

REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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

|  |                        |
|--|------------------------|
| <br><b>THE NATIONAL ASSEMBLY</b><br>PAPERS LAID |                        |
| DATE: 17 FEB 2026  | DAY: TUESDAY           |
| TABLED BY:   | DEPUTY MAJORITY LEADER |
| CLERK-AT-THE-TABLE:  | FINLAY                 |



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

EMBAKASI WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

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

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

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

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

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

### **Mandate**

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

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

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

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

## Functions of NG-CDF Committee

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

### (b) Key Management

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

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

### Fiduciary Management

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

| No | Designation                    | Name               |
|----|--------------------------------|--------------------|
| 1. | AIE holder                     | Alfred N. Mwangi   |
| 2. | National Sub-County Accountant | Justus Mutua       |
| 3. | Chairman NGCDFC                | Samson Opiyo Owiti |
| 4. | Member NGCDFC                  | John Kinuthia      |
| 5. | Member NG CDFC                 | Margaret Watunu    |

### (c) Fiduciary Oversight Arrangements

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

**(d) NGCDF Embakasi West Constituency Headquarters**

P.O. Box 38639-00100  
Along Mtindwa Road  
Umoja 1  
Nairobi, KENYA

**(e) NGCDF Embakasi West Constituency Contacts**

Telephone: (254722872779) Embakasi West  
mail: [cdfembakasiwest@ngcdf.go.ke](mailto:cdfembakasiwest@ngcdf.go.ke), [embakasiwestcdf@gmail.com](mailto:embakasiwestcdf@gmail.com)  
E-Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) NGCDF Embakasi West Constituency Bankers**

1. Bank A. (Operations Account)  
Equity Bank  
Buruburu Branch  
P.O. Box 75104 Nairobi  
A/C No: 0950261868298
  
2. Bank B. (Deposit account).  
Equity Bank  
Buruburu Branch  
P.O. Box 75104 Nairobi  
A/C No: 0950285655755
  
3. Bank C. (PMC Accounts)  
Equity Bank  
Buruburu Branch  
P.O. Box 75104  
*A/C No: Several*



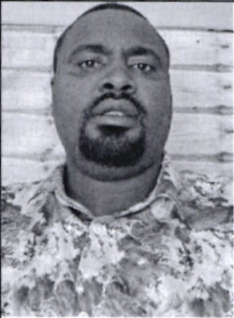

**(g) Independent Auditor**






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

**(h) Principal Legal Adviser**

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

### 3. NGCDF Committee

| Name   | Details  |
|--|--|
|  <p>Samson Kopyo</p>      | <p>SAMSON KOPIYO-<i>CHAIRMAN Embakasi West NG-CDFc</i><br/>           D.O.B 1967<br/>           Certificate in Theology Education<br/>           Community human right paralegal-5years</p>    |
|  <p>Margarate Watunu</p> | <p>MARGARET WATUNU-<i>SECRETARY Embakasi West NG-CDFC</i><br/>           D.O.B 1967<br/>           Certificate in Theology Education<br/>           Community human right paralegal-5years</p> |
|  <p>John Mwangi</p>     | <p>JOHN MWANGI-<i>MALE ADULT REPRESENTATIVE Embakasi West NG-CDFc</i><br/>           D.O.B 1987<br/>           DIPLOMA IS SALES AND MARKETING<br/>           SLEF EMPLOYE BUSINESSMAN</p>      |
|  <p>Wilson Kingola</p>  | <p>WILSON KINGOLA-<i>PWD REPRESENTATIVE Embakasi West NG-CDFc</i><br/>           D.O.B 1957<br/>           A LEVEL<br/>           CPS 1<br/>           PWD COODINATOR</p>                      |

|   |  |
|---|--|
|    | <p>TEMINA MINAGE- <i>WOMEN ADULT REPRESENTATIVE</i><br/> <i>Embakasi West NG-CDFc</i><br/> D.O.B 1973<br/> COMMUNITY ORGANISER<br/> BUSINESSLADY/SELF EMPLOYED</p>             |
|   | <p>JOHN KINUTHIA- <i>MALE YOUTH REPRESENTATIVE</i><br/> <i>Embakasi West NG-CDFc</i><br/> D.O.B 1999<br/> DIPLOMA IN INFORMATION TECHNOLOGY<br/> BUSINESSMAN/SELF EMPLOYED</p> |
|  | <p>ESTHER KAMENE- <i>WOMEN ADULT REPRESENTATIVE</i><br/> <i>Embakasi West NG-CDFc</i><br/> D.O.B 1976<br/> DIPLOMA IN SALES AND MARKETING<br/> BUSINESSWOMAN</p>               |
|  | <p>Alfred N Mwangi- <i>Fund Account Manager Embakasi West</i><br/> <i>NG-CDF</i><br/> D.O.B 1980<br/> CPA K<br/> Accountant</p>  |
|  | <p>Joyce Murugi Njage - <i>DCC EMBAKASI WEST SUB-COUNTY</i><br/> Experience in Public Administration</p>   |

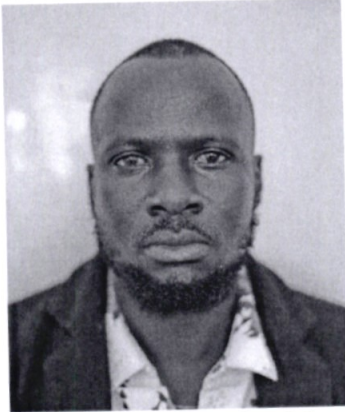


Saida Ali Said

SAIDA ALI SAID-*FEMALE YOUTH REPRESENTATIVE*  
*Embakasi West NG-CDFc*

D.O.B 1994  
SELF EMPLOYED

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



*Samson Opiyo Owiti*  
*Chairperson Embakasi West NG-CDF*

Guided by the vision of Embakasi West Constituency to use available resources transparently and accountably to achieve a thriving economy across the entire area, significant progress has been made through the NGCDF funds:

1. The Embakasi West NGCDF Five-Year Strategic Plan (2023-2028) has been implemented systematically, following clearly defined performance indicators and timelines across these strategic priorities: Infrastructure development, education, environment, health, youth empowerment, security, social security.
2. On Infrastructure development, NG-CDF Embakasi West has Initiate and Completed 12 classrooms at Supaloaf primary school, 4 classrooms and 20 door ablution block in Tena Primary School offices, 8 classrooms in Umoja 1 primary school, 10 door ablution block at Buruburu police station, perimeter walls in Kifaru primary, Buruburu 1 primary and Kariobangi south primary school PWD Centre renovations in Umoja 1 primary. Construction of PWD center Kariobangi south primary school. Constructed an Assistant Chief camp with essential amenities at Umoja 1 subcounty.
3. Climate mitigation efforts have been done through provision of 720 tree seedlings in 3 schools and 10 garbage bins across 11 schools in Embakasi West constituency.
4. Access to quality education has been promoted by providing bursaries to underprivileged children at both secondary, university and tertiary level including hairdressing, driving and sign language classes.
5. To lessen the financial burden for struggling parents in Public Schools we provided 200 lockers, 200 chairs and 128 desks to all 11 Primary Schools.
6. Vulnerable groups, including people living with disabilities (PWDs), have been empowered through skill training and the creation of secure business spaces.
7. To enhance community safety, the NGCDF constructed an Assistant Chief Office with essential amenities at Umoja 1.
8. Health improvements have been achieved by Sensitizing SHA coverage for vulnerable families.

Guided by the vision of **transparency, accountability, and equitable development**, Embakasi West Constituency has made significant progress in delivering key projects aligned with its **NG-CDF Five-Year Strategic Plan (2023–2028)**. Strategic areas of focus include **infrastructure, education, environment, security, youth empowerment, and social protection**. This report provides a snapshot of budget performance, achievements, emerging issues, implementation challenges, and the path forward.

## Key Achievements

### 1. Infrastructure Development

- Completion of Kifaru Primary Perimeter Wall Phase II and Buruburu Police Ablution Block.
- New classrooms at Tena Primary (4 classrooms & 20-door ablution block) and Supaloaf Primary School (4 classrooms).
- Renovation of Tumaini Primary (10 classrooms).
- Completed perimeter walls and classroom expansion at Buruburu 1 and Kariobangi South.

### 2. Education Support

- 68M disbursed in bursaries for secondary, tertiary, and university students.
- Inclusion of vocational courses such as hairdressing, driving, and sign language.
- Supply of 720 Tree seedlings to 3 schools and 10 garbage bins each across 11 public primary schools.

### 3. Support for PWDs and Vulnerable Groups

- Provision of skills training and special equipment for PWD learners.
- PWD students in special schools receive 10,000kes toward bursary support.

## Emerging Issues

- **Increased demand** for bursaries due to economic hardships and rising school fees.
- **Urban congestion** delaying construction logistics in school-based projects.
- **Youth unemployment**, with rising numbers of graduates seeking support.
- **Vandalism and theft** of school infrastructure and public utilities.

## Implementation Challenges and Mitigation Measures

| Challenge                                   | Mitigation Strategy                            |
|---|--|
| Inadequate funding vs. growing needs        | Phased implementation                          |
| Delayed disbursement from National Treasury | Fast-tracked processing upon receipt of funds  |
| Vandalism of public assets                  | Community policing and sensitization           |
| Low PWD engagement in programs              | Enhanced outreach and disability desk services |

## Current Interventions:

- Adoption of **performance-based monitoring tools** for tracking project timelines.
- Stakeholder forums to foster **community ownership and feedback**.
- Targeted youth programs focused on **skills and entrepreneurship**.

### Conclusion and Way Forward

The NG-CDF office remains committed to delivering **impactful and sustainable projects** that improve the livelihoods of all residents. Emphasis will be placed on **data-driven planning, inclusive development, and efficient fund utilization**. Going forward, collaboration with local leaders, the private sector, and national agencies will be crucial in addressing persistent challenges while amplifying the impact of ongoing programs.



.....  
Name: Samson Owiti Opiyo  
Chairman NGCDF Committee

## 5. Statement Of Performance Against Predetermined Objectives for FY2024/2025

### 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 West Constituency 2024 -2025* plan are to:

#### **To Improve Public Infrastructure**

By constructing, upgrading, and maintaining educational, security, and administrative facilities to support access to essential services and enhance the quality of life.

#### **To Promote Inclusive and Quality Education**

Through the provision of bursaries, learning materials, school infrastructure, and support for special needs education and vocational training.

#### **To Empower Youth and Vulnerable Groups**

By supporting skills development programs, business incubation, and the creation of accessible economic opportunities for youth, women, and PWDs.

#### **To Enhance Security and Community Safety**

Through the establishment of police infrastructure, community lighting, and support to law enforcement operations for safer neighborhoods.

