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OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – EMBAKASI EAST
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

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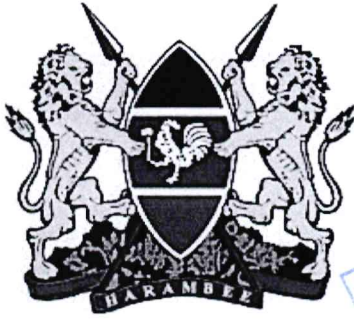
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

EMBAKASI EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Victor ouma
2.	National Sub-County Accountant	Justus Mutua
3.	Chairman NGCDFC	Josephine Owino
4.	Member NGCDFC	Benjamin Manoa nyamweya
5.	Member NG CDFC	Josephine Owino

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Embakasi East Constituency Headquarters

P.O. Box 2360-00515
Greenspan mall
Along old Donholm Road
Nairobi, KENYA.

(e) NGCDF Embakasi East Constituency Contacts

Telephone: (254)0707484910
E-mail: vouma@ngcdf.go.ke
Website: www.embakasi-east-ngcdf.go.ke

(f) NGCDF Embakasi East Constituency Bankers

1. Bank A. (Operations Account). *Equity Bank.*
Donholm branch
P.O. Box Nairobi

1. Bank B. (Deposit account). *Equity Bank.*
Donholm branch
P.O. Box Nairobi

2. Bank C. (PMC Accounts) *Equity Bank.*
Donholm branch
P.O. Box Nairobi



(g) Independent Auditor




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

(h) Principal Legal Advisor


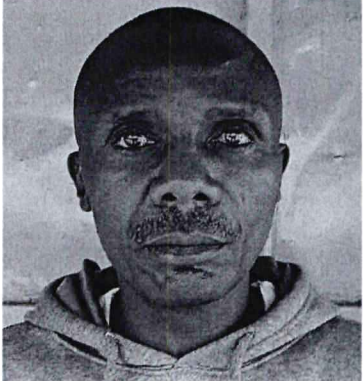
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

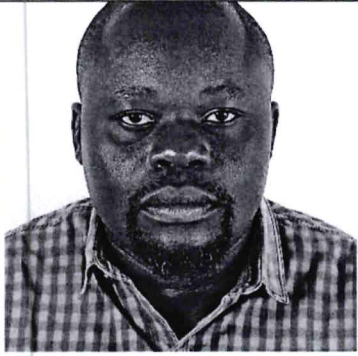
3. NGCDF Committee

Name	Details
<p>Chairperson</p>  <p>Josephine Atieno Owino Female Adult Representative</p>	<p>Academic qualification – Diploma Work experience – Business person</p>
<p>Member 2</p>  <p>Benjamin Manoa Nyamweya PWD Representative</p>	<p>Academic qualification – Form four Work experience – Business person</p>
<p>Member 3</p>	<p>Academic qualification – Diploma - School of Theology</p>

 <p>Israel Mbuvi Kamuti Male Adult Representative Member 4</p>	<p>Work experience – Religious leader and a Business person</p>
 <p>Josphine Wanjiku Female Adult representative Member 5</p>	<p>Academic qualification – Diploma Work experience – Business person</p>
 <p>Caleb Ojuki Male youth representative Member 6</p>	<p>Academic qualification – Bachelors in Education Arts Work experience – Business person</p>
	<p>Academic qualification – Diploma Work experience – Business person</p>

*National Government Constituencies Development Fund (NGCDF)
Embakasi East Constituency
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<p>Maria Gorreti Akinyi Ojwang Co-opted by NG-CDF Board</p>	
<p>Member 7</p>	<p>Academic qualification – Certificate Work experience – Business person</p>
	<p>Academic qualification – certificate in hairdressing and beauty therapy Work experience; – salon and linen care assistant Hairdressing and beauty therapy</p>
<p>Osborn Onyango Adult male representative</p>	
<p>Member 7</p>	
	<p>Masters NG-CDF Embakasi East Fund Account Manager</p>
<p>Sharon Achieng Female youth representative</p>	
<p>Fund Account Manager</p>	



Victor Omondi Ouma

No NG-CDFC member exited during the period

4. NG-CDFC Chairperson's Report



Josephine Atieno Owino

I am pleased to present Embakasi East –NCDF annual report and financial statements for the financial year 2024/25. The people of Embakasi East Constituency are determined to participate effectively in domesticating objectives of government in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

In the financial year 2023/24 the NG-CDF Embakasi East Constituency was allocated Kshs **179,542,644** and we have received kshs **141,387,799** for the financial year **2024/2025**, leaving undisbursed funds of **kshs 38,154,845**.

Budget utilization for the period stood at 61% of the entire allocation as at the end of the period.

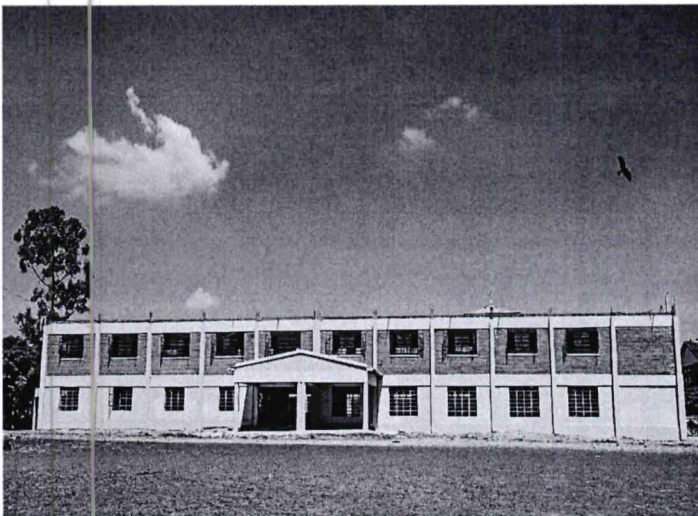
In the financial year 2024/2025, Embakasi East constituency awarded bursaries to over fifteen thousand students in the constituency. This goes in line with our mission to help educate and see learners in Embakasi east constituency acquire adequate education to see them through in their next adventure as education is the key to success. A learned constituency builds a prosperous constituency.

Key achievements

The constituency managed to carry out a number of projects in the financial year under review, including construction of a number school, renovations of classrooms and several climate change projects.

Among the projects done are construction of Donholm Secondary school from scratch since the ward, Upper Savannah Ward, has a number of students at secondary level but there are no secondary learning institutions to cater for the rising numbers. This institution was constructed taking into consideration PWDs.

The constituency also managed to construct three (3) classrooms at Embakasi Primary school which has been seen to help learners in junior secondary school study under brilliant establishments.



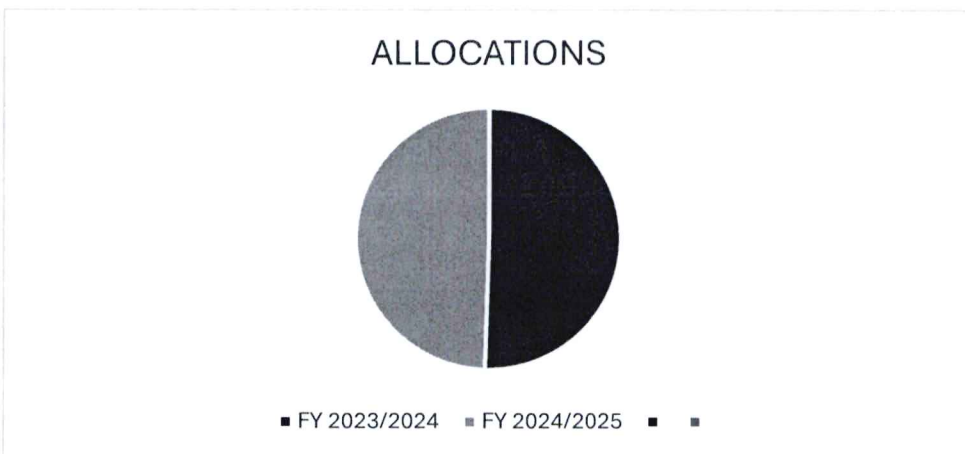
Newly Constructed Donholm Secondary School



3No Classrooms at Embakasi Primary School

We managed to complete a number of projects in our proposal which received allocations in time, and achieved the results as stipulated in the summary graph below:

Compensation of Employees	82%
Committee expenses	84%
Use of goods and services	97%
Transfers to Other Government Units	33%
Other grants and transfers	83%
Acquisition of Assets	0%
Other Payments	0%



Emerging issues

There were no emerging issues in the constituency.

