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*Enhancing Accountability*



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**REPORT**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>29 APR 2025</b>	
DAY: Tuesday	
TABLED BY:	Hon. Julius Nelly, MP On Behalf of L.O.M.
CLERK-AT THE-TABLE:	Benson Irzofu

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**EMBAKASI CENTRAL CONSTITUENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2024**

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



*National Government Constituencies Development Fund (NGCDF)*  
*Embakasi Central Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

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1.

## **Acronyms and Definition of Key Terms**

### **A. Acronyms**

AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management 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
PMC	Project Management Committee
PWD	Persons with Disability
FY	Financial Year

### **B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

*(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

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

### **Mandate**

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

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

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

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

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

**(b) Key Management**

The NGCDF Embakasi Central 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)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Elias Mate
2.	National Sub-County Accountant	Justus Mutua
3.	Chairman NGCDFC	Francis Maina
4.	Member NGCDFC	Nancy Njeri

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Embakasi Central Constituency. The reports and recommendations of ARMC, 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.

**(e) NGCDF Embakasi Central Constituency Headquarters**

P.O. Box 871-00518  
NG-CDF Building/House/Plaza  
Off Spine Road  
Nairobi, KENYA

**(f) NGCDF Embakasi Central Constituency Contacts**

*National Government Constituencies Development Fund (NGCDF)*  
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Telephone: (254) 7-070-030  
E-mail: [cdfembakasicentral@ngcdf.go.ke](mailto:cdfembakasicentral@ngcdf.go.ke)  
Website: [www.cdfembakasicentral.go.ke](http://www.cdfembakasicentral.go.ke)

**(g) NGCDF Embakasi Central Constituency Bankers**

1. Family Bank A/c No. 061000032809  
Kayole Branch  
P.O.Box 74145-0020  
Nairobi

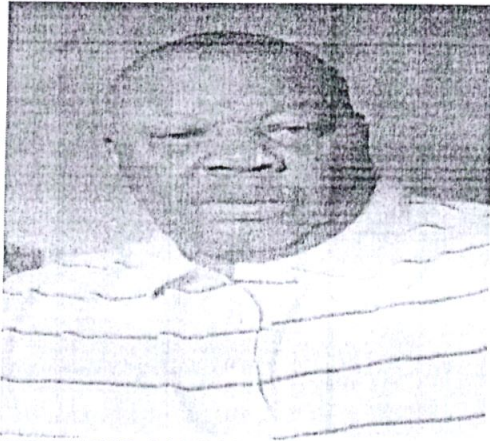
**(h) Independent Auditor**

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

**(i) Principal Legal Adviser**

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

### 3. NG-CDFC Chairman's Report



*FRANCIS MAINA,  
CHAIRPERSON, EMBAKASI CENTRAL NGCDF*

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds.

Total allocation for Embakasi Central NG-CDF for financial year 2023/2024 was **kshs. 247,516,822**. On vote allocation, Embakasi Central NG-CDF allocated Kshs. **69,590,000.00** to bursary. This increase from last year's allocation to bursary vote was necessitated by the high demand for Embakasi Central constituency educates more needy students who would ordinarily miss the chance due to lack of school fees.

The Committee also allocated Primary School projects Kshs. **69,003,173** which helped improve the standards of the schools hence conducive learning environment.

In the financial year 2023/2024 the utilization has gone well in which 56.7 % of the funds allocated to projects has been utilized effectively and has always been carried out with fairness, transparency, openness and accountability.

#### **Key achievements:**

One of the key achievements was construction of a non storey modern kitchen complete with 14 energy saving modern Jikos and serving tables at Komarock South primary and 16No. 1-storey classrooms at Kayole North and Thawabu primary schools.

Of utmost importance is the impact that these classrooms are likely to present considering the population in the constituency.

Embakasi Central NG-CDF has also earned the constituents' trust over time when it comes to bursary issuance which has seen demand grow steadily.

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**Implementation challenges:**

Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time. The delay in implementing of the projects was due to the delayed disbursement for the project funds.


There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Another challenge is the fact that the society is yet to embrace it as a non-political fund. Separation here becomes an uphill task. A negative attitude towards the fund is also another big challenge to the implementers.

During the public participation wards meetings, the members expressed concern on the restrictive nature of the projects procurement citing that most youth have been left out for lack of capital to start up and maintain businesses hence asked the NGCDFC to assist them. This observation showed that there was need to sensitize the public on NGCDF mandate and functions to enhance youth's participation in development.

A lot of sensitization is necessary to change the community's mind set. It has been our core responsibility to educate the general public on the mandate of NGCDF as well as refer those seeking moral and financial support to relevant partners.

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

.....  
  
**Name: Francis Maina**  
**Chairman NGCDF Committee**

#### 4. Statement of Performance Against Predetermined Objectives for FY 2023/2024

##### 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 Central Constituency 2023-2028** plan are to:

- i. Improve access to quality education
- ii. Harness youth talent and empower them
- iii. Cater for any unforeseen occurrences in the constituency
- iv. Promote environmental sustainability in the constituency
- v. Enhance security in the constituency
- vi. Improve tracking of implementation of NG-CDF programmes
- vii. Promote performance management and smooth running of NG-CDF office

##### Progress on the attainment of Strategic development objectives

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

Constituency 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	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 23-24 -we increased number of classrooms by 16 classrooms at Kayole North and Thawabu Primary schools. Bursary beneficiaries at all

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		and tertiary institutions		levels were 10,000 students
Security	To improve security within the Constituency	Create, promote and sustain community policing programs in the constituency; profile crime trends to determine the status of security in the constituency, and in consultation with stakeholders,	Prioritize locations for the police posts/ security installations; and establish more and sufficiently equipped and staffed security installations with sufficient manpower and mobility.	In FY 23/24- Embakasi central did not allocate any funds to security projects but was projected to be done F/Y 2024/202.
Environment	Accessibility to conducive learning environment	Provide solar energy to ensure sustainable natural energy sources	Increase in conducive learning environment	Installation of High Masts which are 100% solar powered minimize electricity usage at Thawabu Primary School
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports kits, equipment and trophies.	Sports Projects were not implemented
Emergency	Develop an emergency response system that will be in operation during emergencies	Reduce loss of lives and properties	Number of emergency cases solved	Put emergency equipment's in place. Have economically empowered constituents