#### **To Foster Environmental Sustainability and Clean Public Spaces**

By implementing environmental conservation programs such as afforestation, waste management, and green infrastructure in schools and public areas.

#### **Advance Technology and Digital Inclusion**

#### **Empower youth through ICT hubs and environmental initiatives.**

Create community digital spaces and upgrade administrative systems.

Boost digital literacy and entrepreneurship skills.

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

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

| Sector                               | Objective   | Outcome  | Indicator  | Performance  |
|--------------------------------------|---|--|--|--|
| Education                            | <i>To have all children of school going age attending school</i>  | <i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>           | <i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions<br/>number of bursary's beneficiaries at all levels</i> | <i>In FY 2024/2025 - ,NG-CDF Embakasi West has Initiated and Completed 12 classrooms at Supaloaf primary school,4classrooms and 20door ablution block in Tena Primary Schoo,8 classrooms in Umoja 1 primary school, perimeter walls in Kifaru primary, Buruburu 1 primary and Kariobangi south primary school,PWD Centre renovations in Umoja 1 primary. Construction of PWD center Kariobangi south primary school.</i> |
| Security                             | Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service<br>Number of usable physical infrastructure built in locations, sub locations and police stations | delivery<br>Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery | Number of usable physical infrastructure built in locations, sub locations and police stations   | Constructed assistant chief's office, Chief's Office and Umoja 1 sub location.<br>Constructed 20 door ablution block at Buruburu police station in Kariobangi south  |
| Climate change mitigation activities | To improve public facilities by developing sanitation facilities and growing trees in public spaces   | Ablution blocks, garbage bins and grown trees in Public Schools  | Number of environmental use projects   | Provided 10 garbage bins in 11 primary and secondary schools in Embakasi west constituency.<br>Planted 720 trees in Umoja 1, Busara & Kariobangi south   |

|           |                                     |  |  |  |
|-----------|-------------------------------------|--|--|--|
|           | mitigating environment degradation. |  |  | primary schools in Embakasi west.                              |
| Emergency |                                     |  |  | No emergency occurred, funds to be reallocated in the next F/Y |

## 6. Governance Statement

The current and gazetted committee (Gazetted afresh March 2025) continues to serve for a period of 2 yrs.

### Appointment of NGCDFC Members

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee.

Kenya Subsidiary Legislation, 2016 1951

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

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

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

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

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

A member of a Constituency Committee who is appointed

Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43(2)(b)(c) or (d) shall be a mandatory signatory to the Constituency account

As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

In Embakasi West NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member coopted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board coopts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettment.

Panel selection the members

| Sno. | Name              | Designation                         |
|------|-------------------|-------------------------------------|
| 1    | Lydia Wanjiku     | Assistant County Commissioner-Chair |
| 2    | Alfred N. Mwangi  | Fund Account Manager-Secretary      |
| 3    | Kennedy Kibe      | Rep- Constituency Office-Member     |
| 4    | Beatrice Chelagat | Rep- Constituency Office-Member     |

**The selection process:**

The advertisement was placed on all public notice boards, chiefs' offices, churches and mosques in the month of October 2024.

The applications were received and short listing done by the selection panel in the month of December 2024. The interviews and final committee selected in the month of March 2025 as follows.

|    | CATEGORY                       | NOMINEE                |
|----|--------------------------------|------------------------|
| 1. | Chairperson                    | Samson Opiyo Owiti     |
| 2. | Women's Representative         | Esther Kamene Mutio    |
| 3. | Male Youth Representative      | John Kinuthia Kahui    |
| 4. | Female Youth Representative    | Saida Ali said         |
| 5. | Female Representative          | Temina Minage          |
| 6. | Persons Living with Disability | Wilson S. M. Kingola   |
| 7. | Men's Representative           | John Mwangi            |
| 8. | Co-opted Member                | Margret Wanjiku Watunu |

**Removal of NG-CDF Committee**

A member of the NGCDF may be removed from office due to any of the following reasons:

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

During the financial year 2024-2025 Aisha Said was replaced by Said Ali Saida as the Female Youth Representative, this happened due to conclusion of service tenure, in the term that followed. Said Ali Saida was the successful interview candidate.

### **Roles and Functions of NGCDF Committee**

1. Capacity building of the Project management committees and create awareness to the community on the functions of the fund
2. Consider and approve all the qualifying project proposals from all the wards and submit the same to the NGCDF Board
3. Consultation with relevant government departments to ensure all project cost estimates are reasonable
4. Negotiating with other constituencies when undertaking joint project implementation
5. Rank projects proposals in order of priority or urgency with priority given to ongoing projects.
6. Ensure adequate funding for completion of projects within three years
7. In collaboration with the officer of the board to maintain proper account records of the fund.
8. Recommend to the board removal of a committee member
9. Preparation and submission of reports to the board
10. Enter into performance contracting with the board annually
11. Record the names of the signatories to PMCs
12. Receive and address all complaints pertaining to projects and collectively address audit queries concerning the fund at the constituency level
13. Ensure project branding in accordance with the board guidelines

### **Induction and Training of NGCDF Committee Members**

At the beginning of every new parliament term the board organizes an induction and training for the new Committee members on diverse topics related to the operations of the fund. The officer of the board also organizes locally the training and covered the following topics.

1. Overview of the NGCDF Act
2. Overview of the public procurement and Assets disposal act
3. Overview of the Public finance management act
4. Risk management
5. Cross cutting issues

In Embakasi West constituency, in the FY 2024/2025 we trained ten members in Garissa in June 2025.

**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. Embakasi West Constituency held a total of 22 in the financial year 2024-2025. This is as tabulated here below.

| Sno. | Name                   | 7/7/2024<br>M&E Sub | 17/07/24 | 24/07/24 | 28/07/24 | 11/8/2024 | 30/10/24 | 04/12/24-<br>Bursary Sub | 31/12/24- | 5/1/2025 | 8/1/2025 | 10/1/2025 | 23/01/25 | 30/01/25 | 12/2/2025 | 13/2/25 Bur<br>Sub | 1/4/25 Bur | 6/3/2025 | 25/3/25 | 26/3/25 | 18/4/25 | 27/5/25 Bur<br>Sub | 31/5/25 |
|------|------------------------|---------------------|----------|----------|----------|-----------|----------|--------------------------|-----------|----------|----------|-----------|----------|----------|-----------|--------------------|------------|----------|---------|---------|---------|--------------------|---------|
| 1    | Samson<br>Opiyo        | ✓                   | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 2    | Margare<br>t<br>Waturu | ✓                   | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 3    | Esther<br>Kamene       |                     | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 4    | Tamina<br>Minage       | ✓                   | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 5    | John<br>Kinuthia       | ✓                   | ✓        | ✓        | ✓        | ✓         |          |                          |           | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         |                    |            | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 6    | John<br>Mwangi         | ✓                   | ✓        | ✓        | ✓        | ✓         |          |                          |           | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         |                    |            | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 7    | Wilson<br>Kingola      |                     | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 8    | SaidaAli<br>Said       | ✓                   | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 9    | Alfred<br>Mwangi       | ✓                   | ✓        | ✓        | ✓        | ✓         | ✓        | ✓                        | ✓         | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         | ✓                  | ✓          | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |
| 10   | Eric<br>Mulevu         | ✓                   | ✓        | ✓        | ✓        | ✓         |          |                          |           | ✓        | ✓        | ✓         | ✓        | ✓        | ✓         |                    |            | ✓        | ✓       | ✓       | ✓       | ✓                  | ✓       |

### **Policy on Conflict of Interest**

Embakasi West NGCDF Committee has made it a policy that there should be no conflict of interest and any member who has any interest on a matter before the committee, the member has to declare his interests and excuse him/herself. Consequently, there is always an agenda of Declaration of interest in every meeting.

### **Members Remuneration**

NGCDF Committee members are not salaried but are paid allowances for meetings attended in accordance with the provisions of the NGCDF act and regulations. The chairman is entitled to an allowance of Ksh 7,000 for every meeting attended while the other members are entitled to an allowance of Ksh 5,000 for meeting attended.

### **Ethics and Conduct**

NGCDF Committee are bound by the code of conduct of public officers, them being gazetted officers.

- i. Confidentiality-the NGCDFC members have an obligation to ensure secrecy unless in other circumstances as required by law.
- ii. Honesty and integrity-NGCDFC members have a responsibility to declare any cloistered interest relating to their public obligations and to take steps to resolve any conflict arising in a way that shields the public interest.
- iii. Leadership- NGCDFC members should encourage good and eminence leadership in the constituency.

During the financial year 2023/2024 members of NGCDFC Embakasi West observed to the above ethical issues.

### **Risk Management**

Risk management has been joined in the constituency operations through the following; training of the NGCDF staff in their respective routine areas of service to warrant efficient and effective delivery on their mandate. Embakasi west NG-CDF took the initiative of training of the NGCDFCs and the PMCs to equip them with extra knowledge to carry out their duties. The Fund account manager avails himself to all the workshops to support and avail required resources to ensure that the identified risk does not hinder services delivery.

The risk mitigation policies that NGCDFC Embakasi West has applied include the following: Executing audit findings and recommendations, observance and compliance with NGCDF act 2015 and additional laws and guidelines to ensure smooth operations. The constituency has also ensured

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projects are well implemented and overall fund utilization. The NGCDFC staff are also required to ensure adherence to statutory requirements such as deductions and timely remittance, 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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## **7. Environmental and Sustainability Reporting**

Embakasi West 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, this pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

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

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

- a. **Education and Training:** Embakasi West NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups including girls and people living with disabilities.

Embakasi West NG-CDF has committed to support the education sector by allocating Ksh. 1,500,00.00 towards Special institutions, Ksh. 45,000,000.00 toward secondary, and Ksh. 21,500,000.00 towards tertiary bursary in the 2024-2025 financial year.

**Security Sector Support:** The NG-CDF prioritizes security as a crucial focus area, aiming to create an improved working environment for security personnel within the constituency and ensure overall safety. The approach involves fostering long-term collaboration and community engagement in security matters, which is expected to gradually reduce crime and other negative activities. By providing better facilities for law enforcement and building trust with the community, the initiative aims to enhance security across the constituency.

In the Embakasi West constituency's strategic plan for 2023-2028, security is a top priority for the well-being of residents. As a result, Ksh. 10,000,000.00 was allocated for the construction of a new

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Chief's Camp, ensuring sufficient infrastructure to house security personnel and strengthen efforts to reduce crime within the constituency.

- a. **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, metallic garbage bins, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

In the 2024-2025 financial year Embakasi West constituency allocated Ksh. 5,000,000.00 towards the climate change mitigation kitty. This shows that the constituency is in support of environmental conservation and has made the sector part of its development agenda. Construction of toilet block at Tena Primary School.