Challenges.

Embakasi east constituency received a few challenges in the implementation of the planned projects and undertakings which some were caused by delayed disbursements of funds, slow work rate of a few contractors and consistently rising price rates of construction materials, insufficient bursary funds since the constituency has a rapid rising number of schools going students which were unforeseen but we are in the process of ensuring inclusion of all students in our bursary funding.

.....
**Name: Josephine Owino
 Chairman NGCDF Committee**

SENIOR FIELD REPRESENTATIVE
 EMBAKASI EAST CONSTITUENCY
 20/10/2025
 NG - CDJF
 P.O. Box 2360 - 00315, NAIROBI

5. Statement of Performance Against Predetermined Objectives for FY 2024/25

Introduction

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

The key development objectives of the *NGCDF Embakasi East Constituency 2021-2025* plan are to:

1. To improve education/school infrastructure and facilities
2. To Increase support of the needy students
3. To enhance youth skill development
4. To equip youth with working skills
5. To enhance area security
6. To enhance environmental protection
7. To improve the condition of roads in the constituency
8. To improve human working capacity
9. To improve resource mobilization

(Enumerate the key objectives of the constituency as per the Strategic Plan)

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 - We increased number of classrooms by 3No in Embakasi Garisson primary school, 3No in Embakasi primary school, newly constructed Donholm secondary school and carried out renovations in Maua primary school Bursary beneficiaries at all

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				levels were as per the attached schedules
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Equiped Embakasi Police station with two (2) 10,000 litres new water tanks
Climate change mitigation activities	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with tanks	Tanks supplied in different schools	Purchased and delivered 14 water tanks to Seven different schools each receiving 2 10,000 ltrs water tanks i.e Donholm primary, Donholm secondary, Gikabu primary, Embakasi primary, Maua primary, edelvale primay, mihang'o primary school and two 10,000 ltrs water tanks to Embakasi Police station
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	No emergency occurrence in the constituency	There was no emergency occurrence in embakasi east in the financial year 2024/2025

6. Governance Statement

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
 - (a) the national government official responsible for co-ordination of national government functions;
 - (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - (d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

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(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

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

Appointment of NG-CDFC

In accordance with section 43 sub sections (1), (2) of the National Government Constituencies Development Fund act, Embakasi East NG-CDF advertised for the post of NGCDFC detailing the necessary requirements where several applicants showed interest for the same by forwarding their applications.

Vetting of the submitted application letters was done critically by a select committee which was created for the purpose. Successful applicants were thereafter contacted for an interview session which was scheduled at a later date.

The interviews were conducted and in accordance with section 43(3) of the NGCDF Act, the names of the successfully selected individuals were forwarded to the NG-CDF board together with the names forwarded by the DCC and the constituency manager.

The selected members were gazetted on 5th March 2025 in gazette notice No. 14 (108).

List of NG CDFC members and category they represent

No	Committee Member	Category they represent
1.	Josphine owino	Adult Female Representative - Chairperson
2.	Vincent Lomachar	DCC
3.	Victor Omondi ouma	FAM
4.	Osborn Onyango	Adult Male Representative
5.	Josphine Charity wanjiku	Adult Female Representative
6.	Caleb Ojuki Onyango	Youth Male Representative
7.	Benjamin manoa nyamweya	PWD Representative
8.	Israel Mbuvi kamuti	Adult Male Representative
9.	Mariagorreti Akinyi	Co-opted member
10.	Sharon Achieng	Youth Female Representative

a. Removal of a committee member.

(1) A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee.
- (g) Physical or mental infirmity.

(2) A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

(3) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member. *In Embakasi east NG-CDF, there was no committee who was removed under the above reasons.*

b. The NG-CDF Committee roles are as follows

1. Participate in ward meetings, collect data on projects and Consider projects submitted from various wards in accordance with the Act, approve for funding those projects, make the project proposal to be submitted to the NG-CDF Board
2. Ensure timely and efficient disbursement of funds to projects.
3. Ensure efficient management of the Fund.
4. Co-ordinate the implementation of projects
5. Receive and address complaints that may arise within the constituency
6. Encourage best practices in the implementation of projects.
7. Employ NG-CDF Staff
8. Perform such other duties as the Board may deem necessary from time to time for the proper management of the Fund.

c. Induction, and training of NG-CDFC Members

The training of the New NG-CDFC members is coordinated by the region office through the regional coordinator and the fund's manager. The facilitators are from different departments of the NG-CDF Board and other experts from other ministries.

d. The objectives of training NG-CDF Committee are

1. To carry out training of all the NG-CDF committee members
2. To impart knowledge to the participants who in turn will execute the NG-CDF mandate on behalf of the board.
3. To ensure smooth running of the NG-CDF offices across the Nairobi Region.

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Expectations from NG-CDF Committee

- To see changes in the constituencies i.e. transformation of operations at the constituencies.
- To exchange of ideas with members from other constituencies.
- To understand the roles of the NG-CDF Committee.
- To learn and understand the procurement process.
- To get a clarification on the legal status of NG-CDF.
- To find out how people living with Disability helped.
- Share best practices for bench-marking purposes.

e. NUMBER OF MEETINGS HELD

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

In the financial year, Embakasi East NGCDFC minutes held were 24 in number as per the regulations on the National Government Constituencies Development Fund Act

Committee meetings attendance register 2024/2025

No	Committee Member	4 th & 29 th July 2024	6 th & 29 th Aug 2024	6 th & 25 th Sept 2024	2 nd & 30 th Oct 2024	1 st & 25 th Nov 2024	3 rd & 20 th Dec 2024	6 th & 27 th Jan 2025	7 th & 21 st Feb 2025	10 th & 25 th Mar 2025	7 th & 29 th Apr 2025	7 th & 30 th May 2025	4 th & 27 th Jun 2025
1	Josphine owino	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
2	Mariagorreti Akinyi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3	Jacob Mwaura	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
4	victor ouma	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
5	Osborn Onyango	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
6	Josphine C. wanjiku	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
7	Caleb Ojuki Onyango	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
8	Benjamin m. nyamweya	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

0	Wendell Mbuvi kamuti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
0	Sharon Achieng	○	○	○	○	○	○	○	○	○	✓	✓	✓

Note

- ✓ Means one meeting in a month.
- Means no meeting attended

f. Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality - the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity - NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership - NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NGCDFC Embakasi East adhered to the stipulated ethical issues

g. Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

h. Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Embakasi East contravened conflict of interest policy.

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i. Risk Management

The below provides a summary of the range and types of risk the Embakasi East National Government Constituency Committee anticipates

Risk Mapping

No	Objective	Critical Success Factors	What could go wrong? (Risk Event)	Cause of the Risk	Effect of the Risk
1	To ensure proper project implementation, Monitoring and Evaluation and effective management of the Constituency development funds	Projects; equitable and fair distribution, transparent, reliable, sufficiently funded, well identified by the community, community involvement, relevant to the community, benefits a wide cross section of the community, with land ownership documents, suitable to People with Disability (PWD)	Low turnout in project identification forums by Constituents	Politicizing of project implementation by the constituents, Illiteracy and unavailability of the community, lack of sensitization,	Misplaced priorities, Delayed project implementation due to community wrangles, request for change of project activity, request for reallocation of funds
2			Failure to consider public participation input in developing project proposals	Lack of awareness of public participation Vested interest, white elephant project, Inadequate input by the public during public participation forum, presentation of large number of needs, vis-à-vis the available resources, by the public, Direction from executive Emergence	Projects not representing community needs, Duplication of projects, white elephant projects, skewed development, white-elephant projects, litigation, Inequitable distribution of projects within the constituency, Lack of project ownership, disruption of strategic plan, request for change of project activity, request for reallocation of funds
3		People With Disability (PWD) Projects: Available, accessible, disability friendly environment,	Projects that do not suit People with disability (PWD)	Ignorance on implementation of PWD act 2003, Lack of proper planning of the projects, Lack of enough public participation for eligible projects, Extra costs of projects associated with disabilities, on adherence of NCA guidelines, Lack of awareness ,	Discrimination of PWD, Complaints from PWD, Increase illiteracy, Litigation