## **5. Governance Statement**

### **Background**

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

### **Appointment of NGCDFC**

The NGCDF Regulation 2016 on appointment of NGCDFC members states; The members of a

Constituency Committee provided for Appointment of under section 43 of the Act shall be

selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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- (2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.
- (3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.
- (4) The selection panel referred to in paragraph (1) shall consist of—
- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
  - the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
  - Two persons, one of either gender, nominated by the Constituency office.
- (5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.
- (6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act
- (7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.
- (8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.
- (9) The Board shall, in writing, request the clerk of the National Assembly to notify the

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Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

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

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

1952 Kenya Subsidiary Legislation, 2016

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

**Process**

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency.

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

S/N	Name	Category representation	Ward
1.	Patrick Maina Muthoni	Male (Adult)	Kayole North
2.	Boas Ochieng	Male (Youth)	Kayole South
3.	Nancy Njeri Kiragu	Female (Adult)	Kayole North
4.	MaryAnn Wanjiku Kabui	Female (Youth)	Komarock

**Nominee of the body representing persons with disability**

S/N	Name	Nature of physical Impairment	Ward

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1.	Francis Maina Mwangi	Right leg Hip Replacement	Embakasi Central Special intrests disabled group
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**Nominee of the constituency Office**

S/N	Name	Category	Ward
1	Peter Mwangi Njoroge	Male representative	Komarock
2	Christine Minae Muhando	Female Representative	Matopeni

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

S/N	Name	Gender	Ward
1.	Francis Mwai	Male	Komarock

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

1. Chairperson position – Francis Maina Mwangi
2. Secretary position – Nancy Njeri Kiragu

The board presented the names of the above selected members to the national assembly for approval. The members were approved and gazetted through gazette number 180 Vol.-CXXIV on 9th December 2022.

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

**Roles and functions of NG-CDFC**

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.

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

#### **Removal of NG-CDFC Members**

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

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

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

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has not found any member to have contravened the laid down regulations and law to warrant removal.

**Training of NG-CDFC Members**

In the financial year 2023/2024 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 12<sup>th</sup> -18<sup>th</sup> March 2023. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Embakasi Central.

**Number of meetings held**

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. 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.

During the financial year 2023/2024 Embakasi Central NGCDFC held fourteen meetings and two subcommittee meetings and the attendance was as follows

NO.	NG-CDFC COMMITTEE MEMBERS	July 6th 2023	Aug 8th 2023	Sep 5th 2023	Sep 18 <sup>th</sup> 2023	Oct 23rd 2023	Nov 2rd 2023	Dec 9th 2023	Jan 16th 2024	Jan 22th 2024	Feb 9th 2024	March 19 <sup>th</sup> 2024	Apr 8th 2024	April 26th 2024	MAY 7th 2024	MAY 23rd 2024	JUNE 10th 2024	June 24th 2024
	Francis Maina Mwangi chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Nancy Njeri Kiragu Secretary	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Patrick Maina Muthoni	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Boas Ochieng	✓	✓		✓		✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
	Francis Mwai	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Peter Mwangi Njoroge	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Njoroge																			
7	Christine Minae Muhando	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	MaryAnn Wanjiku Kabui	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Elias mate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	FAM													✓				✓	
10	Jacob Mwaura DCC	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				

**Ethics & conduct**

Members of NGCDFC are required to observe the following ethical issues;

- Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless Institution required by law.
- 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.
- Leadership- NGCDFC members should promote leadership in the constituency.
- During the financial year 2023/2024 members of NGCDFC Embakasi Central adhered to the above ethical issues.

**Member’s 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.

**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 2023/2024 no member of NGCDFC Embakasi Central contravened conflict of interest policy.

### **Risk management**

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Embakasi Central has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

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## **6. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile -**

To ensure sustainability of Embakasi Central NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

## **2. Environmental performance**

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

## **3. Employee welfare**

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

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

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

#### **4. Market place practices-**

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

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

NGCDF has put in efforts to ensure:

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

## **5. Community Engagements-**

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

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

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

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

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

#### **Public Awareness**

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

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

  
.....  
**Name: Elias Mate**  
**Fund Account Manager.**

## **7. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF-Embakasi Central Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Embakasi Central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Embakasi Central 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 Central Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency 's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Embakasi Central Constituency financial statements were approved and signed by the Accounting Officer on 31<sup>st</sup> December 2024.

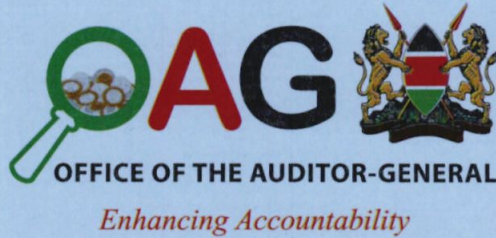


.....  
**Name: Francis Maina**  
**Chairman – NGCDF Committee**



.....  
**Name: Elias Mate**  
**Fund Account Manager**

# REPUBLIC OF KENYA



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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2024

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### 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 Central Constituency set out on pages 29

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*Report of the Auditor-General on National Government Constituencies Development Fund – Embakasi Central Constituency for the year ended 30 June, 2024*

to 70, which comprise the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Embakasi Central Constituency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Project Management Committees balances**

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs.2,464,191. However, the cashbooks and bank reconciliation statements for the individual PMC accounts were not provided for audit. Further, the unutilized amount was not return to the Constituency account at end of the year.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.43,017,708 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 Central 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 summary statement of appropriation reflects a final revenue budget of Kshs.331,438,601 against actual receipt of Kshs.226,457,066 resulting to budget under funding of Kshs.104,981,535 or approximately 32% of the budgeted funds. Further, the statement reflects actual expenditure Kshs.187,784,358 against actual receipts of Kshs.226,457,066 resulting to under-utilization of Kshs.38,672,708 or approximately 17% of the actual receipts.