## 2. Environmental performance

- In the Financial year 2024-2025 Embakasi West NG-CDF carried out tree planting in 3 schools. A total no of 720 seedlings, additionally, 110 metallic garbage bins to installed across 11 school
- Youth sensitization is a critical initiative to Embakasi West aimed at empowering young people with the knowledge, skills, and awareness needed to actively participate in community development. Through workshops, training programs, and awareness campaigns, the NG-CDF educates youth on issues such as civic responsibility, entrepreneurship, and social values, encouraging them to become positive agents of change. These efforts not only equip the youth with practical skills for personal and professional growth but also foster a sense of ownership and responsibility towards the development of their constituencies, ultimately contributing to a more engaged and informed younger generation. We hold forums such as support desk during major events and one on one

## 3. Employee welfare

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

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Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system are based on performance appraisal.

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

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

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

EMBAKASI WEST NGCDF 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 practices 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 honoring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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Embakasi West NG-CDF has endeavored to sustain community engagement through public participation as well as appreciating our existence through engaging local contractors and suppliers when necessary. Additionally, all local labor in construction sites is from locals in the respective wards of construction.

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

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

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

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

**Public Awareness**

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

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



.....  
Name: Alfred N. Mwangi  
Fund Account Manager.

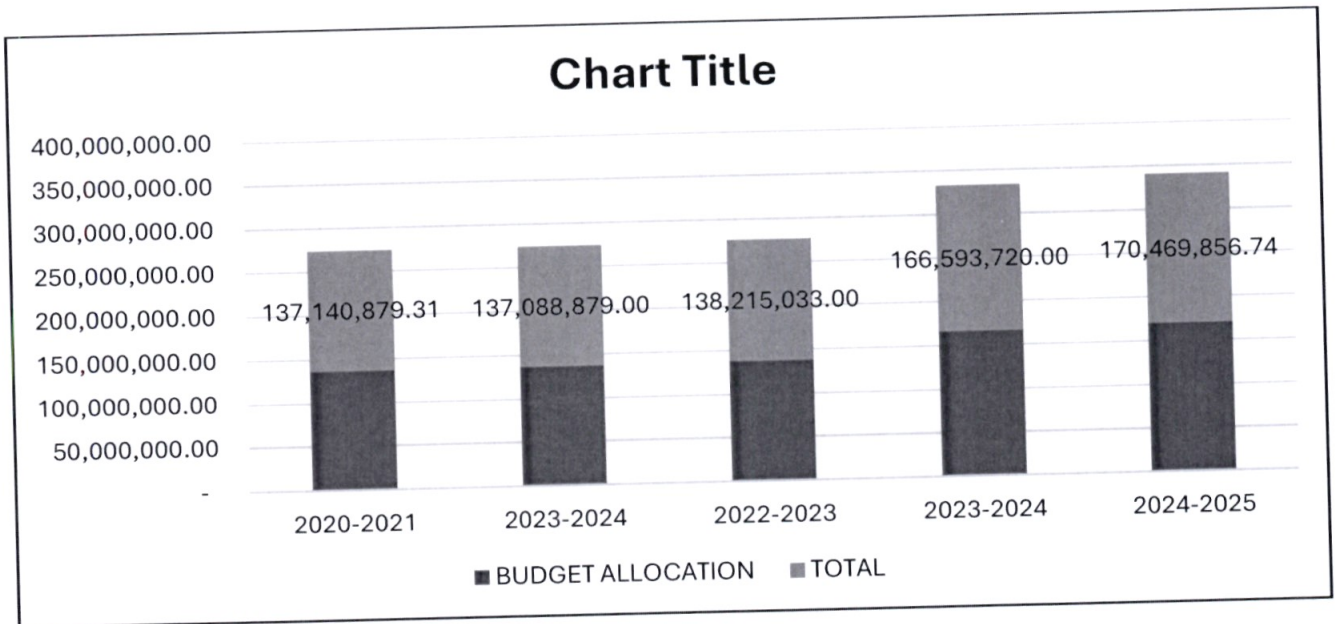
**8. Management Discussion and Analysis**

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

**2. Financial Performance (Five-Year Overview)**

The table below shows annual budget allocations and absorption trends:

| Financial Year | Budget Allocation (KES) |
|----------------|-------------------------|
| 2020/2021      | 137,140,879.31          |
| 2021/2022      | 137,088,879.00          |
| 2022/2023      | 138,215,033.00          |
| 2023/2024      | 166,593,720.00          |
| 2024/2025      | 170,469,856.74          |



**Key Achievements**

**Education Infrastructure:** Over 40 new classrooms have been constructed across Supaloaf, Tena, Umoja 1, Busara, and Nairobi River primary schools. Perimeter walls were erected at Umoja 1, Kariobangi South, and Peter Kibukosya schools, while Uhuru Secondary School received a modern twin science laboratory. Furniture support was consistently provided, with between 200 and 330 desks, lockers, and chairs supplied to schools annually.

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

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**Security & Administration:** The Fund constructed Chiefs' and Assistant Chiefs' offices in Umoja 1, supported police facilities including ablution blocks, and improved administrative infrastructure to enhance community safety.

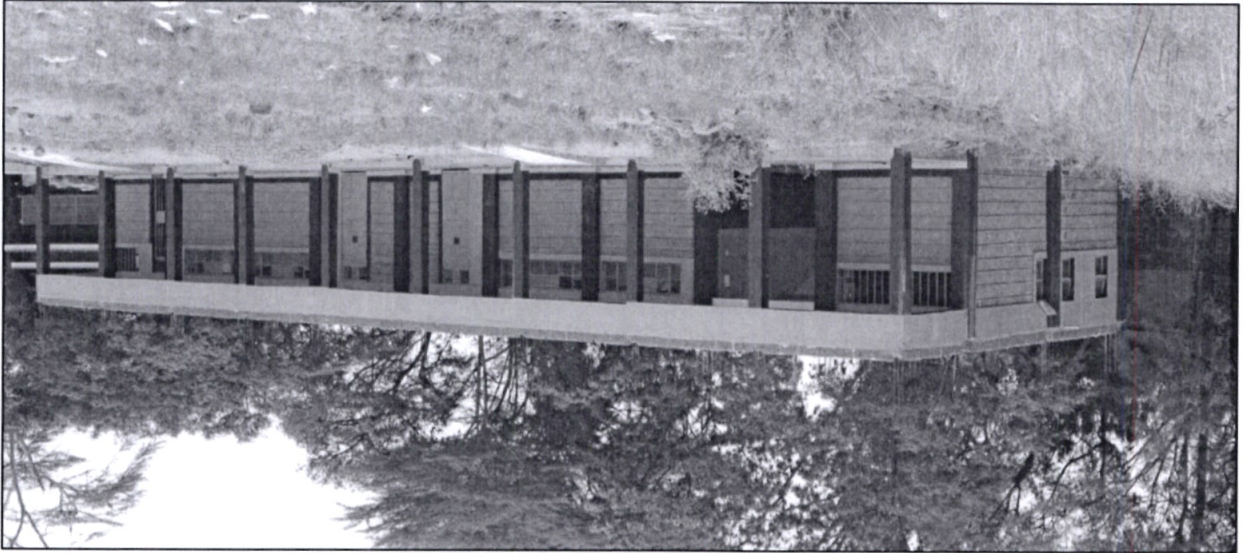
**Environmental Interventions:** Climate action remained a priority, with 720 trees planted and 110 metallic garbage bins distributed across 11 schools. A climate change mitigation allocation of KES 5 million annually underscored the commitment to sustainable development.

**PWD & Vulnerable Groups:** A dedicated Persons with Disabilities (PWD) Centre was established at Kariobangi South, alongside bursaries and specialized training programs targeting vulnerable populations.

Some of the most notable projects in 2024/2025 financial year are as follows;

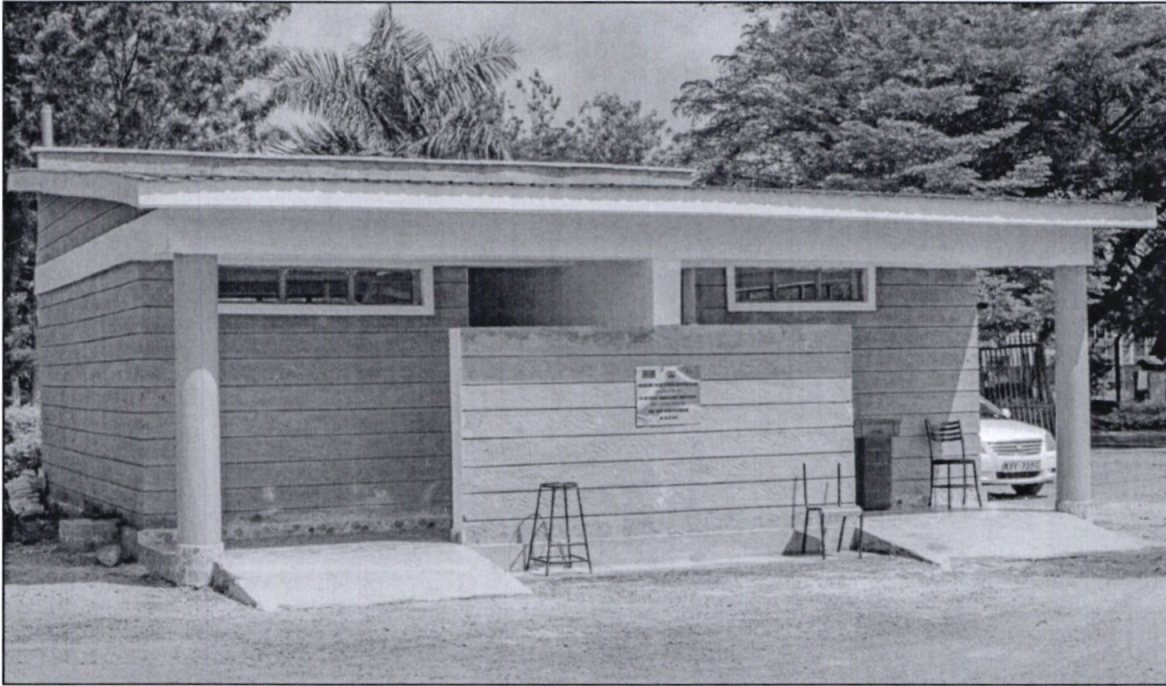
*Construction of chief's offices at Tena Estate Umoja 1.*