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4			Implementation of projects that are not aligned to the Constituency Strategic Plan	strategic plan not reflecting constituency needs, disregard of the Strategic Plan, failure to monitor implementation of strategic plan, failure to align the annual Project Proposal with the constituency Strategic Plan and performance contracting, Strategic Plan not aligned to the Plan period, documentation of implementation matrix without timelines, cost estimates, Key performance indicators,	unmet strategic plan targets/objectives, uneven distribution of projects, poor service delivery
5			Delayed approval of project proposals, resubmissions and reallocations by the NG-CDF Board	Not fully constituted board, Delayed submission of project proposals to the board, failure to provide additional information requested.	Delayed implementation of projects, low absorption,
6			Allocation of funds to projects without considering realistic cost estimate	Unavailability of technical officer to prepare the bill of quantity, Failure by NGCDFC to employ clerk of works who can assist on preparation of bill of quantity, perceived political gain through funding many projects,	Insufficient allocation of funds to project, over funding of the project which leads to misuse of funds, stalled project, Frequent variation of contract, unrealistic cost estimates which leads to unutilized funds in PMC accounts or incomplete project,
7			Thin/piece-meal allocation of funds to projects	biasness, perceived political gain, conflict of interest,	Substandard projects and stalled projects, public dissatisfaction
8			Non-allocation of funds to ongoing projects	Failure to prioritize ongoing projects during funds allocation, Reallocation of funding from ongoing projects, change of guard, Change in voting patterns, political transitions	Stalled projects, wastage of resources, Negative image on NGCDF.
9			Unavailability of ownership documents on public land	untimely subdivision and transfer of tittle deeds, land succession challenges	Delay in project implementation Difficulty in starting new projects
10			Inadequate public land for new projects	land grabbing, overpopulation, leaders with vested interests	Difficulty in starting new projects, overcrowding of existing facilities

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11			Failure by the NGCDFC to implement project through PMC	Conflict of interest by NGCDFs and other stakeholders, perceived low Capacity of PMC to implement Complex Projects, Inadequate training of the PMCs	Violation of Section 36 of NG-CDF Act 2015 which recognize PMC as the project implementers, lack of sustainability and ownership of projects,
12		Funds - available and adequate, accountable, voted, budgeted	Delayed disbursement of funds by the NG-CDF Board	Delayed submission of project proposals to the board, Lack of funds at the board, piecemeal disbursement of funds by the board, having huge balances in the constituency account, legal suits, not fully constituted Board,	Delayed implementation of projects, delayed use of projects by the beneficiaries, overlap of projects implementations as per financial years, poor realization of performance targets
13			Use of Emergency fund for other purposes not of emergency in nature	Insufficient allocation of funds to a project, board disbursing funds specifically for emergency vote before disbursement of other funds, influencing government offices to issue letters to justify non-emergency projects as emergencies	Lack of funds to address genuine emergency cases that may arise within the constituency, Misuse of emergency fund, corruption
14			Misuse of Emergency funds	Use of Emergency fund for other purposes not within National government mandate, Low levels of integrity, vested interests in projects,	Loss of funds, corruption, overstepping NGCDF mandate, litigation
15			Irregular procurement process at the constituency level	Failure to implement a procurement plan, Failure to prepare bid documents, Failure to train PMC on procurement process, , Conflict of interest, Political pressure from stakeholders, Failure by the AIE holder to give the right information, , Low Capacity of FAMs on contract management, failure to involve competent technical experts, Variation of contracts without adhering to provisions of PPDA, Failure to disclose vital information to unsuccessful bidder as required under section 86(1), 87(3), of PPDA act 2015 and section 82 of the PPDA regulation 2020	Contract awarded to the unqualified contractor, Audit issues, Litigations, Poor workmanship, Loss of funds, incomplete projects, cost escalation due to delays in subsequent funding, disciplinary action, dismissal from employment or as a NGCDFC, Payment of provisional sum without supporting document, stalled projects, and irregular project activities. Award of contract for an amount more than the budget,

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6			Failure to comply with PPRA circular on mandatory reporting requirement	Inadequate compliance training and/or poor compliance monitoring, ignorance	Weak accountability and transparency in procurement, litigations, offence as under section 176(m) of PPDA act 2015
7		NG CDFC Members and staff: Literate, High Integrity, Informed, Disciplined, self-driven, motivated, respected by the public, good team players, result oriented, participatory, self-driven.	Unqualified NG-CDFC staff	flawed recruitment process because of interest, nepotism, tribalism, political influence, poor remuneration	Poor services delivery, project delays, failure to meet statutory requirement, unable to attract/retain qualified and competent staff.
8			Inadequate managerial, technical and supervision skills among, NGCDFCs, PMCs and Staff	Lack of adequate training and capacity building, Low literacy levels, nepotism in appointment of PMCs, Lack of policy and regulations on appointment of PMC members	Poor services delivery, project delays in monitoring and evaluation, undue advantage technical officers
9			Failure to monitor/ effectively monitor implementation of projects by NGCDFC	Lack of M&E framework as required by the NGCDF Act 2015, Failure by NGCDFC to employ staff as per section 45 of NGCDF act 2015, Inadequate understanding by the NGCDFC on their roles in M&E, Inefficient use of M&E resources, Lack of M&E work plan, Inaccessibility, insecurity, inadequate resources, Inadequate capacity for NGCDFC, staff on M&E report writing, unavailability of technical officers during M&E exercise	Inability to conduct M&E for all projects in a year, Inadequate M&E reports, Ambiguous project monitoring & evaluation process, Unexpected project reports, poor workmanship, loss of funds, litigations, variations, non-implementation of M&E recommendation due to poor communication& follow up, Substandard projects, loss of funds, Inadequate project monitoring
0			Over staffing of NGCDFC Offices	Conflict of interest, political pressure, lack proper of employment structure at NGCDF,	Strained administration vote, poor remuneration, idle staff, overlapping job description and specification, high administration cost, inadequate office space and working tools.
1			Insufficient feedback systems from board to constituency	Delayed communication by the Board on decisions made for resubmissions and reallocations of projects	Delay on project implementation

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22			NGCDF projects completed but not in use (White elephant project)	Lack of cooperation and coordination between NG-CDF and PMC. , Inadequate framework for handover of completed NG-CDF projects)	Delayed use & Underutilization of NG-CDF project
23			Inadequate framework for handover of devolved projects previously undertaken by NG-CDF	Lack of cooperation and coordination between NG-CDF and PMC	Reputation damage, stalled projects, wastage of funds, litigations,
24			Misuse of sports /environment funds	Lack of policy on use of sports and environment, Inadequate guidance on implementation of sports and environment funds, lack of proper accountability document	Non-uniformity on advice given by the Board on use of environment and sports funds, implementation of sports/environment project by NGCDFC, project unsustainability and ownership
25			Failure to brand/inappropriate branding of NGCDF funded projects	inadequate branding of NGCDF projects, Use of wrong NGCDF Colors, Logo & information	Low visibility/ Publicity of NGCDF Projects, Poor reputation, misuse of funds
26			Undefined mechanism of accounting and implementation for co-funded projects	Corruption, inadequate knowledge on records keeping	Loss of funds, poor reputation, lack of project ownership, sustainability and accountability
27		Project Management Committee (PMC)- Competent, knowledgeable, skilled and upholds integrity	Delay on implementation of project by NGCDFC/PMCs after funds disbursement	Conflict of interest among the stakeholders, Delays by Technical Officers to provide advisory services, Lengthy procurement process, Delayed groundbreaking ceremonies by MP, Unforeseen events such as floods, pandemics insecurity. Political control in awarding of works to certain politically correct person(s)	Loss of funds, cost escalations as a result of inflation, delayed project benefits
28			Poor reporting and records management by the PMCs.	Failure to train PMC on project implementation and record keeping, inadequate skills, illiteracy,	Audit issues, Slow project implementation, wastage of funds, litigations, reputation damage, loss of data, non-accounted funds
29			Misappropriations of project funds by the PMCs	Failure to train PMC before commencement of the project, Conflict of interest, greed, Insufficient project funding, payment of materials & labor through cash	Poor workmanship, incomplete and stalled projects, unpaid project bills

