equivalents by the same amount.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.94,074,258 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budget and Budgetary Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amount of Kshs.258,370,120 and Kshs.186,681,241 respectively, resulting to an underfunding of Kshs.71,688,879 or 28% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.258,370,120 and Kshs. 92,606,984 respectively, resulting to an underperformance amounting to Kshs.165,763,136 or 64 % of the budget.

The Management attributed the underutilization of funds to Covid 19 pandemic.

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

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. Irregularities in Procurement of Goods and Services

1.1 Irregular Procurement of Hotel Services

The statement of receipts and payments reflects an expenditure of Kshs.7,868,331 in respect to use of goods and services. Included in the amount is Kshs.816,000 paid to a consultant for provision of conference facility. However, the services were sourced through direct procurement for the services. Further, the Fund paid an amount of Kshs.171,000 to a hotel for provision of conference services. However, the hotel was not in the prequalified list of suppliers contrary to Section 106(2)(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that the accounting officer of a procuring entity shall give the request to such persons as are registered by the procuring entity.

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

1.2 Irregular Procurement of Office Stationery

The statement of receipts and payments reflects an expenditure of Kshs.7,868,331 which as disclosed in Note 5 to the financial statements includes Kshs.392,640 in respect of printing, advertising and information supplies & services out of which Kshs.214,600 was

incurred to procure office stationery through request for quotations. However, the quotation opening register was signed by two (2) members of the quotation opening committee instead of three. In addition, the same members of the tender opening committee evaluated the quotations contrary to Section 78(1)(b) which provides that at least one of the members of the tender opening committee shall not be directly involved in the processing or evaluation of the tenders.

Further, letters of award and regrets were sent out on the same day, the winning bidder accepted the letter of offer while the award of the tender was not supported by a professional opinion as required under Section 84 of the Public Procurement and assets Disposal Act, 2015.

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

1.3 Irregular Use of Direct Procurement Method

Included in the use of goods and services expenditure of Kshs.7,868,331 is a payment to a supplier in respect of office computer repairs and antivirus installation of Kshs.209,786. However, the Fund used direct procurement in sourcing the services. In addition, the expenditure was not supported by a certificate of inspection and acceptance as required under regulation 35(6) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that Pursuant to section 48(4) of the Act, the inspection and acceptance committee shall prepare and issue a report, interim or completion of inspection and acceptance certificate and submit to the head of procurement function.

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

2. Poor Project Implementation Performance

Review of projects implementation Status report revealed that projects worth Kshs.30,359,500 which commenced during the financial year 2019/2020 were still ongoing while projects worth Kshs.16,247,354 had not started. In addition, inspection of sampled pending projects carried out on 14 April, 2022 revealed that effective measures were not put in place to revive the stalled projects.

3. Failure to Vet Bursary Committee

During the year under review, the Fund disbursed bursaries amounting to Kshs.34,755,000 to students in secondary schools and tertiary institutions. There was however no evidence of vetting of applicants by a bursary committee. The amount further includes an amount of Kshs.4,300,000 paid out as bursaries to a driving school and whose beneficiaries included fifteen (15) students who were enrolled twice in different branches of the School.

In the circumstances, the validity and regularity of the amount of Kshs.34,755,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL




Nairobi

03 August, 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	146,867,724	130,640,896
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>39,000</u>	<u>40,000</u>
TOTAL RECEIPTS		146,906,724	130,680,876
PAYMENTS			
Compensation of employees	4	2,264,640	2,361,870
Use of goods and services	5	7,868,331	7,420,205
Transfers to Other Government Units	6	31,420,386	46,664,462
Other grants and transfers	7	51,053,626	69,178,119
Acquisition of Assets	8	0	989,500
Other Payments	9	<u>0</u>	<u>0</u>
TOTAL PAYMENTS		92,606,983	126,126,156
SURPLUS/(DEFICIT)		<u>54,299,741</u>	<u>4,066,720</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI NORTH Constituency financial statements were approved on 16 SEPT 2021 and signed by:

		
_____ Fund Account Manager Name: <u>Robert Kisiro</u>	_____ National Sub-County Accountant Name: <u>PRUCAT ZEPHUMOR</u> ICPAK M/No: <u>15993-</u>	_____ Chairman NG-CDF Committee Name: <u>Emmah Kimani</u>