The under-funding and under-utilization of the budget affected the ability to implement planned projects and impacted negatively to service delivery to the residents of Embakasi Central Constituency.

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 matter 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 Audit Matters**

In the audit report for the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or provided explanation for failure to resolve the issues.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxii which comprise of Key Entity Information and Management, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and 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 Central financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

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

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

## **Basis for Conclusion**

### **1. Unsupported Composition of NGCDF Committee**

During audit review, it was noted that the Fund did not provide for audit the gazette notice of the Fund Committee members. The list of the Committee members, composition of the Fund Committee, qualification of the Committee members and approved letters of appointment were also not provided. It was therefore not possible to confirm the composition of the Board Committee in Embakasi Central Constituency.

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

### **2. Failure to Constitute a Bursary Committee**

The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers amount totalling Kshs.100,654,139. Included in the total expenditure is Kshs.80,196,963 which relates to bursaries in respect of secondary schools and tertiary institutions. However, the following anomalies were observed: -

- i. Management did not provide evidence of formation of the Education bursary, Mock examinations and Continuous assessment tests committees whose core mandate is vetting of applicants.
- ii. Examination of a sample of the application forms revealed that all the forms had no evidence of vetting by the Education bursary, Mock examinations and Continuous assessment tests Committees.
- iii. The Chairman or the Secretary of the Education bursary, Mock examinations and Continuous assessment tests committees did not sign the application form as proof of approval or rejection of the application.
- iv. The minutes of the Education bursary, Mock examinations and Continuous assessment tests committees and the details of the successful applicants were not provided for audit review.

In the circumstances, the disbursement of bursary totalling Kshs.80,196,963 may have been irregular.

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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 IFPP 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**

**31 December, 2024**

*National Government Constituencies Development Fund (NGCDF)  
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Annual Report and Financial Statements for The Year Ended June 30, 2024*

**9. Statement of Receipts and Payments for the Year Ended 30th June 2024**

	Note	2023/2024	2022-2023
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	198,548,559	91,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	102,460
<b>TOTAL RECEIPTS</b>		<b>198,548,559</b>	<b>91,102,460</b>
<b>PAYMENTS</b>			
Compensation of employees	4	6,227,584	2,365,129
Committee expenses	5	3,362,500	2,584,500
Use of goods and services	6	7,900,245	6,845,457
Transfers to Other Government Units	7	64,271,390	-
Other grants and transfers	8	100,654,139	56,686,830
Acquisition of Assets	9	1,920,000	2,072,500
Other Payments	10	3,448,500	-
<b>TOTAL PAYMENTS</b>		<b>187,784,358</b>	<b>70,554,416</b>
<b>SURPLUS/DEFICIT</b>		<b>10,764,202</b>	<b>20,548,043</b>

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

The Constituency financial statements were approved by the NGCDFC on 31<sup>st</sup> December

2024 and signed by:

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee  
Name: Francis Maina



\_\_\_\_\_  
Fund Accountant Manager  
Name: Elias Mate

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

10.

*National Government Constituencies Development Fund (NGCDF)*  
*Embakasi Central Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

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**8. Report of the Independent Auditors on the NGCDF- Embakasi Central  
Constituency**

*National Government Constituencies Development Fund (NGCDF)  
Embakasi Central Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024*

**9. Statement of Receipts and Payments for the Year Ended 30th June 2024**

	Note	2023/2024	2022-2023
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	198,548,559	91,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	102,460
<b>TOTAL RECEIPTS</b>		<b>198,548,559</b>	<b>91,102,460</b>
<b>PAYMENTS</b>			
Compensation of employees	4	6,227,584	2,365,129
Committee expenses	5	3,362,500	2,584,500
Use of goods and services	6	7,900,245	6,845,457
Transfers to Other Government Units	7	64,271,390	-
Other grants and transfers	8	100,654,139	56,686,830
Acquisition of Assets	9	1,920,000	2,072,500
Other Payments	10	3,448,500	-
<b>TOTAL PAYMENTS</b>		<b>187,784,358</b>	<b>70,554,416</b>
<b>SURPLUS/DEFICIT</b>		<b>10,764,202</b>	<b>20,548,043</b>

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

The Constituency financial statements were approved by the NGCDFC on 31<sup>st</sup> December

2024 and signed by:

*NA*

Chairman NG-CDF  
Committee  
Name: Francis Maina

Fund Accountant Manager  
Name: Elias Mate



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

10.

*National Government Constituencies Development Fund (NGCDF)  
Embakasi Central Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024*

**Statement of Assets and Liabilities as at 30th June, 2024**

	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	11A	43,017,708	27,908,506
Cash Balances (cash at hand)	11B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>43,017,708</b>	<b>27,908,506</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12	-	-
<b>TOTAL FINANCIAL ASSETS (A)</b>		<b>43,017,708</b>	<b>27,908,506</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	13	-	-
Gratuity	14	-	-
<b>Total Financial Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets (A-B)</b>		<b>43,017,708</b>	<b>27,908,506</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	15	27,908,506	5,737,830
Prior year adjustments	16	4,345,000	1,622,633
Surplus/Deficit for the year		10,764,202	20,548,043
<b>NET FINANCIAL POSITION</b>		<b>43,017,708</b>	<b>27,908,506</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 31<sup>st</sup> December 2024 and signed by:

.....  
Chairman NG-CDF  
Committee  
Name: Francis Maina

.....  
Fund Accountant Manager  
Name: Elias Mate

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

11.