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0			Irregular change of Project Scope/Activities	Political pressure, Conflict of interest, self-interest, Inadequate M&E, Inadequate/faulty project identification process, Inadequate funding of project, Lack of proper consultation with technical officer	incomplete/stalled projects, poor reputation of NGCDF, Poor implementation of projects, financial losses, dissatisfied stakeholders,
31			Ghost' projects	Lack of integrity, Self-interest, corrupt practices, failure to monitor projects	Financial losses, Failure to fulfill NGCDF mandate, negative image/reputation, litigation, disciplinary action
2		Service Providers/ Merchants/Contractors; Professional, Transparent, Honest, Integrity, reliable, timely, friendly, cooperative, efficient and effective, result oriented,	Fraudulent service providers/merchants and contractors	lack of integrity, vested interests, greed	Stalled projects, lack of value for money, Litigation
3			Poor workmanship on projects by contractors	Failure to supervise the work by works officer, clerks of works and FAM, Failure to monitor the work by the NGCDFC and the FAM, Political influence, vested interests, conflict of interest	Wastage of funds, stalled project, white elephant project, litigation,
4		Technical Officers: reliable, provide technical input for all projects -BQS, drawings, relevant certificates and adequate technical staff. Facilitation of technical officers	Unavailability of Technical officers to provide the requisite technical support as required	Insufficient staffing of technical department, inefficient officers and inadequate remuneration, Failure by NGCDFC to employ clerk of works who works hand in hand with Works officer	Delayed preparation and presentation of BQs by the technical officers, Unrealistic cost estimates for proposed projects, Delay in project implementation, low absorption of funds, Poor project monitoring and misleading reports
5			Preparation of BQs and drawings by technical departments without site visit for projects	Insufficient staffing of technical department, inefficient officers and inadequate remuneration,	Frequent variation of contract, unrealistic cost estimates which leads to unutilized funds in PMC accounts or incomplete project,
6		Sub county treasury (and its staff): Available, qualified, adequate, integrity, professionalism	Improper planning & coordination between NGCDF FAM & Sub County Treasury	Understaffing at the Treasury, Lack of team work among treasury staff, NGCDFC and NGCDFC staff, Poor planning by NGCDFC and the FAM, uncooperative Treasury staff.	Delays by the Sub county Treasury in facilitating disbursement of projects funds and bursary cheques, Slow project implementation, wastage of funds, slow rate of absorption, conflict between treasury

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					staff and political stakeholders
37			Failure to maintain and update Government required books of accounts by sub-county treasury	Incompetent sub-county treasury staff, Inadequate sub-county treasury staff	Inaccurate accounting records and reports, Late preparation of financial reports by the Sub county Treasury for submission to the board, Delayed or non-retrieval of documents and/or information from the sub-county treasury, overdue imprest
38			Failure to deduct and remit statutory deductions	Negligence, Lack of awareness of statutory deductions laws, Inadequate NGCDF staff, Incompetent NGCDF staff, Political interference, Inadequate administration funds,	Penalties, Litigation, negative image, failure of staff to access essential services, demotivated staff
39			High level of reconciling items in bank reconciliations for constituencies	Lack of structures and measures for cheque disbursement to beneficiary institutions/ individuals; lack of regular checks to on the books of accounts; Failure by Sub County Treasury to reconcile items on time. Delay by beneficiary institutions to present cheques at banks, understaffing of treasury department, Poor system of internal control, failure to maintain duplicate books of accounts by the FAM	Inaccurate and late reporting,
40		Fund Account Managers (FAM): Reliable, available, Integrity, Objectivity.	Non-implementation of recommendations from technical officer (Risk officers, Auditor, Works officer, FAM, procurement officer, Sub-county accountant, clerk of works)	Conflict of interest, ignorance, lack of personal responsibility	Wastage of time and resources

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11			Misappropriation/over commitment of administration & recurrent vote	Failure to implement a procurement plan, Inappropriate use of NG-CDFC Assets, Exceeding 24 NGCDFC meetings in a financial year, Equipment breakdown, Theft of assets and office equipment, Poor and unreliable internet connectivity in NGCDF offices, Obsolete machines and equipment, Overstaffing, using rented offices instead of constructing, under budgeting at proposal stage, penalties due to non-remittance statutory deductions, over commitment of administration & recurrent vote of 6%, reliance on administrative cost by constituency office	High administrative cost e.g. high security, transport cost, Insufficient funds for admin operations, funding admin activities from other vote heads, disciplinary action against the FAM, non-implementation of some of the admin activities
12			Failure to set aside gratuity for NGCDFC employees	Inadequate mechanism on how to set aside, Lack of budgetary allocation by NGCDF, Failure to take personal responsibility, Budgetary Constraints because huge number of employees,	Litigations, demotivated staff, unbudgeted payment
13			Failure by FAM to maintain financial and accounting records	Lack of personal initiative, ignorance, Lack of accounting knowledge and understanding	Inaccurate and late reporting, Late preparation of financial reports
14		Political Stakeholders; Political good will, noninterference, integrity, Development conscious, Cooperative, reasonable, dedicated, not biased	Conflict of interest among key stakeholders (NGCDFC, PMC, FAM, Technical officers, Political stakeholder, Procurement officer)	Inadequate training, flawed recruitment process,	Corruption, incompetent NG-CDFC staff, public complains, Poor project implementation, wastage of funds, litigations, reputation damage, unqualified service providers, poor workmanship, Costly projects, wastage of funds, Audit queries as a result of not following the proper procedure
15		Security: Projects sites and roads should be safe for monitoring for all involved in supervision and site workers.	Exposure to insecurity incidences in the Constituency	Community disputes, Constituency borders volatile,	loss of life, loss of property, delayed projects, hinders proper project implementation and monitoring

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46		Bursaries:- Available, adequate, well vetted, transparency, accountable, within the guideline	Inadequate allocation of bursary fund to match beneficiary needs	Lack of proper guidance on bursary vetting and award, Large number of applicants, Inadequate bursary funds, conflict of interest	Needy students dropping out of school, high number of bursary related complaints
47			Needy and deserving cases missing out on bursary/Social security fund	Alteration of bursary/Social security fund beneficiary list, Bursary funds/Social security fund not reaching intended beneficiary, Erroneous bursary cheques, Misuse of bursary funds/Social security fund, uneven distribution of bursary, Unreliable system of allocating bursary/Social security fund, Bursary/Social security fund allocation not transparent, political mileage, nepotism, tribalism,	School drop outs, Image reputation, high illiteracy rate, lack of health for the old/needy within the constituency
48			Failure to account for allocated/ disbursed bursary	Inadequate modalities on accounting, lack of follow up, lack of commitment	Misuse of bursary, negative publicity,
49		Office and Equipment: Should be adequate, modern, well maintained & secure.	Inadequate safeguarding of constituency assets	Failure to set aside budget for insurance cost, Budgetary constraints because of high cost of premiums, Failure to take personal responsibility, Lack of commitment by the NG-CDFC, Ignorance of potential risks by the NG-CDFC, Constituency Office claiming ownership of NGCDF Assets, Unauthorized sharing of NGCDF Assets by Constituency Office, Lack of properly maintained assets register, Unauthorized use of vehicle by members for personal use	Loss of Assets and Recoveries, Litigation,
50			Inadequate office work station and uncondusive working environment	lack of adequate office space, failure to construct NGCDF office, Inadequate funds, faulty equipment, overstaffing,	Slow performance, long queues in offices, increased complaints from constituents
51			Vandalism of NG-CDFC offices and projects	Political rivalry, Noninvolvement of stakeholders, wrong project sites, Biased development and distribution of resources	Stalled projects, Litigation, loss of funds, lack of public participation at constituency

7. Management Discussion and Analysis

This Management Discussion and Analysis provide an overview of the Embakasi East's operational and financial performance over the past five years (2021-2025). Our mission to provide leadership and policy direction for effective and efficient management of the Fund has guided our efforts, delivering stable growth despite economic challenges.

Operationally, we completed construction of 3 new classrooms at Embakasi primary school, 3 new classrooms at Embakasi Garisson primary school and introduced a new secondary school, Donholm Secondary school which is fully completed awaiting admission of students after registration. The fund has also started the construction of Tassia Mabatini primary school in the constituency. This is a new institution which members of the constituency saw wise to bring up in the recently held public participation so as to help a number of schools going pupils join to avoid overcrowding in the few available schools. This is expected to boost the education standards in the region which is our key aim and objective. To add on, Embakasi East ensures we include ramps (*as depicted in the pictures below*) in all our construction to cater and consider PWDs using the facilities.

The fund has managed to carry out climate change activities over the period including purchasing and supplying of tanks in various schools in the constituency as well as Police stations. Over the last five years, Embakasi east has improved security sectors by constructing a chief's office at Utawala ward, Police station at Embakasi ward and are in the process of introducing mihang'o police station in mihang'o ward, Embakasi East constituency.