EMBAKASI NORTH Constituency
National Government Constituencies Development Fund (NGCDF)
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VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	94,074,258	39,774,517
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		94,074,258	39,774,517
Accounts Receivable			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		0	0
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	0
NET FINANCIAL ASSETS		94,074,258	39,774,517
REPRESENTED BY			
Fund balance b/fwd	13	39,774,517	35,707,798
Prior year adjustments	14	0	0
Surplus/Deficit for the year		54,299,741	4,066,720
NET FINANCIAL POSITION		94,074,258	39,774,518

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI NORTH CONSTITUENCY financial statements were approved on

16 SEPT 2021 and signed by:

National Sub-County Accountant

Chairman NG-CDF Committee

Fund Account Manager
 Name: Robert Kimo

Name: PULSCAT SEPCITUMISA
 ICPAK M/No: 15903

Name: Emma Kimani

EMBAKASI NORTH Constituency
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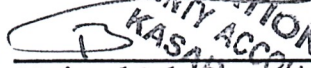

STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	146,876,724	130,640,876
Other Receipts	3	<u>39,000</u>	<u>40,000</u>
Total receipts		146,906,724	130,680,876
Payments for operating activities			
Compensation of Employees	4	2,264,640	2,361,870
Use of goods and services	5	7,868,331	7,420,205
Transfers to Other Government Units	6	31,420,386	46,664,462
Other grants and transfers	7	51,053,626	69,178,119
Other Payments	9	0	-
Total payments		92,606,983	125,624,656
Total Receipts Less Total Payments		54,299,741	5,056,220
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (Outstanding imprest)	15	0	(0)
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
Prior year adjustments	14	0	0
Net cash flow from operating activities		54,299,741	5,056,220
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(0)	(989,500)
Net cash flows from Investing Activities		0	(989,500)

EMBAKASI NORTH Constituency
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NET INCREASE IN CASH AND CASH EQUIVALENT		54,299,741	4,066,720
Cash and cash equivalent at BEGINNING of the year	10	39,774,518	35,707,798
Cash and cash equivalent at END of the year		<u>94,074,258</u>	<u>39,774,518</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI NORTH CONSTITUENCY financial statements were approved on 16 SEPT 2021 and signed by:

		
_____ Fund Account Manager Name: <u>Robert Thiero</u>	_____ THE NATIONAL SUB-COUNTY ACCOUNTANT KASABONI National Sub-County Accountant Name: <u>PRISCILLA SEPCHUMBE</u> ICPAK M/No: <u>15993</u>	_____ Chairman NG-CDF Committee Name: <u>Emmah Kimani</u>

EMBAKASI NORTH Constituency
National Government Constituencies Development Fund (NGCDF)
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VII. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget a	Adjustments		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	39,774,517	81,467,724	258,331,120	186,642,241	71,688,879	72%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts-AIA		39,000	0	39,000	39,000	-	100%
TOTAL RECEIPTS	137,088,879	39,813,517	81,467,724	258,370,120	186,681,241	71,688,879	72%
PAYMENTS							
Compensation of Employees	2,461,400	1,838,183	-	4,299,583	2,264,640	2,034,943	53%
Use of goods and services	9,839,284	5,521,184	40,000	15,400,468	7,868,331	7,532,137	51%
Transfers to Other Government Units	67,800,000	23,174,421	37,135,321	128,109,742	31,420,387	96,689,355	25%
Other grants and transfers	56,988,195	9,240,729	42,292,403	108,521,327	51,053,626	57,467,701	47%
Acquisition of Assets	-	-	-	-	-	-	0%
Other Payments	-	-	2,000,000	2,000,000	-	2,000,000	0%
Funds Pending Approval-AIA	-	39,000	-	39,000	-	39,000	0%
TOTAL	137,088,879	39,813,517	81,467,724	258,370,120	92,606,984	165,763,136	36%

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]-
- i. Compensation of employees- FY 2020/21 achievement was 53%. However, there is 1,336,100 which represent 31% of the total allocation which are staffs’ payables.
 - ii. Use of goods and services—better part of FY 2020/21 staffs worked from home as per covid 19 pandemic presidential directives, Thus the cost of running the office reduced significantly
 - iii. Transfer to other government entities- that is primary and secondary schools: were not accessible due to covid 19 pandemic.
 - iv. Other payments- comprised of Sports, security, emergency, environment- In FY in consideration we had a very successful constituency tournament, however environment funds were reallocated to Kariobangi North Primary School, we are grateful that we didn’t have any emergency in FY 2020/21 were considering reallocating the funds to other projects.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	165,723,137
Less undisbursed funds receivable from the Board as at 30 th June 2021	71,688,879
	94,034,257,.87