*Completed PWD Centre at Kariobangi South primary school*

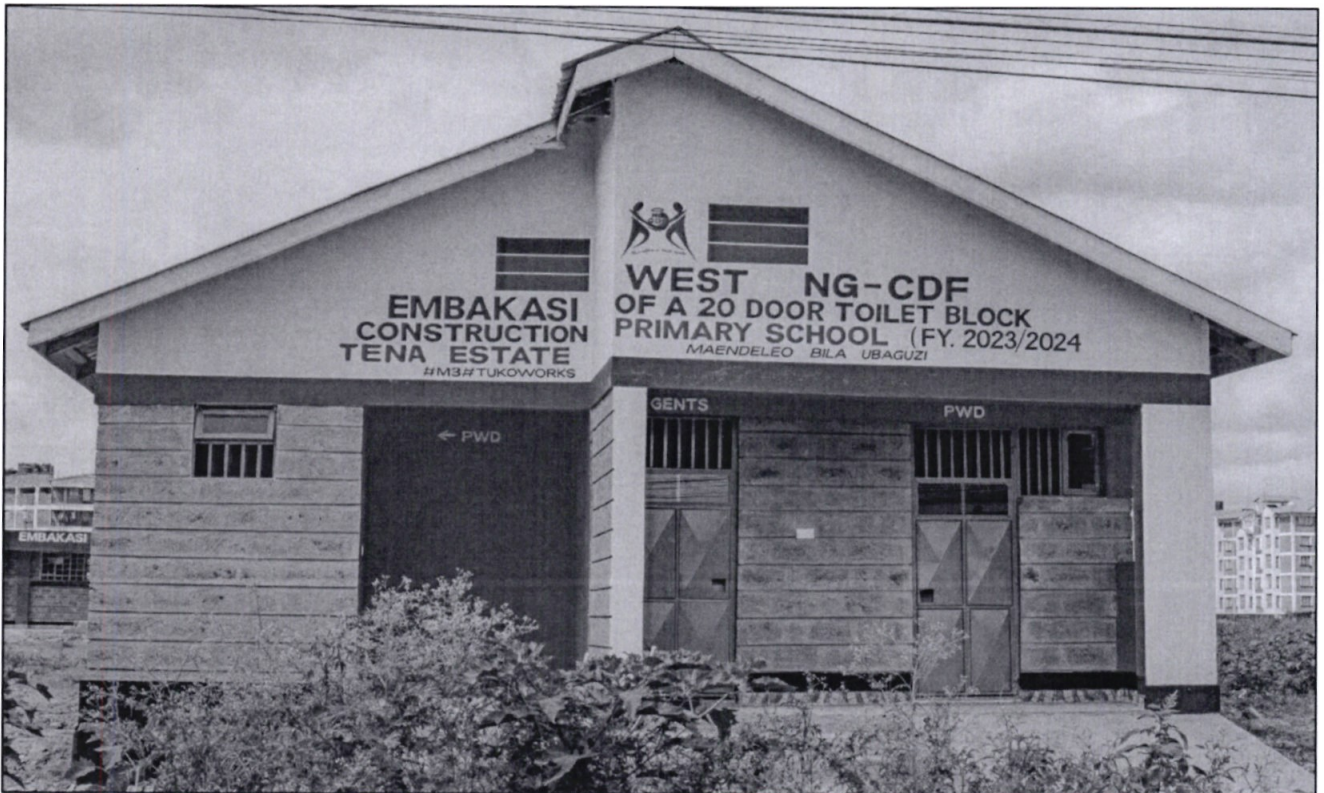
*Completed 10 door ablution block at Buruburu police station*



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*Completed 20door ablution block at the new Tena estate primary school*



*Completed construction of 4 classrooms at Tena Estate primary school*



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**Compliance with Statutory Requirements**

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

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

**Review of the Economy and Sector**

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

**Future Outlook**

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

**In Conclusion**

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



Name : Alfred N. Mwangi  
Fund Account Manager

## 9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Embakasi West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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*constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

The Accounting Officer in charge of the NGCDF Embakasi West Constituency confirms that as per the guidelines provided by the NG-CDF Board these are transitional financial statements, over a period of 3yrs.

**Approval of the financial statements**

The NGCDF-Embakasi West Constituency financial statements were approved and signed by the Accounting Officer on 30<sup>TH</sup> August 2025.



.....  
Name: Samson Owiti Opiyo  
Chairman – NGCDF Committee



.....  
Name: Alfred N. Mwangi  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 transitional IPSAS financial statements of National Government Constituencies Development Fund - Embakasi West Constituency set out on pages 1 to 72, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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*Report of the Auditor-General on National Government Constituencies Development Fund - Embakasi West Constituency for the year ended 30 June, 2025*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Embakasi West Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies and Unsupported Third Party Deposits**

The statement of financial position and as disclosed in Note 27 to the financial statements reflects third party deposits balance of Kshs.12,592,442. However, the cash and cash equivalents balance at Note 19 to the financial statements reflects a deposit account balance of Kshs.318,327 resulting to an unreconciled and unexplained variance of Kshs.12,274,115. Further, the third-party deposits were not supported with detailed analysis of who the deposits relate to, the respective project, duration, date and amount.

In the circumstances, the accuracy and completeness of the third-party deposits balance of Kshs.12,592,442 could not be confirmed.

#### **2. Inconsistencies in Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.116,349,113 which further includes PMC account balance of Kshs.53,841,202. However, Annex 2 on the same reflects a total balance of Kshs.56,392,736 resulting to an unexplained variance of Kshs.2,551,534. Further, the Project Management Committees bank balances totalling Kshs.53,841,202 were not supported with cashbooks and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.116,349,113 could not be confirmed.

#### **3. Unsupported Balances in the Statement of Changes in Net Assets**

The statement of changes in net assets reflects balances of Kshs.149,935,330 and Kshs.734,369 in respect to assets and liabilities adjustments which were not supported

with approved journal entry vouchers to justify the adjustment. Further, an explanatory note was not included in the financial statements to disclose or explain the nature of the adjustment as required by IPSAS 3.

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

#### **4. Variances in the Statement of Cash Flows**

The statement of cash flows reflects other Government units certified works and other grants and transfers amounts of Kshs.161,213,328 and Kshs.75,405,404 respectively. However, the statement of financial performance reflects amounts of Kshs.172,516,810 and Kshs.76,694,363 resulting to unreconciled variances of Kshs.11,303,482 and Kshs.1,288,959 respectively.

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

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

#### **Emphasis of Matter**

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

The statement of comparison of budget and actual amount reflects final receipts budget and actual on comparable basis of Kshs.415,839,708 and Kshs.374,514,500 respectively, resulting to under-funding of Kshs.41,325,208 or 10% of the budget. However, the Fund spent an amount of Kshs.258,165,387 against actual receipts of Kshs.374,514,500 resulting to under-utilization of Kshs.116,349,113 or 31% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

## Other Matter

### 1. Delays in Disbursement of Funds to the Fund's Bank Account

The statement of comparison of budget and actual amounts reflects approved budget allocation of Kshs.415,839,708 for the year under review. However, significant delays by the NGCDF Board in disbursing funds to the Fund's bank account were noted. Kshs.91,833,839 relating to the previous financial year 2023/2024 was received during the current year. Further, out of the current year's approved budget allocation of Kshs.415,839,708 from the NGCDF Board, only Kshs.374,514,500 was received resulting to pending receivables balance of Kshs.41,325,208 from the Board.

The delays affected the implementation of scheduled projects.

### 2. Unresolved Prior Year Matters

In the report of the previous year, several issues were raised under the Report on the Financial Statements and Lawfulness and Effectiveness in the Use of Public Resources, respectively. Review of the status during audit of the National Government Constituencies Development Fund – Embakasi West Constituency in 2024/2025 revealed that the following matters remained unresolved;

|   | Financial Year | Audit Issue   |
|---|----------------|---|
| 1 | 2023/2024      | Non-Maintenance of the PMC Cashbook                               |
| 2 | 2023/2024      | Other Grants and Transfers  |
| 3 | 2023/2024      | Unauthorized Branding of Constituency Development (CDF) Projects  |
| 4 | 2023/2024      | Non-Compliance with Law on Management of Emergency Reserve        |
| 5 | 2023/2024      | Unutilized Funds  |
| 6 | 2023/2024      | Delay in Implementation of Projects                               |
| 7 | 2023/2024      | Errors in the Presentation and Disclosure of Financial Statements |

## Other Information

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

In connection with my audit of the National Government Constituencies Development Fund - Embakasi West Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 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. Unutilized Fund Balances**

Annex 2 to the financial statements reflects Project Management Committee account balances of Kshs.56,392,736 which relate to unutilized funds at the end of the year. However, the balances of the completed projects were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which require all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

#### **2. Non-Compliance with the Public Procurement Capacity Building Levy Order of 2023**

During the financial year under review, the Fund and Project Management Committees carried out projects, however, Management did not include the mandatory 0.03% Public Procurement Capacity Building Levy as a separate line item in all procurement contracts for goods, works and services, local purchase orders (LPOs) and local service orders (LSOs) issued after 1 September, 2024. Therefore, the levy was not deducted for all contract awards, contrary to the Public Procurement Capacity Building Levy Order, 2023.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE 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, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Inadequate Frequency of Internal Audits by NGCDF Board**

Review of documents provided for audit revealed that the Fund relies on internal auditors from the NGCDF Board for internal audit functions. However, these audits are conducted only once every three (3) years, which is not sufficient for effective internal control and risk management.

In the circumstances, the Fund did not benefit from the oversight role and advice from the internal audit function.

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

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

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

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

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

**Nairobi**

**11 December, 2025**

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*Report of the Auditor-General on National Government Constituencies Development Fund - Embakasi West Constituency for the year ended 30 June, 2025*


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


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

|   | Note | Period ended June 2025 |
|---|------|------------------------|
|   |      | Kshs                   |
| Revenue from non-exchange transactions        |      |                        |
| Transfers from the NGCDF Board                | 6    | 170,469,857            |
| Grants/donations from other entities          | 7    | -                      |
| Revenue from exchange transactions            |      |                        |
| Finance income                                | 8    | -                      |
| Miscellaneous income                          | 9    | -                      |
| <b>Total revenue</b>                          |      | <b>170,469,857</b>     |
| <b>Expenses</b>                               |      |                        |
| Employee costs                                | 10   | 4,600,657              |
| Committee expenses                            | 11   | 2,393,000              |
| Use of Goods and Services                     | 12   | 10,068,025             |
| Other Government Units Actual expenditure     | 13   | 172,516,810            |
| Other Grants and Transfers Actual expenditure | 14   | 76,694,363             |
| Depreciation and amortization expense         | 15   | 256,365                |
| Digital Hubs Actual expenditure               | 16   | -                      |
| <b>Total expenses</b>                         |      | <b>266,529,219</b>     |
| Other gains/(losses)                          |      |                        |
| Gain/Loss on Sale of Assets                   | 17   | -                      |
| Impairment loss                               | 18   | -                      |
| <b>Surplus/(Deficit) for the year</b>         |      | <b>(96,059,363)</b>    |

The Constituency financial statements were approved by the NGCDFC on 31<sup>st</sup> July 2025 and signed by:

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee  
Name: Samson Opiyo Owiti