Though delays in regulatory approvals and dispatch of funds to the constituency impacted timelines in 2024. These results underscore our resilience, service delivery remains a focus for 2026. Key Projects the Fund's portfolio includes notable projects such as Donholm secondary school, which is expected to hold at least – students, this will greatly improve education in the constituency as the ward did not have any public secondary school thus a number of students could not access such learning facilities. Utawala Chief's office in Utawala ward has seen security in the region greatly improved as a number of conflicts are being handled at the newly constructed offices. These projects align with our strategic goals.

Furthermore, the constituency intends to scale up investment in education through bursary digitization and improved infrastructure, expand security projects and strengthen stakeholder participation in project identification and monitoring.

*National Government Constituencies Development Fund (NGCDF)
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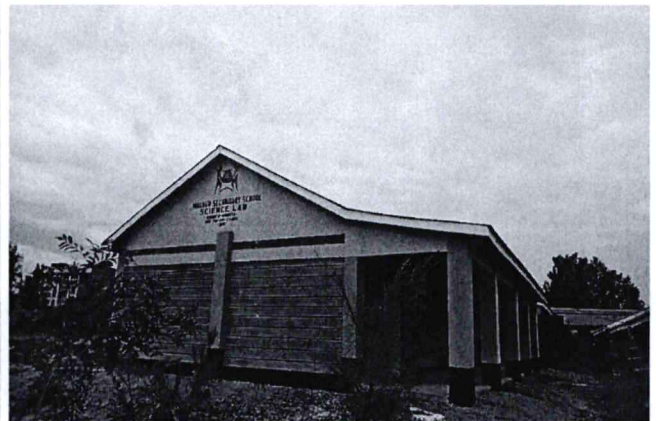
Embakasi Garrison Primary School



Donholm Secondary School Ramp



Utawala Chief's Office



Mihang'o Secondary school Laboratory

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Name: Victor Ouma
Fund Account Manager
NG - CDF
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8. Environmental and Sustainability Reporting

Embakasi East 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 the sustainability of Embakasi East Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Embakasi East Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as 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 law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, re-afforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Embakasi East Environment Sustainability guidelines have been developed to;

1. Ensure that the Embakasi East NGCDF establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken at the Constituency levels.
2. Ensure that the Constituencies continue to priorities and improve environmental sustainability projects.
3. Encourage Community participation in identification, protection and conservation of environment.
4. Improve on planning and utilization of allocation for environmental sustainability funds in all constituencies
5. Ensure proper mechanisms of monitoring and reporting of the environmental activities

In this, Embakasi East NG-CDF has prioritized in supplying of water tanks and water harvesting in the constituency i.e. Schools.

3. Employee welfare

We invest in providing the best working environment for our employees. Embakasi East 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 our employees for exemplary performance. The reward and sanctions system are based on performance appraisal.

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

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

4. Marketplace practices-

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

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

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring 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 practices, including cordial Supply chain and supplier relations, by honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Embakasi East Constituency has endeavored 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 community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Embakasi East Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, 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 NGCDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

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

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



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Name: Victor Ouma
Fund Account Manager.



9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Embakasi East 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, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Embakasi East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi East 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.

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

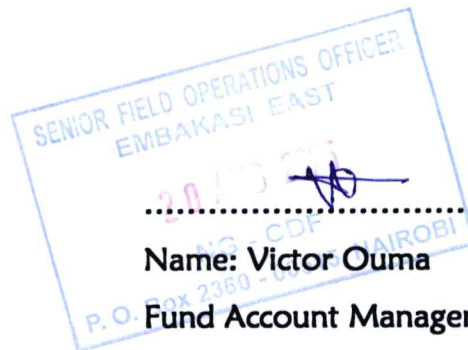
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

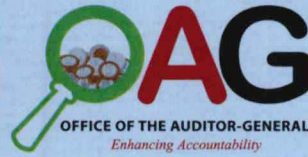
The NGCDF- Embakasi East Constituency financial statements were approved and signed by the Accounting Officer on 20th August 2025.



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Name: Josephine Owino
Chairman – NGCDF Committee


Name: Victor Ouma
Fund Account Manager

REPUBLIC OF KENYA



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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Embakasi East Constituency set out on pages 1 to 54, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Embakasi East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015, (Amended 2023).

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of changes in net assets for the year ended 30 June, 2025 includes adjustments for recognition of assets of Kshs.196,590,456 and liabilities of Kshs.753,522 which do not have corresponding entries in the statement of financial position. Further, the analysis of the amounts were not provided.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from non-exchange transactions of Kshs.87,946,087. However, a detailed breakdown or ageing schedule in support of the balance was not provided. Further, significant accounting policies on accounts receivables as disclosed in Note 21 has no disclosure on the treatment of receivable balances from NGCDF Board which is a major source of income for the Fund.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.87,946,087 could not be confirmed.

3. Unaccounted for Bursary Funds

The statements of financial performance and as supported by Note 14 to the financial statements reflects other grants and transfers actual expenditure of Kshs.91,360,894. The amount includes bursary expenditure to secondary schools of Kshs.47,903,000, tertiary institutions of Kshs.28,268,000 and special schools of Kshs.30,000. However, the expenditure totalling Kshs.76,201,000 was not accounted for by with the list of applicants, successful applicants, specific criteria used when awarding the bursary and vetting

committee appointment letters. Further, no acknowledgement receipts were available from beneficiaries to confirm receipt of the bursary funds.

The lack of adequate supporting records limits the ability to reconcile ledger and cashbook entries with actual disbursements, weakens internal controls and increases the risk of misuse or misallocation of bursary funds. Moreover, disbursing bursaries with no proper verification of eligibility or supporting documentation undermines transparency and diminishes accountability to the public.

As a result, it has not been possible to ascertain whether the bursaries totalling Kshs.76,201,000 were received by the intended beneficiaries or expended in line with approved allocations for the year ended 30 June, 2025.

4. Failure to Comply with Fiscal Responsibility Principle on Disbursement of Constituency Development Fund

Reported in the statements of financial performance and as supported by Note 14 to the financial statements is other grants and transfers actual expenditure of Kshs.91,360,894. The amount includes bursary expenditure to secondary schools of Kshs.47,903,000, tertiary institutions of Kshs.28,268,000 and special schools of Kshs.30,000 totalling Kshs.76,201,000. The total revenue received by the Fund as stated in the statement of financial performance and as supported by Note 6 to the financial statements is Kshs.179,542,644. As a result, the total disbursement of bursaries constituted forty-two (42%) of the total revenue for the year ended 30 June, 2025 which is above the 40% allowed limit by 2%.

This allocation may compromise the Fund's ability to finance other essential projects and activities. The over-allocation also increases the risk of insufficient resources for routine operations, exposes the Fund to potential budgetary overruns and undermines the assurance that funds are equitably and effectively distributed among intended beneficiaries.

5. Third Party Deposits

Reported in the statement of financial position and as disclosed in Note 27 is Kshs.2,659,644 being retentions held for construction works. However, Management has not transferred the amount to deposits account and instead the retention amount is held in different PMC accounts contrary to best financial management practices and prescribed reporting requirements.

In the circumstances, the accuracy and accountability of the funds retained could not be confirmed.

6. Non-Implementation of Projects Following Transfers to Government Units

The statement of financial performance reflects other government units' actual expenditure amount of Kshs.55,837,712 as disclosed in Note 13 to the financial statements. Review of the PMC bank accounts in Annex 2 to the financial statements

revealed that during the year, transfers were made to Donholm Primary School of Kshs.27,500,000, Maua Primary School of Kshs.20,826,404 and Embakasi Primary School of Kshs.11,323,529 all totalling Kshs.59,649,933 exceeding the amount disclosed in the statement of financial performance for transfers to other government units' of Kshs.55,837,712 by Kshs.3,812,221. Further, audit inspection of the projects in the three (3) schools conducted in the month of September, 2025 revealed that no project had been done.

In the circumstances, the accuracy and completeness of the transfers to other government units' of Kshs.55,837,712 could not be confirmed the value for money on the projects may not be realized.

7. Non-Compliance on Management of Emergency Reserves

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers actual expenditure of Kshs.91,360,894. Included in the balance is expenditure on emergency project totalling Kshs.7,250,000. However, no documentary evidence was provided showing that NGCDF Embakasi East Constituency had reported any of the emergency expenditure to the Board using the prescribed format and within the stipulated period of 30 days.