EMBAKASI NORTH Constituency
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Add Accounts payable	0
Less Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	94,034,258

The NGCDF EMBAKASI NORTH CONSTITUENCY financial statements were approved on

16 Sept 2021 and signed by:



Fund Account Manager

Name: Robert Thiong'o

THE NATIONAL
 SUB-COUNTY ACCOUNTANT
 KASARAN



National Sub-County Accountant

Name: Priscilla Zephaniah

ICPAK M/No: 15993



Chairman NG-CDF Constituency

Name: Emmah Kimani

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e) = c-d	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent							
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.1 Compensation of employees	2,461,400	1,838,183	-	4,299,583	2,264,640	2,034,943	53%
1.2 Committee allowances	1,700,000	664,000	-	2,364,000	1,589,000	775,000	67%
1.3 Use of goods and services	4,025,418	2,004,777	40,000	6,070,195	2,421,531	3,648,664	40%
1.4 Acquisition of assets	-	-	-	-	-	-	
Total	8,186,818	4,506,960	40,000	12,733,778	6,275,171	6,458,607	49%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,500,000	942,000	-	2,442,000	2,170,300	271,700	89%
2.2 Committee allowances	2,192,866	1,728,525	-	3,921,391	1,264,500	2,656,891	32%
2.3 Use of goods and services	421,000	181,882	-	602,882	423,000	179,882	70%
Total	4,113,866	2,852,407	-	6,966,273	3,857,800	3,108,473	55%
3.0 Emergency							
3.1 Primary Schools	-	-	-	-	-	-	
3.2 Secondary schools	-	-	-	-	-	-	

EMBAKASI NORTH Constituency
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7.2 Tom Mboya Primary School	4,800,000			4,800,000	-	4,800,000	-	4,800,000	0%
7.3 Kariobangi North Primary School	-	2,312,066	-	2,312,066	2,100,000	212,066		212,066	91%
7.4 Ushirika Primary School	-	720,000		720,000	720,000	-		-	100%
7.5 Ushirika Primary School	-	-	1,500,000	1,500,000	-	1,500,000		1,500,000	0%
7.6 Dandora primary school	-	1,400,000	-	1,400,000	1,400,000	-		-	100%
7.7 Dandora primary school	-	4,000,000	-	4,000,000	4,000,000	-		-	100%
7,8 Dandora primary school	-	-	3,049,800	3,049,800	-	3,049,800		3,049,800	0%
7,9 Tom Mboya Primary School	-	-	8,422,729	8,422,729	-	8,422,729		8,422,729	0%
8.0 Ronald Ngala primary school	-	-	8,457,792	8,457,792	8,457,792	-		-	100%
8.1 Our lady of Fatma Primary School	-	-	8,000,000	8,000,000	-	8,000,000		8,000,000	0%
8.2 Kariobangi North Primary School	-	2,747,354	-	2,747,354	2,747,354	-		-	100%
8.3 Kariobangi North Primary School	-		2,100,000	2,100,000		2,100,000		2,100,000	0%
Total	9,500,000	11,179,421	31,530,321	52,009,742	19,425,146	32,584,595			37%
8.0 Secondary Schools Projects									
8.1 Dandora Girls Secondary School	-	1,400,000	-	1,400,000	1,400,000	-		-	100%
8.2 Dandora Secondary school	-	2,395,000	5,605,000	8,000,000	2,395,240	5,604,760		5,604,760	30%
8.3 Tom Mboya Secondary School	25,000,000	-	-	25,000,000	-	25,000,000		25,000,000	0%
8.4 Ushirika Secondary School	-	7,000,000	-	7,000,000	7,000,000	-		-	100%
8.5 Ushirika Secondary School	1,500,000	1,200,000	-	2,700,000	1,200,000	1,500,000		1,500,000	44%