*National Government Constituencies Development Fund (NGCDF)*  
*Embakasi Central Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

**Statement Of Cash Flows for the Year Ended 30th June 2024**

	Notes	2023/2024	2022-2023
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	198,548,559	91,000,000
Other Receipts	3	-	102,460-
<b>Total Receipts</b>		<b>198,548,559</b>	<b>91,102,460</b>
<b>Payments</b>			
Compensation of Employees	4	6,227,584	2,365,129
Committee expenses	5	3,362,500	2,584,500
Use of goods and services	6	7,900,245	6,845,457
Transfers to Other Government Units	7	64,271,390	-
Other grants and transfers	8	100,654,139	56,686,830
Other Payments	10	3,448,500	-
<b>Total Payments</b>		<b>185,864,358</b>	<b>68,481,916</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	4,345,000	1,622,633
<b>Net Adjustments</b>		<b>4,345,000</b>	<b>1,622,633</b>
<b>Net cash flow from operating activities</b>		<b>17,029,202</b>	<b>24,243,176</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,920,000)	(2,072,500)
<b>Net cash flows from Investing Activities</b>		<b>(1,920,000)</b>	<b>(2,072,500)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>15,109,202</b>	<b>22,170,676</b>
Cash and cash equivalent at BEGINNING of the year	11	27,908,506	5,737,830
Cash and cash equivalent at END of the year		43,017,708	27,908,506

*National Government Constituencies Development Fund (NGCDF)  
Embakasi Central Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024*

**12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2024**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2023-2024	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2023/2024	2023/2024		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	247,516,822.00	27,908,506.46	56,013,273.01	331,438,601.47	226,457,065.71	104,981,535.76	
Proceeds From Sale of Assets							
Other Receipts				-	-	-	0.0%
<b>Totals</b>	<b>247,516,822.00</b>	<b>27,908,506.46</b>	<b>56,013,273.01</b>	<b>331,438,601.47</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Payments</b>					<b>226,457,065.71</b>	<b>104,981,535.76</b>	<b>68.3%</b>
Compensation of Employees	5,284,292.00	2,482,534.00		7,766,826.00	6,227,584.00	1,539,242.00	80.2%
Committee Expenses	1,848,000.00	1,517,081.00		3,365,081.00	3,362,500.00	2,581.00	
Use of Goods and Services	8,650,270.00	(352,961.32)		8,297,308.68	7,900,244.70	397,063.98	95.2%
Transfers to Other Government Units	69,008,173.00	486,726.99	51,703,909.01	121,198,809.00	64,271,390.00	56,927,419.00	53.0%
Other Grants and Transfers	82,734,041.00	16,197,593.79	4,309,364.00	103,240,998.79	100,654,139.02	2,586,859.77	97.5%
Acquisition of Assets	4,000,000.00	1,928,300.00		5,928,300.00	1,920,000.00	4,008,300.00	32.4%
Other Payments		3,580,000.00		3,580,000.00	3,448,500.00	131,500.00	96.3%
Funds Pending Approval**	75,992,046.00	2,069,232.00		78,061,278.00			
<b>Totals</b>	<b>247,516,822.00</b>	<b>27,908,506.46</b>	<b>56,013,273.01</b>	<b>331,438,601.47</b>	<b>187,784,357.72</b>	<b>143,654,243.75</b>	<b>56.7%</b>

(a) Ksh 104,981,535.76 was an amount that had not been received from NGCDF Board as 30th June 2024.

(b) The funds received relating to the financial year 2023/2024 was appropriated to bursary therefore most infrastructure projects were not initiated as at 30<sup>th</sup> June 2024.

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<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	143,654,243.75
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2024	104,981,535.76
	38,672,707.99
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	4,345,000.00
<b>Cash and Cash Equivalents at the end of the 30<sup>th</sup> June 2024</b>	<b>43,017,707.99</b>

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13. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2024

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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	5,284,292.00	2,482,534.00		7,766,826.00	6,227,584.00	1,539,242.00
1.2 Committee allowances	1,128,000.00	201,762.00		1,329,762.00	1,329,000.00	762.00
1.3 Use of goods and services	4,109,416.00	(355,054.69)		3,754,361.31	3,548,319.70	206,041.61
<b>Sub-total</b>	<b>10,521,708.00</b>	<b>2,329,241.31</b>	<b>-</b>	<b>12,850,949.31</b>	<b>11,104,903.70</b>	<b>1,746,045.61</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,780,000.00	1,965.00		2,781,965.00	2,754,925.00	27,040.00
2.2 Committee allowances	720,000.00	1,315,319.00		2,035,319.00	2,033,500.00	1,819.00
2.3 Use of goods and services	1,760,854.00	128.37		1,760,982.37	1,597,000.00	163,982.37
<b>Sub-total</b>	<b>5,260,854.00</b>	<b>1,317,412.37</b>	<b>-</b>	<b>6,578,266.37</b>	<b>6,385,425.00</b>	<b>192,841.37</b>
<b>3.0 Constituency Oversight Committee (Itemize as per budget)</b>						
3.1						

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<b>4.0 Emergency</b>						
4.1 Primary Schools	9,229,569.00	7,727,607.00		16,957,176.00	16,957,176.00	-
4.2 Secondary schools				-		-
4.3 Tertiary institutions				-		-
4.4 Security projects				-		-
<b>Sub-total</b>	<b>9,229,569.00</b>	<b>7,727,607.00</b>	<b>-</b>	<b>16,957,176.00</b>	<b>16,957,176.00</b>	<b>-</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools						
5.2 Secondary Schools	43,290,000.00	3,141,602.00	4,309,364.00	50,740,966.00	50,578,000.00	162,966.00
5.3 Tertiary Institutions	26,000,000.00	3,886,665.00		29,886,665.00	29,618,963.02	267,701.98
5.4 Universities	300,000.00	590,024.79		890,024.79		890,024.79
5.5 Education Support Programmes						
5.6 Social Security						
<b>Sub-total</b>	<b>69,590,000.00</b>	<b>7,618,291.79</b>	<b>4,309,364.00</b>	<b>81,517,655.79</b>	<b>80,196,963.02</b>	<b>1,320,692.77</b>
<b>6.0 Sports</b>						
6.1		43,807.00		43,807.00		43,807.00
6.2				-		-
<b>Sub-total</b>		<b>43,807.00</b>	<b>-</b>	<b>43,807.00</b>	<b>-</b>	<b>43,807.00</b>
<b>7.0 Environment/Climate mitigation</b>						
Environment		305,496.00		305,496.00		305,496.00
Thawabu Primary School	100,000.00			100,000.00		100,000.00
Kayole 1 Primary School	100,000.00			100,000.00		100,000.00
Komarock South Primary School	100,000.00			100,000.00		100,000.00
Kayole North Primary School	100,000.00			100,000.00		100,000.00