Further, no minutes were provided as evidence on whether the emergency projects related to 'urgent, unforeseen need for expenditure that could not be delayed as per Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the accuracy and completeness of the other grants and transfers' of Kshs.91,360,864 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.411,875,267 against actual receipt of Kshs.323,929,179 resulting to underfunding of Kshs.87,946,088 or 21% of the budget. Similarly, the Fund spent Kshs.171,728,030 against actual receipts of Kshs.323,929,179 resulting in budget under-utilization of Kshs.152,201,149 equivalent to 47% of the actual revenue amount.

As a result, the Fund did not implement planned and approved projects in accordance to the approved program thereby denying residents of Embakasi East Constituency services.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2024 raised several unsatisfactory issues in regard to balances reflected in the financial statements and lawfulness and effectiveness in use of resources. However, the issues remained unresolved as at 30 June, 2025.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Requirement on Presentation of the Financial Statements

Review of the annual reports and financial statements for the year ended 30 June, 2025 revealed that the guiding information in different pages were not edited or deleted. Further, review of financial statements revealed that Page 2 to the financial statements is blank and the statement of changes in net assets is not on its own page.

In the circumstances, the annual reports and financial statements were not prepared in accordance with prescribed Public Sector Accounting Standards Board reporting templates for the year ended 30 June, 2025.

2. Project Verification

The statement of financial performance reflects other government units' actual expenditure amount of Kshs.55,837,712 as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.26,361,294 in respect to secondary schools' actual expenditure. Physical verification carried out on 5 September, 2025 revealed that the construction of a tuition block first (1st) floor Phase II at Donholm Secondary School was awarded to a contractor at a contract price of Kshs.26,378,226 via tender number EE/NGCDF/003/2023-2024. However, the project is complete but not in use.

Non-utilization of the project raises concern on the value for money of Kshs.26,361,294 invested in the construction of the tuition block.

3. Failure to Return Unutilized Project Management Committee Balances

Annex 2 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs.68,961,544 as at 30 June, 2025 which were not transferred to the Constituency Fund Account. This contrary to Section 12(8) of National Government Constituency Development Fund Act, 2015 which states that, "All unutilized funds of the Project Management Committee shall be returned to the Constituency Account."

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


13 October, 2025

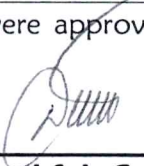
National Government Constituencies Development Fund (NGCDF)
Embakasi East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

	Note	FY 2024/2025 Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,542,644
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		-
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,542,644
Expenses		
Employee costs	10	5,342,785
Committee expenses	11	8,287,800
Use of Goods and Services	12	14,580,547
Other Government Units Actual expenditure	13	55,837,712
Other Grants and Transfers Actual expenditure	14	91,360,894
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		175,409,738
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		4,132,906

The Constituency financial statements were approved by the NGCDFC on 20th August 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Josephine Owino


 National Sub-County
 Accountant
 Name: Justus Mutua
 ICPAK M/No: 12228



 Fund Account Manager
 Name: Victor Ouma

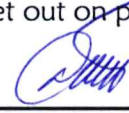
National Government Constituencies Development Fund (NGCDF)
Embakasi East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


12. Statement Of Financial Position as at 30th June, 2025

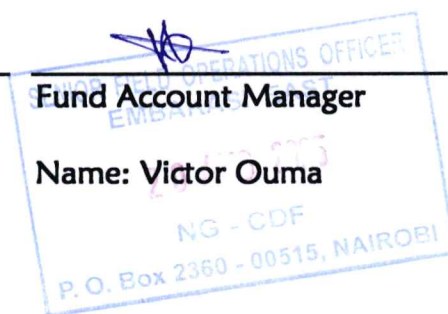
	Note	2024/2025 Kshs	Opening Statement 1st July 2025 Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	152,273,889	80,133,666
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	87,946,087	152,271,416
Prepayments	22	-	-
Total Current Assets		240,219,976	232,405,082
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		240,219,976	232,405,082
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	2,659,644	-
Lease Liabilities	28	-	-
Gratuity Provision	29	1,775,866	753,522
Total Current Liabilities		4,435,510	753,522
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,435,510	753,522
Net Assets (A-B)		235,784,466	231,651,560
Represented by:			
Revaluation Reserves		-	231,651,560
Accumulated Surplus		235,784,466	
Total Net Assets		235,784,466	231,651,560

The Constituency financial statements set out on pages 1 to 54 approved by NG CDFC on 20th August 2025 and signed by:


**Chairman NG-CDF
 Committee**
Name: Josephine Owino


**National Sub-County
 Accountant**
Name: Justus Mutua
ICPAK M/No: 12228


Fund Account Manager
Name: Victor Ouma





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


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

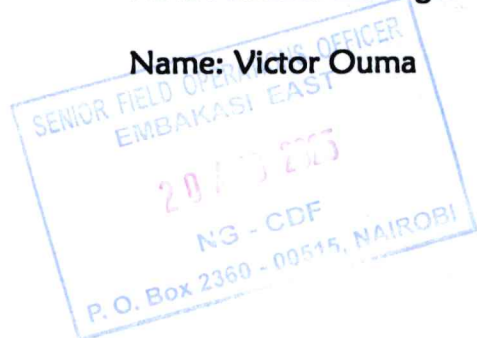
Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	35,814,626		35,814,626
Adjustments			
Recognition of Assets	196,590,456		196,590,456
Recognition of Liabilities	753,522		753,522
As at July 1, 2025	231,651,560		231,651,560
Surplus/(Deficit) For the Period	4,132,906		4,132,906
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	235,784,466	-	235,784,466

The Constituency financial statements set out on pages 1 to 54 approved by NG CDFC on 20th August 2025 and signed by:


**Chairman NG-CDF
 Committee
 Name: Josephine Owino**


**National Sub-County
 Accountant
 Name: Justus Mutua
 ICPAK M/No: 12228**


**Fund Account Manager
 Name: Victor Ouma**




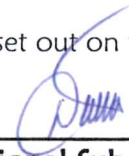
*National Government Constituencies Development Fund (NGCDF)
Embakasi East Constituency
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
14. Statement Of Cash Flows for The Year Ended 30th June 2025

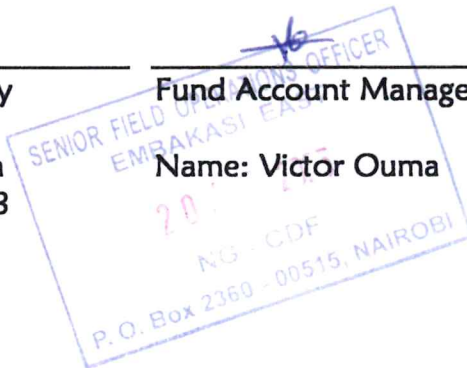
	Notes	FY 2024-2025 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		243,867,973
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		243,867,973
Payments		
Employee costs		4,320,441
Committee expenses		8,287,800
Use of Goods and Services		14,580,547
Other Government Units Certified Works		53,178,068
Other Grants and Transfers		91,360,894
Digital Hubs Expenses		-
Total Payments		171,727,750
Net Cash Flows from/ (used in) Operating Activities	30	72,140,223
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		72,140,223
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		72,140,223
Cash and cash equivalents at 1 July	19	80,133,666
Cash and cash equivalents at 30 June	19	152,273,889

The Constituency financial statements set out on pages 1 to 54 approved by NG CDFC on 20th August 2025 and signed by:


**Chairman NG-CDF
Committee**
Name: Josephine Owino


**National Sub-County
Accountant**
Name: Justus Mutua
ICPAK M/No: 12228


Fund Account Manager
Name: Victor Ouma



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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>FY 2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>FY 2024/2025</i>	<i>FY 2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	179,542,644	80,061,206	152,271,416	411,875,267	323,929,179	87,946,088	79%
Transfers from domestic and foreign partners	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
Totals	179,542,644	80,061,206	152,271,416	411,875,267	323,929,179	87,946,088	79%
Expenses							0%
Employee costs	5,825,360	1,627,489	-	7,452,849	4,320,721	3,132,128	58%
Committee expenses	3,890,000	2,114,888	3,400,000	9,404,888	8,887,800	517,088	95%
Use of Goods and Services	6,434,416	8,086,149	1,600,128	16,120,693	13,980,547	2,140,146	87%
Other Government Units Certified Works	69,704,131	47,323,267	146,436,553	263,463,951	53,178,068	210,285,883	20%
Other Grants and Transfers	93,014,738	20,756,843	834,736	114,606,316	91,360,894	23,245,422	80%
Acquisition of Assets	674,000	102,570	-	776,570	-	776,570	0%
Funds Pending Approval**	-	50,000	-	50,000	-	50,000	0%
Total Expenditure	179,542,644	80,061,206	152,271,416	411,875,267	171,728,030	240,147,237	42%
Surplus for the period							

The under-utilization of Kshs. 240,197,202 Or 58% of the amount was because the NG-CDFB disbursed the funds late to the constituency rendering it impossible to utilize within the expected financial year.