EMBAKASI NORTH Constituency
National Government Constituencies Development Fund (NGCDF)
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8.6 James Gichuru Secondary School	8,500,000	-	-	8,500,000	-	8,500,000	0%
8.7 Kariobangi Girls Secondary School	5,000,000	-	-	5,000,000	-	5,000,000	0%
Total	40,000,000	11,995,000	5,605,000	57,600,000	11,995,240	45,604,760	21%
9.0 Tertiary institutions Projects				-		-	
9.1 Ronald Ngala ITI	11,000,000			11,000,000	-	11,000,000	0%
9.2 Dandora phase 3-youth empowerment Centre	7,500,000			7,500,000	-	7,500,000	0%
Total	18,500,000	-	-	18,500,000	-	18,500,000	0%
10.0 Security Projects				-		-	
10.1 Kwa mbao AP Line	-	-	500,000	500,000		500,000	0%
10.2 Kinyago Police Station	-	2,098,309	-	2,098,309	700,000	1,398,309	33%
10.3 Dandora Phase 1 Chiefs Office	-	300,000	-	300,000	300,000	-	100%
10.4 Dandora Phase 2 Chiefs Office	-	300,000	-	300,000	300,000	-	100%
10.5 kariobangi North police station		726,950		726,950	700,000	26,950	96%
10.5 Phase 3 Acc's Office	-	-	11,551,272	11,551,272	11,551,272	-	100%
10.6 Dandora phase 1 - 1 No-security flood light-highmast			2,000,000	2,000,000		2,000,000	0%
10.6 Dandora phase 2-2 No security flood light-highmast			4,000,000	4,000,000		4,000,000	0%
10.7 Dandora phase 3- 1 No security flood light-highmast			2,000,000	2,000,000		2,000,000	0%
10.8 Dandora phase 4 - 1 No security flood light-highmast			2,000,000	2,000,000		2,000,000	0%
TOTAL	-	3,425,259	22,051,272	25,476,532	13,551,272	11,925,259	53%

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

These include Appropriation-in-Aid and relate 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.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B047286		31,440,875.50
AIE NO	B041385		9,700,000.00
AIE NO	B047398		4,000,000.00
AIE NO	B041266		18,000,000.00
AIE NO	B041403		21,500,000.00
AIE NO	B047686		5,000,000.00
AIE NO	B049255		15,000,000.00
AIE NO	B096551		11,000,000.00
AIE NO	B104271		15,000,000.00
AIE NO	B104271	2,100,000	
AIE NO	B104564	3,000,000	
AIE NO	B124760	69,367,724	
AIE NO	B119513	8,500,000	

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AIE NO	B124922	12,000,000	
AIE NO	B119777	6,900,000	
AIE NO	B128068	8,000,000	
AIE NO	B132082	6,000,000	
AIE NO	B132123	8,000,000	
AIE NO	B126086	11,000,000	
AIE NO	B126376	12,000,000	
TOTAL		146,867,724	130,640,875.50

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	39,000	40,000
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	39,000	40,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,134,500	2,361,870.00
Personal allowances paid as part of salary		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	0	0
Employer Contributions Compulsory national social security schemes	130,140	0
Total	2,264,640	2,361,870

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses		570
Utilities, supplies and services	630,000	1,603,445
Electricity		
Water & sewerage charges		
Office rent	495,000	1,188,190.00
Communication, supplies and services	2,875	558,000.00
Domestic travel and subsistence	18,290	
Printing, advertising and information supplies & services	392,640	
Rentals of produced assets	-	-
Training expenses	2,170,300	2,000,000
Hospitality supplies and services	-	-
Other committee expenses	423,000	
Committee allowances	2,891,000	1,900,000
Office and general supplies and services	707,486	130,000
Other operating expenses		
Bank service commission and charges	137,740	40,570
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
TOTAL	7,868,331	7,420,205.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	19,425,146	40,200,000.00
Transfers to secondary schools (see attached list)	11,995,240	6,464,462.00
Transfers to tertiary institutions (see attached list)	0	0
TOTAL	31,420,386	46,664,462.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,800,000	24,703,000.00
Bursary – tertiary institutions (see attached list)	4,955,000	20,000,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	13,551,272	22,813,119.00
Sports projects (see attached list)	2,747,354	1,662,000.00
Environment projects (see attached list)		
Emergency projects (see attached list)	-	-
Total	51,053,626	69,178,119.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	524,500
Purchase of ICT Equipment, Software and Other ICT Assets	0	465,000
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	989,500.00

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>EQUITY BANK LIMITED, EMBAKASI NORTH NG-CDF A/C no.1300261118717</i>	94,074,258	39,774,517.04
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
Total	94,074,258	39,774,517.04
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	--	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Total</i>		-	-	-

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

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2021)	2019-2020 (1 st July 2020)
	Kshs	Kshs
Bank accounts	94,074,258	39,774,517.04
Cash in hand	0	0
Imprest	0	0
Total	94,074,258	39,774,517.04

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

****** *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 – OUTSTADING IMPREST*

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2021 – 2020	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	1,336,100	0
Others (<i>specify</i>)	0	0
	1,336,100	0