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Thawabu Primary School	3,514,472.00			3,514,472.00	3,500,000.00	14,472.00
<b>Sub-total</b>	<b>3,914,472.00</b>	<b>305,496.00</b>		<b>4,219,968.00</b>	<b>3,500,000.00</b>	<b>719,968.00</b>
<b>8.0 Primary Schools Projects (List all the Projects)</b>						
The Komarock School	3,700,000.00			3,700,000.00		3,700,000.00
Kayole North Primary School	7,000,000.00			7,000,000.00		7,000,000.00
Kayole 1 Primary School	7,000,000.00			7,000,000.00		7,000,000.00
Kayole North Primary School	3,487,200.00			3,487,200.00		3,487,200.00
Komarock Primary School	4,900,000.00			4,900,000.00		4,900,000.00
Mwangaza Primary School	4,900,000.00			4,900,000.00		4,900,000.00
Kayole North Primary School	9,738,719.00			9,738,719.00		9,738,719.00
Komarock Primary School	4,900,000.00			4,900,000.00		4,900,000.00
Bondeni Primary School	4,900,000.00			4,900,000.00		4,900,000.00
Komarock South Primary School	18,482,254.00		15,690,636.00	34,172,890.00	31,489,490.00	2,683,400.00
Thawabu Primary School		486,726.99	17,763,273.01	18,250,000.00	16,242,900.00	2,007,100.00
Kayole North Primary School			18,250,000.00	18,250,000.00	16,539,000.00	1,711,000.00
<b>Sub-total</b>	<b>69,008,173.00</b>	<b>486,726.99</b>	<b>51,703,909.01</b>	<b>121,198,809.00</b>	<b>64,271,390.00</b>	<b>56,927,419.00</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
9.1						
9.2						
<b>Sub-total</b>						
<b>10.0 Tertiary institutions</b>						

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Projects (List all the Projects)						
10.1						
10.2						
10.3						
<b>Sub-total</b>						
<b>11.0 Security Projects</b>						
11.1 Kayole chiefs camp		1,017.00		1,017.00		1,017.00
11.2 Deputy county commissioners office		501,375.00		501,375.00		501,375.00
11.3				-		-
<b>Sub-total</b>		-	502,392.00	-	502,392.00	-
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)						
12.2 Construction of CDF office	4,000,000.00			4,000,000.00		4,000,000.00
12.3 Purchase of furniture and equipment		1,928,300.00		1,928,300.00	1,920,000.00	8,300.00
12.4 Purchase of computers				-		-
12.5 Purchase of land				-		-
<b>Sub-total</b>	4,000,000.00	1,928,300.00		5,928,300.00	1,920,000.00	4,008,300.00
<b>13.0 Others</b>						
13.1 Strategic Plan		3,580,000.00		3,580,000.00	3,448,500.00	131,500.00
13.2 Innovation Hub						
13.2						
Funds pending approval**	75,992,046.00	2,069,232.00		78,061,278.00		78,061,278.00
<b>Sub-total</b>	75,992,046.00	2,069,232.00		78,061,278.00		78,061,278.00
<b>Total</b>	247,516,822.00	27,908,506.46	56,013,273.01	331,438,601.47	187,784,357.72	143,654,243.75

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*(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12*

## **14. Significant Accounting Policies**

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

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

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- Receivables that include imprests
- Payables that include gratuity and retentions.

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Recognition of Receipts**

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

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

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

#### **b. Proceeds from the Sale of Assets**

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

**c. Other receipts**

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

**d. Unutilized Funds from PMCs.**

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

**e. External Assistance**

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

**5. Recognition of payments**

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

**a) Compensation of Employees**

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

**b) Use of Goods and Services**

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

**c) Acquisition of Fixed Assets**

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

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

**6. In-kind contributions**

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

**7. 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.

**8. Accounts Receivable**

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

**9. Accounts Payable**

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

**10. Pending Bills**

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

**11. Unutilized Fund**

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

**12. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2024 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**13. Comparative Figures**

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

**14. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2024.

**15. Prior Period Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error

occurred before the earliest prior period presented, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**16. Related Party Transactions**

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

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**15. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2023-2024	2022-2023
NGCDF Board	Kshs	Kshs
AIE NO B140805		7,000,000.00
AIE NO B140868		5,000,000.00
AIE NO B105425		21,000,000.00
AIE NO B105973		12,000,000.00
AIE NO B132477		12,000,000.00
AIE NO B128791		18,000,000.00
AIE NO B154391		16,000,000.00
AIE NO B214513	26,778,239.25	
AIE NO 233528	20,000,000.00	
AIE NO B233700	40,000,000.00	
AIE NO B226269	7,309,364.00	
AIE NO B225472	40,000,000.00	
AIE NO B233805	1,925,670.00	
AIE NO B214972	62,535,286.00	
<b>Total</b>	<b>198,548,559.25</b>	<b>91,000,000.00</b>

**2. Proceeds From Sale of Assets**

	2023-2024	2022-2023
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. Other Receipts**