This is also caused by the government introduction to E-procurement which has not been rolled over.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	240,147,517
Less undisbursed funds receivable from the Board as at 30 th June 2025	87,946,088
Cash and Cash Equivalents at the end of the 30 th June 2025	152,201,429

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 20th August 2025 and signed by:



Fund Account Manager

Name: Victor Ouma




National Sub-County Accountant

**Name: Justus Mutua
ICPAK M/No: 12228**



Chairman NG-CDF Committee

Name: Josephine Owino

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

16. Budget Execution by Sectors and Projects for The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,825,360	1,627,489	-	7,452,849	4,320,721	3,132,128
1.2 Committee allowances	1,764,000	-	-	1,764,000	1,721,000	43,000
1.3 Use of goods and services	3,177,157	5,000,000	128	8,177,285	6,323,457	1,853,828
Sub-total	10,766,517	6,627,489	128	17,394,134	12,364,898	5,029,236
2.0 Monitoring and evaluation						
2.1 Capacity building	2,816,000	3,086,132	-	5,902,132	5,668,320	233,812
2.2 Committee allowances	2,126,000	2,114,888	3,400,000	7,640,888	7,166,800	474,088
2.3 Use of goods and services	441,259	17	1,600,000	2,041,276	1,988,770	52,506
Sub-total	5,383,259	5,201,037	5,000,000	15,584,296	14,823,890	760,406
3.0 Emergency						
Centremax Ventures Limited	1,000,000	2,240,328	-	3,240,328	2,456,897	783,431
Cdt 2%	-	43,103	-	43,103	43,103	-
Equity Bank	-	3,243,103	-	3,243,103	3,243,103	-
Cdt	-	56,897	-	56,897	56,897	-
unutilized	8,444,313	0	0	8,444,313	1,450,000	6,994,313
Sub-total	9,444,313	5,583,431	-	15,027,744	7,250,000	7,777,744
3.1 Primary Schools						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
4.0 Bursary and Social Security	-	-	-	-	-	-
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	51,276,782	702,724		51,979,506	47,903,000	4,076,506
4.3 Tertiary Institutions	20,000,000	10,229,793		30,229,793	28,268,000	1,961,793
4.4 Special needs	500,000	500,000.00		1,000,000	30,000	970,000
4.4 Universities						
4.5 Social Security						
Sub-total	71,776,782	11,432,517	-	83,209,299	76,201,000	7,008,299
5.0 Climate Change Mitigation	-	-	-	-	-	-
5.1	4,680,000	3,000,000	834,736	8,514,736	7,909,894	604,842
5.2	-	-	-	-	-	-
Sub-total	4,680,000	3,000,000	834,736	8,514,736	7,909,894	604,842
6.0 Primary Schools Projects (List all the Projects)	-	-	-	-	-	-
6.1. Mihango Primary School	11,482,000	1,466	-	11,483,466		11,483,466
6.2 Maua Primary School	11,482,000	3,081	-	11,485,081	800,973	10,684,108
6.3 Donholm Primary School	700,000	4,274	-	704,274	700,000	4,274
6.4 Gikabu Mwangaza Primary School	4,400,000	785,424	-	5,185,424		5,185,424

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
6.5 Maua Primary School	11,482,000	1,466	-	11,483,466		11,483,466
6.6 Embakasi Primary School	11,482,000	3,081	-	11,485,081	800,973	10,684,108
6.7 Mihango Primary School	800,000	4,274	536,319	1,340,593	800,000	540,593
6.8 Embakasi primary school	4,400,000	785,424	-	5,185,424		5,185,424
6.9 Fagilia Primary School	826,404	-	-	826,404	-	826,404
6.11 Embakasi Primary School	858,420	7,218,392	-	8,076,812		8,076,812
6.12 Edelvele Primary School	858,419	-	-	858,419		858,419
6.13 Maua Primary School	-	3,137,902	1,422,098	4,560,000	4,560,000	(0)
6.14 Donholm primary school	-		18,285,284	18,285,284		18,285,284
6.15 Donholm primary school-Toilets	-	364,840	227,527	592,367		592,367
6.16 Maua primary school	-	1,617,810	1,000,000	2,617,810	1,617,171	1,000,639
6.17 Embakasi Primary Shool	-	-	436,864	436,864		436,864
6.18 Tassia Primary School	-	-	15,000,000	15,000,000	-	15,000,000
6.19 Eldevale Primary School	-	-	12,500,000	12,500,000	-	12,500,000
6.20 Maua Primary School	-	-	20,000,000	20,000,000	-	20,000,000
6.21 Donholm primary school	-	-	11,323,529	11,323,529	6,169,857	5,153,672
6.22 Edelvele Primary School	-	-	1,652,520	1,652,520		1,652,520
6.23 Embakasi Garrison pmc	-	-	5,101,003	5,101,003		5,101,003
6.24 Utawala Academy pmc	-	-	65,000	65,000		65,000
6.25 Embakasi East Primary School Desks Pmc	1,000,000	-	3,560,000	4,560,000	4,560,000	-
Sub-total	31,707,243	20,798,171	95,670,143	148,175,557	28,756,435	119,419,122

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.0 Secondary Schools Projects (List all the Projects)						
7.1 Donholm Secondary School	27,694,156	26,416,775.00	-	54,110,931	24,421,633	29,689,298
7.2 Donholm Secondary School	858,419	-	-	858,419		858,419
7.3 Tassia Mabatini Sec School	-	-	25,285,284	25,285,284		25,285,284
7.4 Donholm Sec School	-	-	463,683	463,683		463,683
7.5 Utawala Secondary School	-	22,250.00	17,444	39,694		39,694
7.6 Mihango Secondary School	-	86,071.00	15,000,000	15,086,071		15,086,071
Sub-total	28,552,575	26,525,096	40,766,410	95,844,081	24,421,633	71,422,448
8.0 Tertiary institutions Projects (List all the Projects)						
8.1 Embakasi East TVET	-	-	10,000,000	10,000,000	-	10,000,000
Sub-total	-	-	10,000,000	10,000,000	-	10,000,000
9.0 Security Projects						
9.1 Dci Office Embakasi Police Post	2,300,000	426,055	-	2,726,055	-	2,726,055
9.2 Mihango Police Station	10,000,000	-	-	10,000,000	-	10,000,000
9.3 Utawala Chiefs Office	2,541,116	-	-	2,541,116	-	2,541,116
9.4 Tassia Police Post	858,420	-	-	858,420	-	858,420
9.5 Embakasi Police Post	858,420	-	-	858,420	-	858,420
9.6 Embakasi ward Security high Mast.	-	103,758	-	103,758	-	103,758
9.7 Lower savannah Security high Mast.	-	3,568	-	3,568	-	3,568
9.8 Upper savannah Security high Mast.	-	103,757	-	103,757	-	103,757
9.9 Mihango ward Security high Mast.	-	103,757	-	103,757	-	103,757
Sub-total	16,557,956	740,895	-	17,298,851	-	17,298,851

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	674,000	52,570	-	726,570		726,570
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-
Sub-total	674,000	52,570	-	726,570	-	726,570
11.0 Digital Hubs						
	-	-	-	-	-	-
Sub total						
12.0 Others						
12.1 Strategic Plan		50,000.00	-	50,000		50,000
12.2						
Sub total	-	50,000	-	50,000	-	50,000
13.0 Funds pending approval**						
13.1 Unapproved projects		50,000		50,000		50,000
13.2 AIA	-			-		-
Sub-total	-	50,000	-	50,000	-	50,000
Total	179,542,644	80,061,206	152,271,416	411,875,267	171,727,750	240,147,517

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Embakasi East Constituency principal activity is equitable Socio-economic development countrywide.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Embakasi East has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Embakasi East has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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

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

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i>

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	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 25 June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	FY2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,542,644
Total	179,542,644

7. Transfers from domestic and foreign partners

Description	FY 2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

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10. Employees cost

	<i>FY 2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,788,361
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,022,344
Employer Contributions Compulsory national social security schemes	411,900
Employer Contributions Compulsory Housing levy	115,380
Employer contributions to National Industrial Training Authority	4,800
Other Specify	-
Total	5,342,785