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,034,943	1,838,183
Use of goods and services	7,452,138	5,481,184.26
Amounts due to other Government entities (see attached list)	96,689,355	60,309,741.68
Amounts due to other grants and other transfers (see attached list)	57,467,701	51,533,132.54
Acquisition of assets	0	0
Others (<i>specify</i>) strategic plan	2,000,000	2,000,000
Funds pending approval	39,000	40,000
	165,723,137	121,242,241

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	36,408,735	54,195,412
	36,408,735	54,195,412

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1. PRISCILLAH M. MWANGOLO	ACCOUNTS ASSISTANT	1/01/2018	414,470.00	PAYABLE BY APRIL 2022
2. NELLUS WANJIRU NJERI	SUPPORT STAFF	1/03/2018	254,820.00	PAYABLE BY APRIL 2022
3. MAUREEN WANGECI MUGO	SECRETARY	1/03/2019	201,190.00	PAYABLE BY APRIL 2022
4. FRANCIS NGIGI KANGETHE	PROCUREMENT OFFICER	1/05/2019	248,620	PAYABLE BY APRIL 2022
5. DANIEL MBINDA MUTUKU	CLERKS OF WORKS	1/11/2019	217,000	PAYABLE BY APRIL 2022
Sub-Total				
Grand Total			1,336,100	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
Compensation of employees		2,034,943	1,838,183	
Use of goods & services		7,532,138	5,521,184	
Amounts due to other Government entities				
7.1 Marura Primary School		4,500,000	-	
7.2 Tom Mboya Primary School		4,800,000	-	
7.3 Kariobangi North Primary School		212,066	2,312,066	
7.4 Ushirika Primary School		-	720,000	
7.5 Ushirika Primary School		1,500,000	1,500,000	
7.6 Dandora primary school		-	1,400,000	
7.7 Dandora primary school		-	4,000,000	
7.8 Dandora primary school		3,049,800	3,049,800	
7.9 Tom Mboya Primary School		8,422,729	8,422,729	
8.0 Ronald Ngala primary school		-	8,457,792	
8.1 Our lady of Fatma Primary School		8,000,000	8,000,000	
8.2 Kariobangi North Primary School		2,100,000	4,847,354	
Total		32,584,595	42,709,742	
8.0 Secondary Schools Projects		-		
8.1 Dandora Girls Secondary School		-	1,400,000	
8.2 Dandora Secondary school		5,604,760	8,000,000	
8.3 Tom Mboya Secondary School		25,000,000		
8.4 Ushirika Secondary School		-		
8.5 Ushirika Secondary School		1,500,000	7,000,000	
8.6 James Gichuru Secondary School		8,500,000	1,200,000	
8.7 Kariobangi Girls Secondary School		5,000,000		
Total		45,604,760		
9.0 Tertiary institutions Projects		-		

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9.1 Ronald Ngala TTI		11,000,000		
9.2 Dandora phase 3-youth empowerment Centre		7,500,000	-	
		18,500,000	17,600,000	
Sub-Total		96,689,355	60,309,742	
Amounts due to other grants and other transfers				
4.1 Secondary Schools		8,300,671	5,375,671	
4.2 Tertiary Institutions		19,773,728	9,653,728	
10.1 Kwa mbaao AF Line		500,000	500,000	
10.2 Kinyago Police Station		1,398,309	2,098,309	
10.3 Dandora Phase 1 Chiefs Office		-	300,000	
10.4 Dandora Phase 2 Chiefs Office		-	300,000	
10.5 kariobangi North police station		26,950	726,950	
10.5 Phase 3 Acc's Office			11,551,272	
10.6 Dandora phase 1- 1 No-security flood light-highmast		2,000,000	2,000,000	
10.6 Dandora phase 2-2No security flood light-high mast		4,000,000	4,000,000	
10.7 Dandora phase 3- I No security flood light-highmast		2,000,000	2,000,000	
10.8 Dandora phase 4 - 1No security flood light-highmast		2,000,000	2,000,000	
Constituency Sports Tournaments		744,771	1,722,354	
Emergency		11,998,241	7,198,241	
Environment		4,725,031	2,106,607	
		0	-	
Sub-Total		57,467,701	51,533,133	
Acquisition of assets		-		
Others (specify)-strategic plan		2,000,000	2,000,000	
		2,000,000	2,000,000	
Sub-Total				
Funds pending approval		39,000	40,000	
Grand Total		165,763,136	121,242,241	