	2023-2024	2022-2023
	Kshs	Kshs
Interest Received	-	-
Rent	-	-

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Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs account	-	-
Other Receipts Not Classified Elsewhere (specify)	-	102,459.63
<b>Total</b>	-	<b>102,459.63</b>

**4. Compensation Of Employees**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	4,698,108	2,295,329
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,334,184	-
Employer Contributions Compulsory national social security schemes	195,292	69,800
Employer Contributions Compulsory Housing levy	-	-
Employer contributions to National Industrial Training Authority	-	-
<b>Total</b>	<b>6,227,584</b>	<b>2,365,129</b>

**5. Committee Expenses**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>A. NG CDFC</b>		
Sitting allowance	1,910,000	520,000
Other committee expenses	1,452,500	2,064,500
<b>Sub total</b>	<b>3,362,500</b>	<b>2,584,500</b>
<b>B. Constituency Oversight Committee</b>		
Allowances	-	-
Other committee expenses	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>3,32,500</b>	<b>2,584,500</b>

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**6. Use of Goods and services**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	434,750	350,239
Communication, supplies and services	896,000	-
Domestic travel and subsistence	1,700,000	
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,054,925	2,145,800
Hospitality supplies and services	1,219,000	-
Insurance costs	-	-
Specialized materials and services	528,000	-
Office and general supplies and services	1,471,854	3,992,500
Fuel, oil & lubricants	-	-
Bank Charges	217,716	356,919
Other operating expenses	104,000	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	274,000	-
Other operating expenses	-	-
<b>Total</b>	<b>7,900,245</b>	<b>6,845,457</b>

**7. Transfer To Other Government Units**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools	64,271,390.00	-
Transfers To Secondary Schools	-	-
Transfers To Tertiary Institutions	-	-
<b>Total</b>	<b>64,271,390.00</b>	<b>-</b>

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**8. Other Grants and Other transfers**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools	50,578,000	36,437,836
Bursary – tertiary institutions	29,618,963	14,487,250
Bursary – special schools	-	-
Bursary- education support programmes	-	
Social Security programmes (NHIF)	-	
Security projects	-	-
Sports projects	-	2,866,500
Environment projects	3,500,000	2,895,244
Emergency projects	16,957,176.00	-
Roads projects	-	-
<b>Total</b>	<b>100,654,139.02</b>	<b>56,686,830</b>

**9. Acquisition Of Assets**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	1,920,000	2,072,500
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>1,920,000</b>	<b>2,072,500</b>

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10. Other Payments

	2023-2024	2022-2023
	Kshs	Kshs
Strategic plan	3,448,500.00	-
ICT Hub	-	-
Others (specify)	-	-
<b>Total</b>	<b>3,448,500.00</b>	<b>-</b>

11. Cash and Cash Equivalents

Name of Bank and Account No.	2023-2024	2022-2023
	Kshs	Kshs
<b>11A: Bank Accounts (Cash Book Bank Balance)</b>		
FAMILY BANK-KAYOLE BRANCH-061000032809	43,017,707.99	27,908,506.46
Operation account pending closure (Indicate name & account no.)	xxx	xxx
Name of Bank, account No. (Deposit)	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>11B: Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
[Provide Cash Count Certificates for Each]		

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**12. Outstanding Imprests**

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

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

**13. Retention**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**Retentions aging analysis.**

	<b>2023-2024</b>	<b>% of the total Retention</b>	<b>2022-2023</b>	<b>% of the total Retention</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

**14. Gratuity**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	xxx

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Gratuity held during the year (B)	-	xxx
Gratuity paid during the Year (C)	1,334,184	xxx
<b>Closing Gratuity as at 30<sup>th</sup> June D= A+B-C</b>	-	<b>xxx</b>

**Gratuity aging analysis**

	<b>2023-2024</b>	<b>% of the total Gratuity</b>	<b>2022-2023</b>	<b>% of the total Gratuity</b>
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total</b>	<b>xxx</b>		<b>xxx</b>	

*The total above should be equal to the Gratuity closing figures)*

**15. Fund Balance B/F**

	<b>(1<sup>st</sup> July 2024-1)</b>	<b>(1<sup>st</sup> July 2024-2)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	27,908,506.46	5,737,830
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>27,908,506.46</b>	<b>5,737,830</b>
<b>Less</b>		
Payables: - Retention	-	-
Payables - Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>27,908,506.46</b>	<b>5,737,830</b>

*[Provide short appropriate explanations as necessary]*

**16. Prior Year Adjustments**

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests	-	-	-
Retentions	-	-	-
Gratuity	-	-	-
Others (Bursary)	1,927,047.00	4,345,000	6,272,047
<b>Total</b>	<b>1,927,047.00</b>	<b>4,345,000</b>	<b>6,272,047</b>

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

**17. Changes In Accounts Receivable – Outstanding Imprests**

	2023-2024	2022-2023
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Closing accounts in account receivables D= A+B-C	-	-
<b>Net changes in accounts Receivables' D - A</b>	<b>-</b>	<b>-</b>

**18. Changes In Accounts Payable – Gratuities and Retentions**

	2023-2024	2022-2023
	KShs	KShs
Gratuities and Retentions as at 1 <sup>st</sup> July (A)	-	-
Gratuities and Retentions held during the year (B)	-	-
Gratuities and Retentions paid during the Year (C)	-	-
Closing account payables D= A+B-C	-	-
<b>Net changes in accounts payables D-A</b>	<b>-</b>	<b>-</b>

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2023-2024	2022-2023
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

Aging Analysis for Pending Accounts Payables

	2023-2024	% of the total	2022-2023	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

19.2: Pending Staff Payables (See Annex 2)

	2023-2024	2022-2023
	Kshs	Kshs
NGCDFC Staff	-	-
Others (specify)	-	-
<b>Total</b>	-	-

Aging Analysis for staff Payables

	2023-2024	% of the total	2022-2023	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