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Justus Mutua  
ICPAK M/No: 12225

  
\_\_\_\_\_  
Fund Account Manager  
Name: Alfred N. Mwangi

*National Government Constituencies Development Fund (NGCDF)*  
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12. Statement Of Financial Position As At 30th June, 2025

|  | Not<br>e | Period as at June<br>2025 | Opening Statement 1st<br>July 2024 |
|--|----------|---------------------------|------------------------------------|
|  |          | Kshs                      | Kshs                               |
| <b>Assets</b>                              |          |                           |                                    |
| <b>Current Assets</b>                      |          |                           |                                    |
| Cash And Cash Equivalents                  | 19       | 116,349,113               | 149,467,080                        |
| Receivables from Exchange Transactions     | 20       | -                         | -                                  |
| Receivables from Non-Exchange Transactions | 21       | 41,325,208                | 91,833,839                         |
| Prepayments                                | 22       | -                         | -                                  |
| <b>Total Current Assets</b>                |          | <b>157,674,321</b>        | <b>241,300,919</b>                 |
| <b>Non-Current Assets</b>                  |          |                           |                                    |
| Property, Plant and Equipment              | 23       | 718,022                   | 974,386                            |
| Intangible Assets                          | 24       | -                         | -                                  |
| Right-of-use assets                        | 25       | -                         | -                                  |
| <b>Total Non- Current Assets</b>           |          | <b>718,022</b>            | <b>974,386</b>                     |
| <b>Total Assets (A)</b>                    |          | <b>158,392,342</b>        | <b>242,275,305</b>                 |
| <b>Liabilities</b>                         |          |                           |                                    |
| <b>Current Liabilities</b>                 |          |                           |                                    |
| Trade and Other Payables                   | 26       | -                         | -                                  |
| Third-Party Deposits                       | 27       | 12,592,442                | -                                  |
| Lease Liabilities                          | 28       | -                         | -                                  |
| Gratuity provision                         | 29       | 318,327                   | 734,369                            |
| <b>Total Current Liabilities</b>           |          | <b>12,910,769</b>         | <b>734,369</b>                     |
| <b>Non-Current Liabilities</b>             |          |                           |                                    |
| Lease Liabilities                          | 28       | -                         | -                                  |
| <b>Total Liabilities (B)</b>               |          | <b>12,910,769</b>         | <b>734,369</b>                     |
| <b>Net Assets (A-B)</b>                    |          | <b>145,481,574</b>        | <b>241,540,936</b>                 |
| <b>Represented by:</b>                     |          |                           |                                    |
| Revaluation Reserves                       |          | 145,481,573               | 241,540,935                        |
| Accumulated Surplus                        |          |                           |                                    |
| <b>Total Net Assets</b>                    |          | <b>145,481,573</b>        | <b>241,540,935</b>                 |

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


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The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 31st 30th 2025 and signed by:

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Chairman NG-CDF  
Committee


Name: Samson Opiyo Owiti



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National Sub-County  
Accountant

Name: Justus Mutua  
ICPAK M/No:



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Fund Account Manager

Name: Alfred N. Mwangi

*National Government Constituencies Development Fund (NGCDF)*  
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**13. Statement of Changes in Net Assets for the year ended 30 June 2025**

| Description  | Reserves           | Accumulated surplus/Deficit | Total              |
|--|--------------------|-----------------------------|--------------------|
|  | Kshs               | Kshs                        | Kshs               |
| As at 30 <sup>th</sup> June 2024 (cash basis)      | 92,339,974         | -                           | 92,339,974         |
| Adjustments: (to recognize assets and liabilities) |                    |                             |                    |
| Add Assets   | 149,935,330        |                             | 149,935,330        |
| Less Liabilities                                   | 734,369            |                             | 734,369            |
| <b>As at July 1, 2024</b>                          | <b>241,540,935</b> |                             | <b>241,540,935</b> |
|  |                    |                             |                    |
| Surplus/(Deficit) For the Period                   | (96,059,363)       |                             | (96,059,363)       |
| Revaluation Gain/Loss                              | -                  | -                           | -                  |
| <b>As at 30th June (current year)</b>              | <b>145,481,573</b> | <b>-</b>                    | <b>145,481,573</b> |

Note:

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

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

|   | Notes | Period ended<br>June 2025<br>Kshs |
|---|-------|-----------------------------------|
| <b>Cash flows from operating activities</b>                   |       |                                   |
| <b>Receipts</b>   |       |                                   |
| Transfers from the NGCDF Board                                |       | 220,978,488                       |
| Grants/donations from other entities                          |       | -                                 |
| Finance income  |       | -                                 |
| Miscellaneous income  |       | -                                 |
| <b>Total Receipts</b>   |       | <b>220,978,488</b>                |
| <b>Payments</b>   |       |                                   |
| Employee costs  |       | 5,016,699                         |
| Committee expenses  |       | 2,393,000                         |
| Use of Goods and Services                                     |       | 10,068,025                        |
| Other Government Units Certified Works                        |       | 161,213,328                       |
| Other Grants and Transfers                                    |       | 75,405,404                        |
| Digital Hubs Expenses   |       | -                                 |
| <b>Total Payments</b>   |       | <b>254,096,455</b>                |
| <b>Net Cash Flows from/ (used in) Operating Activities</b>    | 30    | <b>(33,117,967)</b>               |
| <b>Cash flows From Investing Activities</b>                   |       |                                   |
| Purchase of PPE   |       | -                                 |
| Purchase of Intangible assets                                 |       | -                                 |
| Proceeds From Sale of PPE                                     |       | -                                 |
| <b>Net Cash Flows from Investing Activities</b>               |       | <b>-</b>                          |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b> |       | <b>(33,117,967)</b>               |
| <b>Cash Flows from Financing Activities</b>                   |       |                                   |
| Lease payment   |       | -                                 |
| <b>Net Cash Flows from Financing Activities</b>               |       | <b>(33,117,967)</b>               |
| Cash and cash equivalents at Period Start                     | 17    | 149,467,080                       |
| Cash and cash equivalents at Period End                       | 17    | 116,349,113                       |

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

*National Government Constituencies Development Fund (NGCDF)  
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

|                                      | Original Budget    | Adjustments  |   | Final Budget       | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--------------------------------------|--------------------|--|---|--------------------|----------------------------|-------------------------------|------------------|
|                                      | Kshs               | Kshs   |   | Kshs               | Kshs                       | Kshs                          |                  |
|                                      | a                  | b  |   | C=(a+b)            | d                          | e=(c-d)                       | f=d/c*100        |
|                                      | 2024/2025          | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding disbursements | 2024/2025          | 2024/2025                  |                               |                  |
| <b>Revenue</b>                       |                    |  |   |                    |                            |                               |                  |
| Transfers From the NGCDF Board       | 170,469,857        | 149,467,080  | 91,833,839                                | 411,770,776        | 370,445,568                | 41,325,208                    | 90%              |
| Grants/donations from other entities | -                  | -  | -   | -                  | -                          | -                             |                  |
| Finance income                       | -                  | -  | -   | -                  | -                          | -                             |                  |
| Miscellaneous income                 | -                  | 4,068,932  |   | 4,068,932          | 4,068,932                  | -                             |                  |
| <b>Totals</b>                        | <b>170,469,857</b> | <b>153,536,012</b>   | <b>91,833,839</b>                         | <b>415,839,708</b> | <b>374,514,500</b>         | <b>41,325,208</b>             | <b>90%</b>       |
| <b>Expenses</b>                      |                    |  |   |                    |                            |                               |                  |
| Employee costs                       | 3,967,752          | 3,957,724  | -   | 7,925,476          | 5,016,699                  | 2,908,777                     | 89%              |
| Committee expenses                   | 2,921,000          | 2,498,464  | -   | 5,419,464          | 2,393,000                  | 3,026,464                     | 57%              |

**National Government Constituencies Development Fund (NGCDF)**  
**Embakasi West Constituency**  
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|  |                    |                    |                   |                    |                    |                    |            |
|--|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|------------|
| Use of Goods and Services              | 8,017,953          | 5,270,050          | 10,310            | 13,298,313         | 10,068,025         | 3,230,288          | 81%        |
| Other Government Units Certified Works | 48,715,000         | 127,286,398        | 81,463,528        | 257,464,926        | 161,213,328        | 96,251,598         | 64%        |
| Other Grants and Transfers             | 104,745,652        | 8,902,878          | 10,360,000        | 124,008,530        | 75,405,404         | 48,603,126         | 59%        |
| Digital Hubs Expenses                  | 2,102,500          | -                  | -                 | 2,102,500          | -                  | 2,102,500          | 0%         |
| Acquisition of Asset                   | -                  | 166,716            | -                 | 166,716            | -                  | 166,716            | 0%         |
| Other Payments                         | -                  | 1,384,850          | -                 | 1,384,850          | -                  | 1,384,850          | 0%         |
| Funds Pending Approval**               | -                  | 4,068,932          | -                 | 4,068,932          | 4,068,932          | -                  | 100%       |
| <b>Total Expenditure</b>               | <b>170,469,857</b> | <b>153,536,011</b> | <b>91,833,838</b> | <b>415,839,706</b> | <b>258,165,387</b> | <b>157,674,319</b> | <b>63%</b> |
| Surplus for the period                 | -                  | (0)                | (1)               | (2)                | (116,349,113)      | 116,349,111        |            |

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

*National Government Constituencies Development Fund (NGCDF)  
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*Explanatory Notes.*

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities |             |
|---|-------------|
| Description   | Amount      |
| Budget utilization difference totals  | 157,674,319 |
| Less undisbursed funds receivable from the Board as at period 30th June 2025                | 41,325,208  |
| Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025                      | 116,349,111 |

The budget utilization difference is as a result of: Ongoing projects where contractors haven't been fully paid. This will be done once projects are complete and certificates issues.