EMBAKASI NORTH Constituency
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1,188,065	0	0	1,188,065
ICT Equipment, Software and Other ICT Assets	1,135,000	0	0	1,135,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	2,323,065			2,323,065

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Dandora Police Station PMC	EQUITY-KARIOBANGI	0320272078714	1,844,495.50	8,121,226
James Gichuru Primary School Pmc	EQUITY-KARIOBANGI	0320272107231	370,778.40	7,815,227
Ronald Ngala Primary School PMC	EQUITY-KARIOBANGI	0320278520099	8,821,358.50	7,810,434
Kariobangi North Primary School PMC	EQUITY-KARIOBANGI	0320272052722	5,642,168	14,804,246
Wangu Primary School	EQUITY-KARIOBANGI	0320278508367	2,410,508.65	7,887,957
Sharp Corner AP Line PMC	EQUITY-KARIOBANGI	0320279644487	10,028.75	1,243,329
Dandora Phase 3 D.O Office PMC	EQUITY-KARIOBANGI	0320279620468	11,554,575.94	1,026,200
Canaan Administration Police Line PMC	EQUITY-KARIOBANGI	0320279602597	2,762.23	97,262
Kariobangi Police Station PMC	EQUITY-KARIOBANGI	0320279645756	21,394.72	493,065
Tom Mboya Primary School PMC	EQUITY-KARIOBANGI	0320264695245	78,453	78,453
Dandora Secondary PMC	EQUITY-KARIOBANGI	0320272078524	15,375.70	15,376
Dandora Primary School PMC	EQUITY-KARIOBANGI	0320272107034	4,000,178.60	419
Ushirika Primary School PMC	EQUITY-KARIOBANGI	0320278509122	11,284.06	8,464

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Dandora Girls Secondary PMC	EQUITY- KARIOBANGI	0320272199889	145,839.87	4,734,620
Dandora II Chief Office PMC	EQUITY- KARIOBANGI	0320278452239	2,017.70	2,138
Kariobangi North Chief Office PMC	EQUITY- KARIOBANGI	0320278499841	835	835
Ushirika Secondary School PMC	EQUITY- KARIOBANGI	0320262271020	141,984	950
Marura Primary School PMC	EQUITY- KARIOBANGI	0320277981244	8,745	8,745
Dandora 1 Chief Office PMC	EQUITY- KARIOBANGI	0320278451937	37,322.10	37,442
Embakasi North Sports PMC	EQUITY- KARIOBANGI	0320279572490	1,297,374	17,480
TOTAL			36,417,497.72	54,203,868

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019/20	<p>1. OVERALL UNDER EXPENDITURE</p> <p>Embakasi North NGCDF budgeted to spend Kshs. 109,756,397, however the actual expenditure was Kshs. 109,142,241 or 54% of the total budget, resulting into under expenditure of Kshs 109,142,241.</p> <p>TRANSFERS TO OTHER GOVERNMENT ENTITIES</p>	<p>The underutilization was due to the fact that the Board released the funds in batches. There was also some conditional funding that was given by the Board and hence the committee could not implement those projects until the conditions for the projects were met prior to funds and the Board accepting the proposed projects.</p>	Resolved	Immediately

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	<p>TRIAL BALANCE Though an incomplete trial balance has been availed for audit review, included is figure of KSHS. 18,305 used as a balancing figure. Further to it the constituency acquired assets amounting to Kshs. 989,500 which has not been reflected to the financial statements. This however, puts to doubt the completeness, accuracy and existence of figures reflected in the financial statements</p>	<p>Trial balance is amended and has been attached</p>	<p>Resolved</p>	<p>Immediately</p>
<p>2019/20</p>	<p>3. PROJECTS NOT YET STARTED AS PER PROJECT SUBMISSION FORM S.15 FOR THE FINANCIAL YEAR 2019/20. Examination of the funds project proposal 2019/20 revealed that several projects amounting to Kshs. 45,184,797 Were not started as indicated in the third schedule of</p>	<p>This was due to the fact that there is a very slow process of developing the bill of quantities from the public works office and also due to the fact that the previous prequalified list had its period expired and hence the projects had to wait for another prequalification exercise to be</p>	<p>Resolved</p>	<p>Immediately</p>