11. Committee Expenses

	<i>FY 2024/2025</i>
	Kshs
Sitting allowance	1,121,000
Other Committee expenses	7,166,800
Total	8,287,800

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12. Use of Goods and services

	<i>FY 2024/2025</i>
	Kshs
Utilities, supplies and services	69,443
Communication, supplies and services	286,000
Domestic travel and subsistence	600,000
Printing, advertising and information supplies & services	4,024,800
Office Rent	1,988,770
Training expenses	5,668,320
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,884,720
Fuel, oil & lubricants	-
Bank charges	58,774
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	14,580,547

13. Other Government Units Actual expenditure

Description	<i>FY 2024/2025</i>
	Kshs
Primary Schools Actual expenditure	29,476,418
Secondary Schools Actual expenditure	26,361,294
Tertiary Institutions Actual expenditure	-
Total	55,837,712

14. Other Grants and transfers Actual expenditure

	<i>FY 2024/2025</i>
	Kshs
Bursary – secondary schools	47,903,000
Bursary – tertiary institutions	28,268,000
Bursary – special schools	30,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	7,909,894
Emergency projects Actual expenditure	7,250,000
Roads projects Actual expenditure	-
Others specify	-
Total	91,360,894

15. Depreciation and Amortization Expenses

Description	<i>FY 2024/2025</i>
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	<i>FY 2024/2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others	-
Total	-

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17. Gain/loss on Sale of Assets

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

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

18. Impairment Loss

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(no financial instruments were impaired)</i>	-
Total Impairment Loss	-

there were no assets impairment loss

19. Cash and Cash Equivalents

Name Of Bank and Account No.	FY 2024/2025	Opening Statement 1 July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	81,536,479	35,814,625
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	1,775,886	-
<i>Name of Bank, account No. (PMC accounts)</i>	68,961,544	44,319,040
Total	152,273,889	80,133,666
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	FY 2024/2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	87,946,087		152,271,416	
Outstanding imprest	-		-	
Total	87,946,087		152,271,416	
Ageing Analysis- Receivables from non-exchange transactions	<i>FY</i> 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

Description	FY 2024/2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-

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Valuation

Equipment's were not valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

22 b) Property, Plant and Equipment at Cost

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

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	273,000	-	273,000
Heritage and cultural assets	2,340,479	-	2,340,479
Office Equipment, Furniture, And Fittings	697,430	-	697,430
Total	3,310,909	-	3,310,909

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	273,000	-
Heritage and cultural assets	2,340,479	-
Office Equipment, Furniture and Fittings	697,430	-
Total	3,310,909	-

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

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26. Trade and Other Payables

Description	FY 2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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27. Third-Party deposits

	<i>FY 2024/2025</i>
	KShs
Retention as at 1 st July 2024 (A)	-
Retention held during the year (B)	2,659,644
Retention paid during the Year (C)	-
Closing Retention as at 30th June 2025 D= A+B-C	2,659,644

Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Less than 1 year	2,659,644	%	-	%
1-2 years	0	%	-	%
2-3 years	0	%	-	%
Over 3 years	0	%	-	%
Total	2,659,644		-	

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	FY 2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July 2024	753,522
Gratuity held during the year	1,022,344
Gratuity paid during the year	-
Total Gratuity Provision 30th June 2025 (A+B-C)	1,775,866.

30. Cash Generated from Operations

	<i>FY 2024/2025</i>
	Kshs
Surplus/Deficit for the year	4,132,906
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(64,325,329)
Changes in Third party deposits	(2,659,644)
Changes in gratuity provision	(1,022,344)
Increase/decrease in payables	-
Net cash flow from operating activities	72,140,223

31. Financial Risk Management

The Embakasi East activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Embakasi East overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. Embakasi East NG-CDF does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. Embakasi East NG-CDF financial risk management objectives and policies are detailed below:

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i) Credit risk

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

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing Embakasi East NG-CDF maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	118,602,732	-	-
Bank balances	-	-	-	-
Total	-	118,602,732	-	-
As at 30 June (Previous FY)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	152,271,416	-	-
Bank balances	-	-	-	-
Total	-	152,271,416	-	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that Embakasi East NG-CDF has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Embakasi East NG-CDF has significant concentration of credit risk on amounts due from none. The board of directors sets Embakasi East NG-CDF credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,775,866	-
Total	-	-	1,775,866	-
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	753,522	-
Total	-	-	753,522	-

iii) Market risk

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

a) Foreign currency risk

Embakasi East NG-CDF has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. Embakasi East NG-CDF manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of Embakasi East NG-CDF foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

The following table demonstrates the effect on Embakasi East NG-CDF statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that Embakasi East NG-CDF financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on Embakasi East NG-CDF deposits.

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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

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

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/ (Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,121,000	1,058,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	243,867,973	204,994,698
Total	244,988,973	206,052,698

33. Segment Information

There was no segmental information of each geographic region or department in Embakasi East NG-CDF

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

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Contingent Liabilities

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against Embakasi East	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and contracted for	-	-
Total	-	-

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	697,430	-	-	697,430
ICT Equipment and Other ICT Assets	273,000	-	-	273,000
Other Machinery and Equipment				
Heritage and cultural assets	2,340,479	-	-	2,340,479
Total	3,310,909	-	-	3,310,909

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Annex 2 –PMC Bank Balances as at 30th June 2025

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Edelvale Pri Re-roofing 12 Classes pmc	Equity	0820280987080	639	1,617,810
Embakasi Garrison pmc	Equity	0820280850644	1,528,756	7,217,190
Donholm sec Sch Tuition Block pmc	Equity	0820280998871	1,995,142	26,416,775
Mihango sec sch laboratory pmc	Equity	0820280981064	84,864	84,864
mihango sec sch Toilet block pmc	Equity	0820280981088	592	592
Donholm Primary sch pmc	Equity	0820282788352	26,704,274	4,274
Utawala Academy pmc	Equity	1790282775346	447,503	447,503
Gikabu mwangaza pri sch pmc	Equity	0820282733357	484,912	785,424
Embakasi DCI Police Post	Equity	0820279829224	2,726,055	426,055
Embakasi east water tanks PMC	Equity	0820280204442	22,495	72,460
Embakasi East Primary School Desks Pmc	Equity	0820279644399	289	289
Maua Primary School Project	Equity	1790278928152	20,028,512	3,081
Mihango Primary School Project	Equity	0820278988469	1,466	1,466
Embakasi Primary School-Pmc	Equity	0820280199450	12,372,064	7,218,392
Utawala Secondary School Bus Pmc	Equity	0820280560592	22,250	22,250
Mihango Secondary School Bus Pmc	Equity	0820280208850	615	615
Utawala Chiefs Office	Equity	0820280932669	2,541,116	-
Total			68,961,544	44,319,040

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF-EMBAKASI EAST/2023/2024/ (13) dated 21 ST JAN 2025	Unconfirmed PMC Bank Balances	The unutilized funds in pmc accounts after completion of project has been returned to the operations account as advised.	Resolved	Resolved
OAG/NRO/NGCDF-EMBAKASI EAST/2023/2024/ (13) dated 21 ST JAN 2025	Irregularities in procurement of unblocking of sewer line and storm water drainage at Kisumu ndogo and kamola village	The tender opening and evaluation committees were appointed, blank Bill of quantities with engineers estimates attached for review, preliminary and technical evaluation reports attached for review. Tender register updated, minutes, procurement plan professional opinion attached	Resolved	Resolved
OAG/NRO/NGCDF-EMBAKASI EAST/2023/2024/ (13) dated 21 ST JAN 2025	Irregularities in construction of classrooms in donholm primary school	Blank Bill of quantities with engineers estimates attached for review, the contractor is on the process of correcting the defects	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF-EMBAKASI EAST/2023/2024/ (13) dated 21 ST JAN 2025	Lack of schedule of meetings held during the year	Embakasi east constituency held two meeting every month as prescribed in the regulations	Resolved	Resolved
OAG/NRO/NGCDF-EMBAKASI EAST/2023/2024/ (13) dated 21 ST JAN 2025	Budgetary control and performance	The under-expenditure was caused by late disbursement of funds from the NG-CDF Board There was a challenge in implementation of projects in the financial year as the financial bill was delayed thus financial constraints	Resolved	Resolved

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Name: Victor Ouma
Fund Account Manager.