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 30<sup>th</sup> August 2025 and signed by:



Fund Account Manager

Name: Alfred N. Mwangi



National Sub-County Accountant

Name: Justus Mutua  
ICPAK M/No: 12228

Chairman NG-CDF Committee

Name: Samson Owiti Opiyo

*National Government Constituencies Development Fund (NGCDF)*  
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Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025

| Programme/Sub-programme                 | Original Budget   | Adjustments  |                                  | Final Budget      | Actual on         | Budget utilization difference |
|---|-------------------|--|----------------------------------|-------------------|-------------------|-------------------------------|
|   |                   | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous                         |                   | comparable basis  |                               |
|   |                   |  | Years' Outstanding Disbursements |                   |                   |                               |
| Kshs                                    | Kshs              | Kshs   | Kshs                             | Kshs              | Kshs              |                               |
| <b>1.0 Administration and Recurrent</b> |                   |  |                                  |                   |                   |                               |
| 1.1 Compensation of employees           | 3,967,752         | 1,757,724  |                                  | 5,725,476         | 5,016,699         | 708,777                       |
| 1.2 Committee allowances                | 1,528,000         | 1,098,464  |                                  | 2,626,464         | 2,393,000         | 233,464                       |
| 1.3 Use of goods and services           | 4,676,800         | 1,499,786  | 10,310                           | 6,186,896         | 6,186,896         | -                             |
| <b>Sub-total</b>                        | <b>10,172,552</b> | <b>4,355,974</b>   | <b>10,310</b>                    | <b>14,538,836</b> | <b>13,596,595</b> | <b>942,241</b>                |
| <b>2.0 Monitoring and evaluation</b>    |                   |  |                                  |                   |                   |                               |
| 2.1 Capacity building                   | 3,050,000         | 2270478-1392258  |                                  | 3,050,000         | 3,284,129         | (234,129)                     |
| 2.2 Committee allowances                | 1,393,000         |  |                                  | 1,393,000         |                   | 1,393,000                     |
| 2.3 Use of goods and services           | 291,153           | 2,378,006  |                                  | 2,669,159         |                   | 2,669,159                     |

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Embakasi West Constituency  
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|  |                   |                  |          |                   |                   |                  |
|--|-------------------|------------------|----------|-------------------|-------------------|------------------|
| <b>Sub-total</b>                       | <b>4,734,153</b>  | <b>2,378,006</b> | <b>-</b> | <b>7,112,159</b>  | <b>3,284,129</b>  | <b>3,828,030</b> |
| <b>4.0 Emergency (unutilized)</b>      |                   |                  |          |                   |                   |                  |
| 4.1                                    | 8,972,098         | 631,098          |          | 9,603,196         |                   | 9,603,196        |
| <b>Sub-total</b>                       | <b>8,972,098</b>  | <b>631,098</b>   | <b>-</b> | <b>9,603,196</b>  | <b>-</b>          | <b>9,603,196</b> |
| <b>5.0 Bursary and Social Security</b> |                   |                  |          |                   |                   |                  |
| 5.1 Primary Schools                    |                   |                  |          | -                 |                   | -                |
| 5.2 Secondary Schools                  | 45,000,000        | 265,000          |          | 45,265,000        | 44,735,000        | 530,000          |
| 5.3 Tertiary Institutions              | 21,500,000        |                  |          | 21,500,000        | 17,500,000        | 4,000,000        |
| 5.4 special needs                      | 1,500,000         |                  |          | 1,500,000         | 1,270,000         | 230,000          |
| 5.5 Education Support Programmes       |                   |                  |          | -                 |                   | -                |
| 5.6 Social Security                    |                   | 1,500,000        |          | 1,500,000         |                   | 1,500,000        |
| <b>Sub-total</b>                       | <b>68,000,000</b> | <b>1,765,000</b> | <b>-</b> | <b>69,765,000</b> | <b>63,505,000</b> | <b>6,260,000</b> |
| <b>7.0 Environment</b>                 |                   |                  |          |                   |                   |                  |
| Metallc Garbage Bin                    | 1,080,000         | 360,000          | 360,000  |                   | 357,600           | 1,320,000        |

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

|   |                  |                  |                |                  |                  |                  |
|---|------------------|------------------|----------------|------------------|------------------|------------------|
|   |                  |                  |                | -                | 1,319,450        |                  |
| <b>Sub-total</b>                          | <b>1,080,000</b> | <b>1,680,000</b> | <b>360,000</b> | <b>1,320,000</b> | <b>1,677,050</b> | <b>1,320,000</b> |
| <b>8.0 Primary Schools Projects</b>       |                  |                  |                |                  |                  |                  |
| Nairobi river Primary School Clasrrom PMC | -                | 11,771,993.40    | -              | 11,771,993       | 9,030,040        | 2,741,953        |
| Uhuru Primary School Ablution block PMC   | -                | 27,069.00        | -              | 27,069           | 27,069           | -                |
| Uhuru Primary School Classroom Block PMC  | -                | 11,771,993.40    | -              | 11,771,993       | 11,193,440       | 578,553          |
| KIFARU Primary School Perimeter wall PMC  | -                | 404,122.00       | -              | 404,122          | 404,122          | -                |
| Busara Primary School Classroom Block PMC | -                | 11,771,993.00    | -              | 11,771,993       | 10,784,759       | 987,235          |
| Kariobangi South Primary Furniture        | -                | 6,000.00         | -              | 6,000            | 6,000            | -                |
| Peter kibukosya Secondary School PMC      | -                |                  | -              |                  |                  | -                |
| Buruburu 1 Primary                        |                  | 2,259,428.00     |                | 2,259,428        | 2,259,428        | -                |
| Unity Primary School Toilet Block         | -                | 1,518,385.00     | -              | 1,518,385        | 1,518,385        | -                |
|   |                  |                  |                | -                |                  | -                |
| Supaloaf Primary Classroom block          | -                | 2,558,177.00     | -              | 2,558,177        | 1,594,895.00     | 963,282          |

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|  |   |              |              |           |           |         |
|--|---|--------------|--------------|-----------|-----------|---------|
| Access road to Buruburu 1 Primary School   | - | 383,507.00   | -            | 383,507   | 383507    | -       |
| UMOJA 1 PRIMARY - PERIMETER WALL           | - | 7,200,000.00 | -            | 7,200,000 | 7,200,000 | -       |
| Umoja 1 Primary Furniture PMC              | - | 7,360.00     | 2,250,000.00 | 2,257,360 | 2,257,360 | -       |
| Unity Primary Furniture PMC                | - | 11,585.00    | 2,250,000.00 | 2,261,585 | 2,261,585 | -       |
| Busara Primary Furniture PMC               | - | 7,180.00     | 2,250,000.00 | 2,257,180 | 2,257,180 | -       |
| Peter Kibukosya Primary Furniture PMC      | - | 9,100.00     | 2,250,000.00 | 2,259,100 | 2,259,100 | -       |
| Kifaru Primary Furniture PMC               | - | 7,180.00     | 2,250,000.00 | 2,257,180 | 2,257,180 | -       |
| Tumaini Primary Furniture PMC              | - | 7,240.00     | 2,250,000.00 | 2,257,240 | 2,257,240 | -       |
| Supa loaf Primary Furniture PMC            | - | 7,880.00     | 2,250,000.00 | 2,257,880 | 2,257,880 | -       |
| Kariobangi South Primary Furniture PMC     | - | 7,960.00     | 2,250,000.00 | 2,257,960 | 2,257,960 | -       |
| Nairobi River Primary Furniture PMC        | - | 117,100.00   | 2,140,000.00 | 2,257,100 | 2,257,100 | -       |
| Uhuru Primary Furniture PMC                | - | 2,256,960.00 |              | 2,256,960 | 2,256,960 | -       |
| Peter Kibukosya Primary 250 perimeter wall | - | 908,831.00   | -            | 908,831   | 908,831   | -       |
| Kariobangi South Primary School            | - | 620,471.00   | -            | 620,471   | 275,805   | 344,666 |

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|  |   |            |   |         |         |     |
|--|---|------------|---|---------|---------|-----|
| Peremeter wall<br>PMC                                      |   |            |   |         |         |     |
| Peter kibukosya<br>Primary<br>Multipurpose hall            | - | -          | - | -       | -       | -   |
| BURUBURU 1<br>PRIMARY<br>SCHOOL DINING<br>AND<br>DORMITORY |   | 101.00     |   | 101     | 101     | -   |
| UHURU<br>PRIMARY<br>SCHOOL -<br>RENOVATION                 |   | 3,286.00   |   | 3,286   | 3,286   | -   |
| BURUBURU 1<br>PRIMARY<br>SCHOOL-<br>CLASSROOM              |   | 56,183.00  |   | 56,183  | 56,183  | -   |
| KARIOBANGI<br>SOUTH<br>PRIMARY<br>CLASSROOMS<br>PHASE 2    |   | 9,240.00   |   | 9,240   | 9,240   | -   |
| UMOJA I<br>PRIMARY<br>ASBESTOS                             |   | 96,405.53  |   | 96,406  | 96,406  | (0) |
| UNITY PRIMARY<br>SCHOOL<br>CLASSROOM-<br>BLOCK             |   | 87,539.10  |   | 87,539  | 87,539  | 0   |
| UMOJA I<br>PRIMARY<br>SCHOOL 8<br>(NO)CLASSROO<br>MS       |   | 206,730.00 |   | 206,730 | 206,730 | -   |

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|   |  |           |  |        |        |     |
|---|--|-----------|--|--------|--------|-----|
| Superloaf primary School Classrooms (Phase II)                          |  | 68,507.50 |  | 68,508 | 68,508 | (1) |
| UMOJA I PRIMARY MUSIC CENTRE  |  | 68,109.00 |  | 68,109 | 68,109 | -   |
| UMOJA I PRIMARY MUSIC CENTRE  |  | 2,475.00  |  | 2,475  | 2,475  | -   |
| PETER KIBUKOSYA SIX CLASSROOMS BLOCK                                    |  | 66,768.80 |  | 66,769 | 66,769 | (0) |
| DR. MWENJE SECONDARY SCHOOL LABORATORY PMC                              |  | 5,929.99  |  | 5,930  | 5,930  | (0) |
| KARIOBANGI SOUTH PRIMARY SCHOOL- DR.MWENJE SECONDARY SCHOOL ACCESS ROAD |  | 9,000.00  |  | 9,000  | 9,000  | -   |
| BUSARA PRIMARY SCHOOL FURNITURE   |  | 23,243.00 |  | 23,243 | 23,243 | -   |
| SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT               |  | 826.50    |  | 827    | 827    | (1) |

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|  |   |              |               |            |            |           |
|--|---|--------------|---------------|------------|------------|-----------|
| Mowlem Super Loaf Class Block(phase 1)         |   | 55,677.00    |               | 55,677     | 55,677     | -         |
| Kariobangi South Primary School Ablution Block |   | 779,079.00   |               | 779,079    | 779,079    | -         |
| TUMAINI PRIMARY SCHOOL-CLASSROOMS RENOVATIONS  |   | 8,088,449.04 |               | 8,088,449  | 7,458,848  | 629,601   |
| TUMAINI PRIMARY SCHOOL PERIMETER-WALL-         |   | 43,308.00    |               | 43,308     | 43,308     | -         |
| UMOJA 1 FURNITURE                              |   | 9,385.50     |               | 9,386      | 9,386      | (1)       |
| 8.1 Umoja 1 Primary School                     | - |              | 20,000,000.00 | 20,000,000 | 12,884,942 | 7,115,058 |
| Umoja 1 Primary PWD Centre Renovation          | - | 4,000,000.00 | 2,500,000.00  | 6,500,000  | 5,330,240  | 1,169,760 |
| Kifaru Primary School Classrooms               |   |              | 12,161,764.00 | 12,161,764 | 10,965,489 | 1,196,275 |
| Kifaru Primary School Perimeter wall           | - | 8,600,000.00 |               | 8,600,000  | 8,495,892  | 104,108   |
| Kariobangi South Primary Perimeter Wall        |   | 4,000,000.00 |               | 4,000,000  | 3,714,037  | 285,963   |
| 8.8 Kariobangi South Primary School            | - | 9,832,844.00 | -             | 9,832,844  | 7,049,183  | 2,783,661 |
| 8.9 Nairobi River Primary School               | - |              | -             | -          |            | -         |