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	<p>constituency projects submission form</p> <p>S. 15.</p> <p>Further to it, projects amounting to Kshs. 24,964,461 had also not started at the time of the audit in march 2021 despite monies being transferred to the various PMCS Accounts. This is how shows a low absorption rate by the constituency to deliver services to its constituents.</p>	<p>done since most of them were not going for open tender. There are however two projects that had been on an open tender and the contractors who won the awards never took up the works citing that the funds were not enough for such kind of projects and hence they never started.</p>	
<p>4.ACCURACY OF FINANCIAL STATEMENTS</p> <p>Review of the financial statements reveals the following anomalies:</p> <p>Cover page---- remove wording "Revised template 20 June 2020"</p> <p>Page 16...statement of entity management responsibility: paragraph</p>		<p>All this had been corrected in the amended financial statements.</p>	

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	<p>two does not indicate the end of year being audited</p> <p>Page 18.... Statements of receipts and payments, the figure for acquisition of assets of Kshs. 989500 is omitted while it is reported as additions to other important disclosures to the financial statement.</p> <p>Page 19-----The sub county accountant has not signed the statement of cash flow</p> <p>Page 25.... Note 5-use of goods and services prior year balance cannot be confirmed Kshs. 5,340,507 Or 6,902,230</p> <p>Page 33----- Note 8 –Acquisition of assets with a figure of Kshs. 989,500 has been omitted.</p>			
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	<p>4. UN UTILIZED FUNDS</p> <p>Examination of project implementation records revealed that unutilized funds relating to the process increased from Kshs. 109,142,241. In 2018-2019 to Kshs. 98,348,673. An increase of Kshs. 10,793,568 of unutilized funds. This is summarized in appendix 11.</p> <p>No explanation was given to address the increase of unutilized of funds and the recurring situation over the years.</p> <p>Under the circumstances, we could not ascertain whether the NGCDF Budget is realistic and whether it has the capacity to implement the overlapping projects.</p>	<p>The increase was due to funds from previous financial years being released in the financial year 2019-2020. This was mainly due to the fact that three was a high turnover of FAMS During the previous years and hence very slow implementation of projects</p>	<p>Resolved</p>	<p>Immediately</p>
<p>2019/20</p>	<p>MISALLOCATIONS/WRONG CLASSIFICATION</p> <p>Note 7. To the financial statements reflects an amount of Kshs.</p>	<p>This has been reconciled in the amended financial statements. Kindly find attached here in copies of payment voucher</p>	<p>Resolved</p>	<p>Immediately</p>

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	<p>69,178,119. However, an amount of kshs. 1454000 is charged to items not related to other grants and other payments.</p>	<p>number 19/20, 34 and 44 totalling to Kshs. 1454000 used to facilitate NGCDF AND Ward committees allowances and meetings.</p>	
<p>2019/20</p>	<p>UNSUPPORTED CAPACITY BUILDING AND BENCHMARKING EXPENSES Review of budget execution by programmes and sub programmes revealed that Embakasi North NGCDF Allocated Kshs. 1,500,000 on capacity building Examination of payment voucher no.024 dated 23 October 2019 amounting to 558,000 was incurred for capacity building and bench marking during the financial year under review. However, the following anomalies were noted: -capacity building and bench marking program was not availed.</p>	<p>Please find attached all the required documents we, the program of both benchmarking programs and a report explaining this expenditure</p>	<p>Resolved Immediately</p>

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	<p>-The location of the capacity building was not indicated on the payment schedule</p>			
2019/20	<p>FAILURE TO RECOGNIZE TO RECOGNIZE ACQUISITION OF ASSETS -Annex 4 to the financial statements reflects a balance of Kshs. 989,500 against additions for the year for fixed assets. However, the Constituent failed to disclose the balance at the statement of receipts and payments. We cannot therefore confirm the accuracy of this balance.</p>	<p>This has been amended. Kindly find attached the amended financial statements.</p>	<p>Resolved</p>	<p>Immediately</p>
	<p>UNSUPPORTED BURSARY FUNDS</p>			
201920	<p>Examination of payments records reveals that during the year under review, an amount of Kshs. 44,703,000 was spent in form of bursaries to needy students in secondary schools and tertiary institutions. However, this amount included Kshs. 1 1,299,000 not</p>	<p>We have attached the list of bursary beneficiaries and all their details together with the relevant payment vouchers</p>		