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**19.3: Unutilized Fund (See Annex 3)**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	1,539,242.00	2,482,534
Committee expense	399,644.98	664,120
Use of goods and services	56,927,419.00	56,500,000
Amounts due to other Government entities	2,586,859.77	16,197,594
Amounts due to other grants and other transfers	4,008,300.00	1,928,300
Acquisition of assets	-	500,000
Other Payments (specify)	131,500.00	3,580,000
Funds pending approval	78,061,278.00	2,069,232
<b>Total</b>	<b>143,654,243.75</b>	<b>83,921,780</b>

**19.4: PMC account balances (See Annex 5)**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**19.5 Related Party Transactions**

	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	xxx	xxx
<b>Transaction with the NGCDF Board</b>		
Receipts from the NGCDF Board during the year	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

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16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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

<b>Name of Staff</b>	<b>Designation</b>	<b>Date employed</b>	<b>Outstanding Balance 30<sup>th</sup> June 2024</b>	<b>Comments</b>
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Grand Total</b>				

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**Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Compensation of employees	Staff Gratuity	1,539,242	2,482,534	Gratuity
Use of goods & services	Admin Expenses	399,645	664,120	late disbursement of funds
Amounts due to other Government entities				
The Komarock School	Construction of toilet block	3,700,000.00		late disbursement of funds
Kayole North Primary School	construction of 3 classrooms	7,000,000.00		late disbursement of funds
Kayole 1 Primary School	construction of 3 classrooms	7,000,000.00		late disbursement of funds
Kayole North Primary School	Rehabilitation of the field and drainage system	3,487,200.00		late disbursement of funds
Komarock Primary School	Equiping Science Laboratory	4,900,000.00		late disbursement of funds
Mwangaza Primary School	Equiping Science Laboratory	4,900,000.00		late disbursement of funds
Kayole North Primary School	construction of science Laboratory	9,738,719.00		late disbursement of funds

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Komarock Primary School	Equiping Science Laboratory	4,900,000.00		late disbursement of funds
Bondeni Primary School	Equiping Science Laboratory	4,900,000.00		late disbursement of funds
Komarock South Primary School	construction of kitchen	2,683,400.00	20,000,000	late disbursement of funds
Thawabu Primary School	construction of 8 classrooms	2,007,100.00	18,250,000	late disbursement of funds
Kayole North Primary School	construction of 8 classrooms	1,711,000.00	18,250,000	late disbursement of funds
Sub-Total		<b>56,927,419.00</b>	<b>56,500,000</b>	
Amounts due to other grants and other transfers				
<b>Bursary</b>	bursary	1,320,692.77	7,618,292	late disbursement of funds
<b>Emergency</b>	emerging issues	-	7,727,607	-
<b>sports</b>	sports activities	43,807.00	43,807	Project implemented
<b>Environment</b>	Environmental activities	305,496.00	305,496	late disbursement of funds
<b>climate change</b>	Tree Planting	414,472.00	0	late disbursement of funds
<b>Kayole chiefs camp</b>	Rehabilitation	1,017.00	1,017.00	late disbursement of funds
<b>Deputy county commissioners office</b>	solar mast	501,375.00	501,375.00	late disbursement of

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				funds
Sub-Total				
Acquisition of assets		2,586,859.77	16,197,594	
	Office Furniture	4,008,300.00	1,928,300	late disbursement of funds
Oversight Committee Expenses(itemize)			500,000	
Others (specify)				
Strategic Plan	Strategic plan	131,500.00	3,580,000	Implemented
Sub-Total		131,500.00	3,580,000	
Funds pending approval		78,061,278.00	2,069,232	
<b>Sub-total</b>				
Grand Total		143,654,243.75	83,921,780	

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	58,000,000			58,000,000
Buildings and structures	34,225,737	-		38,225,737
Transport equipment	-			-
Office equipment, furniture and fittings	999,200	1,920,000.00		2,919,200
ICT Equipment, Software and Other ICT Assets	-			-
Other Machinery and Equipment				-
Heritage and cultural assets	-			-
Intangible assets	-			-
<b>Total</b>	<b>93,224,937</b>	<b>1,920,000.00</b>		<b>95,144,937</b>

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**Annex 5 –PMC Bank Balances as at 30<sup>th</sup> June 2024**

PMC	Bank	Account number	Bank Balance 2023-2024	Bank Balance 2022-2023
KOMAROCK PRIMARY SCHOOL PERIMETER	FAMILY BANK	061000038040		544.00
EMBAKASI SUB COUNTY HIGH MAST	FAMILY BANK	061000039538	83,317.00	83,317.00
KAYOLE POLICE STATION HIGH MAST	FAMILY BANK	061000039536	81,757.00	81,757.00
KOMAROCK CHIEFS OFFICE HIGH MAST	FAMILY BANK	061000039537	78,630.00	78,630.00
BONDENI PRIMARY SCHOOL	FAMILY BANK	061000038976	810,445.35	810,445.35
KOMAROCK SOUTH PRIMARY SCHOOL	EQUITY BANK	0650280366750		27,669.00
KOMAROCK SOUTH PRIMARY KITCHEN	FAMILY BANK	061000044871	1,252	
THAWABU PRIMARY CLASSROOMS	FAMILY BANK	061000044944	481,440	
KAYOLE NORTH PRIMARY CLASSROOMS	FAMILY BANK	061000044942	778,744	
EMBAKASI CENTRAL ENVIRONMENT	FAMILY BANK	061000045210	148,606	
<b>Total</b>			<b>2,464,190.70</b>	<b>1,082,362.35</b>

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The statement of receipts and payments reflects a nil figure in respect to Transfers to Other Government Units expenditure for the financial year under review and as disclosed in Note 7 to the financial statements. However, an examination of Annex 5 on PMC Balances as at 30 June 2023 indicates that Project Management Committees that had nil bank balances at the end of the comparative year (2021-2022)	It is true PMC bank statements were not provided however we have availed them as attached	Unresolved	