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|   |                   |                    |                   |                    |                    |                   |
|---|-------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| 8.10 Buruburu 1 Primary School                                | -                 | 5,000,000.00       | -                 | 5,000,000          | 4,652,155          | 347,845           |
| 8.11 Uhuru Primary School                                     | -                 |                    |                   | -                  |                    | -                 |
| Supa loaf Primary School                                      | -                 | 18,304,466.00      | 9,500,000.00      | 27,804,466         | 17,498,110         | 10,306,356        |
| Tena Primary School   |                   |                    | 5,000,000.00      | 5,000,000          | 2,265,523          | 2,734,477         |
| Tena Primary School   | -                 | -                  | 12,161,764.00     | 12,161,764         | 4,183,797          | 7,977,967         |
| Kariobangi Primary school ICT Hub                             | 9,000,000.00      | -                  |                   | 9,000,000          |                    | 9,000,000         |
| Proposed Dr. Mwenje Primary School-New School New School      | 20,000,000.00     | -                  |                   | 20,000,000         |                    | 20,000,000        |
| Proposed Dr. Mwenje Primary School-New School Ablution        | 5,000,000.00      | -                  |                   | 5,000,000          |                    | 5,000,000         |
| Supaloaf Primary School Bus                                   | 10,215,000        | -                  |                   | 10,215,000         |                    | 10,215,000        |
|   |                   | -                  |                   | -                  |                    | -                 |
|   |                   | -                  |                   | -                  |                    | -                 |
|   |                   | -                  |                   | -                  |                    | -                 |
|   |                   | -                  |                   | -                  |                    | -                 |
|   |                   | -                  |                   | -                  |                    | -                 |
| <b>Sub-total</b>  | <b>44,215,000</b> | <b>113,059,068</b> | <b>81,463,528</b> | <b>238,737,596</b> | <b>154,255,838</b> | <b>84,481,758</b> |
| <b>9.0 Secondary Schools Projects (List all the Projects)</b> |                   |                    |                   |                    |                    |                   |

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|  |              |                   |          |                   |                   |                  |
|--|--------------|-------------------|----------|-------------------|-------------------|------------------|
| Dr. Mwenje<br>Secondary School<br>Furniture PMC            | -            | 7,170             |          | 7,170             | 7,170             | -                |
| Uhuru Secondary<br>School Laboratory<br>PMC                |              | 1,294,501         |          | 1,294,501         | 1,294,501         | -                |
| Dr Mwenje<br>Secondary School<br>Classroom Block<br>PMC    |              | 2,371,590         |          | 2,371,590         | -                 | 2,371,590        |
| UHURU<br>SECONDARY<br>SCHOOL<br>FURNITURE PMC              |              | 1,600,000.00      |          | 1,600,000         | 1,600,000         | -                |
| PETER<br>KIBUKOSYA<br>SECONDARY<br>SCHOOL<br>FURNITURE PMC |              | 1,800,000.00      |          | 1,800,000         | 1,800,000         | -                |
| Dr Mwenje<br>Secondary School<br>Bus PMC                   |              | 11,482,000.00     |          | 11,482,000        | 5,741,575         | 5,740,425        |
| Peter kibukosya<br>Secondary                               |              | 160,619           |          | 160,619           | 160,619           | 0                |
| Uhuru Secondary<br>School                                  |              | 11,450            |          | 11,450            | 11,450            | -                |
|  |              |                   |          | -                 |                   | -                |
| <b>Sub-total</b>   | <b>-</b>     | <b>18,727,330</b> | <b>-</b> | <b>18,727,330</b> | <b>10,615,315</b> | <b>8,112,015</b> |
| <b>10.0 ICT Projects<br/>(List all the<br/>Projects)</b>   |              |                   |          |                   |                   |                  |
| Umoja 2 Chef's<br>camp ICT HUB                             | 1,435,000.00 |                   |          | <b>1,435,000</b>  |                   | 1,435,000        |

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|   |                  |              |            |                  |           |                  |
|---|------------------|--------------|------------|------------------|-----------|------------------|
| KCC Police Post<br>ICT HUB  | 667,500.00       |              |            | 667,500          |           | 667,500          |
|   |                  |              |            | -                |           | -                |
|   |                  |              |            | -                |           | -                |
| <b>Sub-total</b>  | <b>2,102,500</b> | -            | -          | <b>2,102,500</b> | -         | <b>2,102,500</b> |
| <b>11.0 Security<br/>Projects</b>   |                  |              |            |                  |           |                  |
| BURUBURU<br>POLICE<br>STATION<br>ABLUTION<br>BLOCK<br>CONSTRUCTION<br>PMC |                  | 3,518,455    |            | 3,518,455        | 3,316,010 | 202,445          |
| Construction<br>of Umoja 1<br>Assistant Chief's<br>Office PMC             |                  |              | 10,000,000 | 10,000,000       | 6,129,494 | 3,870,506        |
| OFFICE<br>FURNITURE FOR<br>POLICE/AP/CHIE<br>FS OFFICES PMC               |                  | 9,920        |            | 9,920            | 9,920     | -                |
| MOWLEM<br>ASSISTANT<br>CHIEFS CAMP  |                  | 399,575      | -          | 399,575          | 399,575   | (1)              |
| Mowlem Pollice<br>PMC   |                  | 1,389,476.00 |            | 1,389,476        | -         | 1,389,476        |
| UMOJA 11<br>CHIEF'S CAMP<br>QUARTERS<br>NGCDF PROJECT                     |                  | 12           |            | 12               | 12        | (0)              |
| Kwa Maji Police<br>Post   |                  | 1,601        |            | 1,601            | 1,601     | -                |

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|   |                   |                  |                   |                   |                  |                   |
|---|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| NGCDF OFFICE<br>PMC   | 30,886,054.02     |                  |                   | <b>30,886,054</b> |                  | <b>30,886,054</b> |
| Umoja 1 Assistant<br>Chef's Office                          | 307,500.00        |                  |                   | <b>307,500</b>    |                  | <b>307,500</b>    |
|   |                   |                  |                   | -                 |                  | -                 |
|   |                   |                  |                   | -                 |                  | -                 |
| KWA MAJI<br>POLICE<br>STATION                               |                   |                  |                   | -                 |                  | -                 |
| Subtotal  | <b>31,193,554</b> | <b>5,319,038</b> | <b>10,000,000</b> | <b>46,512,592</b> | <b>9,856,612</b> | <b>36,655,980</b> |
| <b>12.0 Acquisition of<br/>assets</b>                       |                   |                  |                   |                   |                  |                   |
| 12.1 Motor<br>Vehicles (including<br>motorbikes)            |                   |                  | -                 | -                 |                  | -                 |
| 12.2 Purchase of<br>furniture and<br>fittings,<br>COMPUTERS |                   | 166,716          |                   | <b>166,716</b>    |                  | 166,716           |
| 12.2 Construction<br>of CDF office                          |                   |                  |                   | -                 |                  | -                 |
| <b>Sub-total</b>  | -                 | <b>166,716</b>   | -                 | <b>166,716</b>    | -                | <b>166,716</b>    |
| <b>13.0 Others</b>  |                   |                  |                   | -                 |                  |                   |
| Sports  |                   | 777,850.00       | -                 | <b>777,850</b>    | 777,850          | -                 |
|   |                   | -                | -                 | -                 |                  | -                 |
| Embakasi West<br>NG-CDF Strategic<br>Plan                   |                   | 607,000.00       | -                 | <b>607,000</b>    | 597,000          | 10,000            |
| <b>Sub-total</b>  | -                 | <b>1,384,850</b> | -                 | <b>1,384,850</b>  | <b>1,374,850</b> | <b>10,000</b>     |
| <b>Funds pending<br/>approval**</b>                         |                   |                  |                   | -                 |                  | -                 |

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|                     |                    |                    |                   |                    |                    |                    |  |
|---------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--|
| unapproved projects |                    | -                  |                   |                    | -                  |                    |  |
| PMC Returned Funds  |                    | 4,068,932          |                   | 4,068,932          |                    | 4,068,932          |  |
|                     |                    |                    |                   |                    |                    |                    |  |
|                     |                    |                    |                   |                    |                    |                    |  |
|                     |                    |                    |                   |                    |                    |                    |  |
| AiA                 | -                  |                    |                   |                    | -                  |                    |  |
| <b>Sub-total</b>    | -                  | <b>4,068,932</b>   | -                 | <b>4,068,932</b>   | -                  | <b>4,068,932</b>   |  |
| <b>Total</b>        | <b>170,469,857</b> | <b>153,536,012</b> | <b>91,833,838</b> | <b>414,039,707</b> | <b>258,165,388</b> | <b>157,551,368</b> |  |

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

## 16. Notes to the Financial Statements

### 1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya

### 2. Statement of Compliance and Basis of Preparation

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

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

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

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

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

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

3. Adoption of New and Revised Standards

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

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

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

| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 43:<br>Leases  | <i>Applicable 1<sup>st</sup> January 2025</i><br>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.<br>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.<br>The IPSAS was not applicable for 2024/2025 F/Y |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued<br>Operations | <i>Applicable 1<sup>st</sup> January 2025</i><br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.<br>The IPSAS was not applicable for 2024/2025 F/Y   |
| IPSAS 45:<br>Property Plant<br>and Equipment   | <i>Applicable 1<sup>st</sup> January 2025</i><br>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and   |

|                                  |   |
|----------------------------------|---|
|                                  | <p>measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p>  |
| <p>IPSAS 46:<br/>Measurement</p> | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p> |
| <p>IPSAS 47:<br/>Revenue</p>     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p>  |

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|  |   |
|--|---|
| <p>IPSAS 48:<br/>Transfer Expenses</p>                                     | <p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p>   |
| <p>IPSAS 49:<br/>Retirement Benefit Plans</p>                              | <p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p>  |
| <p>IPSAS 50:<br/>Exploration For &amp; Evaluation of Mineral Resources</p> | <p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><b>The IPSAS was not applicable for 2024/2025 F/Y</b></p> |