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	supported with relevant documents such as payment vouchers, bursary applications register maintained to show the names of applicants and their identification details, location of domicile ,schools and colleges acknowledgement			
	UN PRESENTED AND STALE BURSARY CHEQUES			
	The national government constituency development fund spent Kshs. 44,703,000 on bursaries to secondary and tertiary institutions, however by the end of the year cheques amounting to Kshs. 7,804,002 had not been presented for payments by the recipients. It was also noted that Kshs. 860,000 of the unrepresented bursary cheques were stale.	The major problem we have in this constituency is that the bursary cheques are written to the beneficiaries and hence we have a very high number of them and due to reasons not given to us, most of them remain unbanked, not collected and stale. The other main reason is that during that financial year the bursaries were given out but as the process of collection was ongoing the schools were closed		

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		due to covid 19 and hence we had lots of uncollected, stale and unrepresented cheques.		
	TRAINING EXPENSES			
	The financial statements for Embakasi North NG-CDF, under use of goods and services reflect an amount of Kshs. 2,000,000 on training, however no vouchers or supporting documents were availed for audit	These documents have been found and attached for your perusal.	Resolved	Immediately
	UNSUPPORTED EXPENDITURE KSHS. 1,662,000 -Examination of records reveal that NG-CDF Embakasi North Constituency disbursed an amount of Kshs. 1,662,000 to the project management committee (PMC) For use on sports activities in the constituency during the year under review. However There were no records to confirm that sport equipment procured were inspected	The documents have been found and attached for your perusal.	Resolved	Immediately

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	<p>and also there were no signed distribution lists showing how the items bought were distributed.</p>			
<p>2019/20</p>	<p>UNCLEAR EXPENDITURE Examination of records reveal that NG-CDF Embakasi North Constituency disbursed an amount of Kshs. 600,000 to the PMC for Kariobangi Secondary as are fund of purchasing their own school bus. However, it was unclear the intended purpose of the amount as the bus was fully paid by the school.</p>	<p>This amount was requested for by the school at the public participation events that are usually done before the office prepares the proposal sent to the board. The school thought that since they had a deficit of Kshs. 600,000 by then to buy the bus that they would propose the amount and the funds would be available to be channelled to them in a month or two. The fact is the disbursement of the funds to the constituency from the board took longer than the two</p>	<p>Resolved</p>	<p>Immediately</p>

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		<p>months. The parents in the school suggested to the school administration that they buy the bus and when NG-CDF Office gets their funds from the national board they would be refunded what was allocated to them. By the time our office got funded there was no easy way to justify the refund since the documents that were presented to us indicated that the bus had been fully paid for and that's why the funds have never been transferred to the schools' administration account to date. The NG-CDFC is Planning to meet with the school administration when such meetings will be allowed by the ministry of health and discuss on reallocating the amount to different need in the school and</p>		
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CNA
② Approved
SNA
22/11/22

Hon. Speaker /
You may approve.
Argo Kimani
22/11

REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT - (FIRST SESSION)

ADJOURNMENT OF THE HOUSE UNDER STANDING ORDER NO. 33(1)
TO DISCUSS IMPORTATION OF GENETICALLY MODIFIED ORGANIC
MAIZE INTO THE COUNTRY

Honourable Speaker, pursuant to Standing Order No. 33(1), I rise to seek leave for adjournment of the House in order to discuss a definite matter of urgent National importance regarding importation of *Genetically Modified Organic (GMO)* maize into the country.

Honourable Speaker, on Thursday, 17th November 2022, the Government through the Cabinet Secretary for the Ministry of Trade, Investments and Industry announced an intention of allowing duty-free importation of 10 million bags of GMO maize over the next six months. However, this move will disadvantaged farmers from maize growing areas who are currently at the harvesting season. The waiver of the ban comes at a time Kenya's breadbasket areas of *Uasin Gishu, Trans Nzoia, Narok, Laikipia, Nakuru, Elgeyo Marakwet, Kakamega, Kericho and Nandi Counties* among other regions of the country could prompt farmers to release more of the produce to the market before the influx of cheaper GMO maize imports and consequently adversely distressing the prizes due effects of supply and demand.

Honourable Speaker, in addition, the proposed importation of GMO Maize come at a time when questions on whether or not to allow GMO crops and products to be cultivated or imported in to the country. This is in relation to alleged risks associated such products.

Honourable Speaker, it is against this background that, seek your leave for the adjournment of the House to discuss this matter of national concern on importation of Genetic Modified Organic (GMO) maize into the country and the effects it has on local farmers.

Thank you, Honourable Speaker.

HON. ABRAHAM KIRWA, MP
MEMBER FOR MOSOP CONSTITUENCY

Date 21/11/2022

NATIONAL ASSEMBLY
RECEIVED
21 NOV 2022
SPEAKER'S OFFICE
P. O. Box 41842, NAIROBI.