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	<p>registered positive bank balances as at 30 June, 2023 indicating non-disclosure of PMC receipts and other funds movements in the PMC bank accounts. Further, cash books and bank statements for the six (6) reported PMCs were not provided for audit review</p>			
	<p>The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.6,845,457 as disclosed in Note 6 to the financial statements out of which expenditure of Kshs.1,488,200 was not supported by payment vouchers and supporting documentation.</p>	<p>It is true the payment vouchers were not availed for audit. This could be a case of misplacement but we have however retrieved them. The Vouchers and IPSAS meeting invitation letter are as attached.</p>	<p>Unresolved</p>	

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	<p>Included in Annex 5 to the financial statements is project management committee bank balances as at 30th June 2023 of Kshs.1,082,362.35. However, review of Constituency development fund bank account statements revealed that no PMC had returned unutilized balances on completed projects during the year under review by the time of audit.</p>	<p>The balances in the PMC accounts are retention payments for contractors.</p>	<p>Unresolved</p>	<p>Unresolved</p>
	<p>Included in the statement of assets and liabilities are bank balances (as per the cash book)</p>	<p>It is true the following unrepresented cheques were reversed in the cash since they were stale however the cheques were replaced to their</p>	<p>Unresolved</p>	

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	<p>totaling Kshs.5,737,830 as disclosed in Note 10A to the financial statements. However, review of cash book and bank reconciliations statements revealed reversals of stale cheques totaling Kshs.1,927,047 in June 2023 which were not replaced by cheques written to the originally intended beneficiaries.</p> <p>In the circumstances, the accuracy and completeness of bank balances (as per the cash book) totaling Kshs.5,737,830 could not be confirmed.</p>	<p>original beneficiaries as per the attached cashbook extract.</p>		
	<p>The statement of receipts and payments and Note 8</p>	<p>It is true the bursary records provided for audit were incomplete however</p>	<p>Unresolved</p>	

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	<p>to the financial statements indicate that Kshs.56,686,830 in respect of other grants and other transfers. Included in these payments are Kshs.37,165,836 for bursaries to secondary schools and Kshs.13,759,250 for bursaries to tertiary institutions. However, bursaries' cheque dispatch register, details of successful applicants including student's registration numbers and evidence of receipts/ acknowledgement by the beneficiary institutions were not provided for audit review. Further, review of the documents provided for audit revealed that there were disparities in the bursary disbursements</p>	<p>we have provided samples of vetted application forms, acknowledgement receipts and cheque dispatch register as attached.</p>		
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	<p>amounts without minuted justifications and there was no evidence of vetting of bursary applications</p>			
	<p>he statement of receipts and payments indicate total receipts of Kshs.170,494,588 comprising of Kshs.170,494,588 transfers from the NGCDF board and nil figure in other receipts. However, review of bank statements revealed deposits totaling Kshs.102,460 which were neither as recognized as receipts in the cash book nor disclosed in the financial statements for the year under review.</p>	<p>The other receipts were from sale of tender documents as per the attached advertisement. The other receipts were from sale of tender documents as per the attached advertisement.</p>	<p>Unresolved</p>	

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	<p>The summary statement of appropriation for the year ended 30 June, 2023 reflects final expenditure budget and actual on comparable basis totalling to Kshs.154,476,197 and Kshs.70,554,416 respectively, resulting to an under expenditure of Kshs.83,921,781 or 54% of the budget. In addition, the Summary statement of appropriation for the year ended 30 June, 2023 reflects a final revenue budget of Kshs.154,476,197 against actual receipt of Kshs.96,737,830 resulting to budget under receipt of Kshs.57,738,367 or approximately 37% of the budgeted funds.</p>	<p>It is true that there was an under expenditure of funds which occurred due to delay in disbursements by NG-CDF Board. However, the issue has been raised to NG-CDF Board by various constituencies and they are working on it to ensure timely disbursement of funds before the closure of each financial year.</p>	<p>Unresolved</p>	
	<p>Annex 3 and Note 19.3 to the financial</p>	<p>It is true that there was an increase in unutilized</p>	<p>Unresolved</p>	

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	<p>statements reflect unutilized funds amounting to Kshs.83,921,780 which was an increase of unutilized funds from Kshs.7,663,501 in the previous audited financial year. No explanation was provided on the increase of unutilized funds and the recurring situation over the years.</p>	<p>funds during the year under review which occurred due to delay in disbursements of funds by NG-CDF Board. However, this issue has been raised to NG-CDF Board by various constituencies and they are working on it to ensure timely disbursement of funds before the closure of each financial year to ensure maximum utilization of funds during the year.</p>		
	<p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs.<u>56,686,830</u> as disclosed in Note 8 to the financial statements which includes bursary expenditure amounting to Kshs.<u>50,925,086</u>.</p>	<p>Management Response                  The observation is true. The authority to open the account came later in the year and the committee resolved to open the account vide <b><u>MIN05/11/23- AUTHORITY TO OPEN A DEPOSIT BANK ACCOUNT</u></b> of the meeting held on 2<sup>nd</sup></p>	<p>Unresolved</p>	

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	<p>However, examination of records provided revealed that the the Management did not establish a subcommittee of Education bursary, Mock examinations and Continuous assessment tests as required.</p>	<p>November 2023 as attached</p>		
	<p>Annex 4 to the financial statements reflects the summary of fixed asset register amounting to Kshs.93,224,937. Included in the asset register are land valued at Kshs.58,000,000 and buildings and structures valued at Kshs. 34,225,737. However, the ownership documents for the land and parcels of</p>	<p>Its true land ownership documents were not availed for audit however the title deed has been availed to the Auditor for review.</p>	<p>Unresolved</p>	

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	land where the buildings and structures had been constructed were not provided for audit.			
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FUND ACCOUNT MANAGER  
NG-CDF  
EMBAKASI CENTRAL  
31 DEC 2024  
Signature  
P.O. BOX 1003  
EMBAKASI, KENYA

Name Elias Mate  
Fund Account Manager.