*iii. Early adoption of standards*

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

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

#### Transfers from other government entities

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

##### ii) Revenue from exchange transactions

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

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

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

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

**c) Property, plant and equipment**

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

**d) Leases**

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

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

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

## **b) Financial liabilities**

### **Classification**

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

### **g) Inventories**

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

#### **h) Provisions**

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

#### **i) Social Benefits**

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

#### **j) Contingent liabilities**

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

#### **k) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of

economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

#### **Estimates and assumptions.**

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

#### **Useful lives and residual value**

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

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

#### **Provisions**

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

*(No provisions are applicable for Embakasi West NG-CDF in the F/Y 2024/2025)*

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6. Transfers from the NGCDF Board

| Description                              | <i>Period ended June 2025</i> |
|--|-------------------------------|
| NGCDFB Transfers (Allocation for the FY) | 170,469,857                   |
| <b>TOTAL</b>                             | <b>170,469,857</b>            |

7. Transfers from domestic and foreign partners

| Description  | <i>Period ended June 2025</i> |
|--------------|-------------------------------|
|              | Kshs                          |
| Grants       | -                             |
| <b>Total</b> | <b>-</b>                      |

8. Finance income

| Description                      | <i>Period ended June 2025</i> |
|----------------------------------|-------------------------------|
|                                  | Kshs                          |
| Interest Income on Bank Deposits | -                             |
| <b>Total</b>                     | <b>-</b>                      |

*(Provide a brief explanation for this revenue)*

9. Miscellaneous income

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Rental Income  | -                             |
| Income from sale of tenders                            | -                             |
| Hire of plant/equipment/facilities                     | -                             |
| Other Income Not Classified Elsewhere <i>(specify)</i> | -                             |
| <b>Total</b>   | <b>-</b>                      |

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10. Employees cost

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| NG-CDFC Basic staff salaries                                       | 3,148,903                     |
| Personal allowances paid as part of salary                         | -                             |
| House Allowance  | 534,000                       |
| Transport Allowance  | -                             |
| Leave allowance  | 25,000                        |
| Gratuity to contractual employees                                  | 526,336                       |
| Employer Contributions Compulsory national social security schemes | 281,946                       |
| Employer Contributions Compulsory Housing levy                     | 77,122                        |
| Employer contributions to National Industrial Training Authority   | 7,350                         |
| Other Specify  | -                             |
| <b>Total</b>   | <b>4,600,657</b>              |

11. Committee Expenses

| Description              | <i>Period ended June 2025</i> |
|--------------------------|-------------------------------|
|                          | Kshs                          |
| Sitting allowance        | 1,798,000                     |
| Other Committee expenses | 595,000                       |
| <b>Total</b>             | <b>2,393,000</b>              |

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12. Use of Goods and services

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Utilities, supplies and services                             | 171,780                       |
| Communication, supplies and services                         | 378,600                       |
| Domestic travel and subsistence                              | 3,290,259                     |
| Printing, advertising and information supplies & services    | 958,838                       |
| Office Rent  | 556,800                       |
| Training expenses  | -                             |
| Hospitality supplies and services                            | 2,169,460                     |
| Insurance costs  | -                             |
| Specialized materials and services                           | 178,750                       |
| Office and general supplies and services                     | 1,748,968                     |
| Fuel, oil & lubricants                                       | -                             |
| Bank Charges   | 17,570                        |
| Routine maintenance – vehicles and other transport equipment | -                             |
| Routine maintenance – other assets                           | -                             |
| Strategic plan expenses                                      | 597,000                       |
| Other operating expenses                                     | -                             |
| <b>Total</b>   | <b>10,068,025</b>             |

13. Other Government Units Actual expenditure

| Description                              | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Primary Schools Actual expenditure       | 161,529,162                   |
| Secondary Schools Actual Expenditure     | 10,987,648                    |
| Tertiary Institutions Actual Expenditure | -                             |
| <b>Total</b>                             | <b>172,516,810</b>            |

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14. Other Grants and transfers Actual expenditure

| Description                            | Period ended June 2025 |
|--|------------------------|
|  | Kshs                   |
| Bursary – secondary schools            | 44,735,000             |
| Bursary – tertiary institutions        | 17,500,000             |
| Bursary – special schools              | 1,270,000              |
| Bursary - Education Support programmes | -                      |
| Social Security programmes (SHIF)      | -                      |
| Security projects Actual Expenditure   | 10,734,463             |
| Climate change mitigation projects     | 1,677,050              |
| Emergency projects Actual Expenditure  | -                      |
| Roads projects                         | -                      |
| Sports                                 | 777,850                |
| <b>Total</b>                           | <b>76,694,363</b>      |

15. Depreciation and Amortization Expenses

| Description                  | Period ended June 2025 |
|------------------------------|------------------------|
|                              | Kshs                   |
| Property Plant and Equipment | 256,365                |
| Intangible Assets            | -                      |
| <b>Total</b>                 | <b>256,365</b>         |

16. Digital Hubs Expenses

| Description                                   | Period ended June 2025 |
|---|------------------------|
|   | Kshs                   |
| Construction/ renovation/Actual Expenditure   | -                      |
| Digital Hub utility costs Water, Electricity, | -                      |
| Maintenance of ICT equipment                  | -                      |
| Maintenance of building                       | -                      |
| Others ( <i>specify</i> )                     | -                      |
| <b>Total</b>                                  | <b>-</b>               |

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**17. Gain/loss on Sale of Assets**

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

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

**18. Impairment Loss**

| Description                   | Period ended June 2025 |
|-------------------------------|------------------------|
|                               | Kshs                   |
| Property, Plant and Equipment | -                      |
| Intangible Assets             | -                      |
| <b>Total Impairment Loss</b>  | <b>-</b>               |

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

| Name Of Bank and Account No.   | Period ended June 2025 | Opening Statement<br>1st July 2024 |
|--|------------------------|------------------------------------|
|  | Kshs                   | Kshs                               |
| <b>Bank Accounts (Cash Book Bank Balance)</b>  |                        |                                    |
| <i>Embakasi West NG-CDF Equity Bank,<br/>Buruburu Branch , 0950261868298</i>               | 62,189,584             | 93,074,344                         |
| <i>Operations account pending closure (Indicate<br/>name &amp; account no.)</i>            | -                      | -                                  |
| <i>Embakasi West NG-CDF Deposit A/c Equity<br/>Bank, Buruburu Branch<br/>0950285655755</i> | 318,327                | -                                  |
| <i>Several</i>   | 53,841,202             | 56,392,736                         |
| <b>Total</b>   | <b>116,349,113</b>     | <b>149,467,080</b>                 |

*See annex ii in the financial statements for PMC account name, number and balances*

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**20. Receivables from Exchange Transactions**

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

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

**i. Ageing Analysis for Receivables**

| Description        | Period ended June 2025 |                | Opening Statement<br>1st July 2024 |                |
|--------------------|------------------------|----------------|------------------------------------|----------------|
|                    | Current FY             | % of the total | Opening Balance                    | % of the total |
| Less than 1 year   | -                      | #DIV/0!        | -                                  | #DIV/0!        |
| Between 1- 2 years | -                      | #DIV/0!        | -                                  | #DIV/0!        |
| Between 2-3 years  | -                      | #DIV/0!        | -                                  | #DIV/0!        |
| Over 3 years       | -                      | #DIV/0!        | -                                  | #DIV/0!        |
| Total (a+b)        | -                      | #DIV/0!        | -                                  | #DIV/0!        |

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21. Receivables from Non-Exchange Transactions

| Description           | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|-----------------------|-------------------------------|--|
|                       | Kshs                          | Kshs                                   |
| Transfers from NGCDFB | 41,325,208                    | 91,833,839.34                          |
| Outstanding imprest   | -                             | -                                      |
| <b>Total</b>          | <b>41,325,208</b>             | <b>91,833,839</b>                      |

22. Prepayments

| Description                          | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|--------------------------------------|-------------------------------|--|
|                                      | Kshs                          | Kshs                                   |
| Prepaid Rent                         | -                             | -                                      |
| Prepaid Insurance                    | -                             | -                                      |
| Prepaid Electricity Costs            | -                             | -                                      |
| Other Prepayments ( <i>Specify</i> ) | -                             | -                                      |
| <b>Total</b>                         | <b>-</b>                      | <b>-</b>                               |

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**23. Property, Plant and Equipment**

|  | Land | Buildings | Motor vehicles | Infrastructure assets | Furniture and fittings | Computers & ICT Equipment | Work in progress | Service concession assets | Total     |
|--|------|-----------|----------------|-----------------------|------------------------|---------------------------|------------------|---------------------------|-----------|
| <b>Depreciation Rate</b>                           |      | 10%       | 25.00%         | 20%                   | 12.50%                 | 30.00%                    |                  |                           |           |
| <b>Cost</b>  | Kshs | Kshs      | Kshs           | Kshs                  | Kshs                   | Kshs                      | Kshs             | Kshs                      | Kshs      |
| <b>Opening Bal as 1<sup>st</sup> July 2024</b>     | -    | -         | -              | -                     | 234,784                | 1,098,500                 | -                | -                         | 1,333,284 |
| Additions  | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| Disposals  | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| Transfer/Adjustments                               | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| <b>As At 30<sup>th</sup> Jun 2025</b>              | -    | -         | -              | -                     | 234,784                | 1,098,500                 | -                | -                         | 1,333,284 |
| <b>Depreciation And Impairment</b>                 |      |           |                |                       |                        |                           |                  |                           |           |
| Opening bal accumulated depreciation 1st July 2024 | -    | -         | -              | -                     | 29,348                 | 329,550                   | -                | -                         | 358,898   |
| Depreciation                                       | -    | -         | -              | -                     | 25,680                 | 230,685                   | -                | -                         | 256,365   |
| Disposals  | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| Impairment   | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| Transfer/Adjustment                                | -    | -         | -              | -                     | -                      | -                         | -                | -                         | -         |
| <b>As At 30<sup>th</sup> Jun 2025</b>              | -    | -         | -              | -                     | 55,028                 | 560,235                   | -                | -                         | 615,263   |
| <b>Net Book Values</b>                             |      |           |                |                       |                        |                           |                  |                           |           |
| <b>Opening Bal as at 1<sup>st</sup> July 2025</b>  | -    | -         | -              | -                     | 205,436                | 768,950                   | -                | -                         | 974,386   |
| <b>As At , 30<sup>th</sup> June 2025</b>           | -    | -         | -              | -                     | 179,757                | 538,265                   | -                | -                         | 718,022   |

**Valuation**

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

**22 b) Property, Plant and Equipment at Cost**

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

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

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

|  | Cost or valuation | Normal annual depreciation charge |
|--|-------------------|-----------------------------------|
| Plant and Machinery                      | -                 | -                                 |
| Motor Vehicles including Motorcycles     | -                 | -                                 |
| Computers and Related Equipment          | -                 | -                                 |
| Office Equipment, Furniture and Fittings | -                 | -                                 |
| <b>Total</b>                             | -                 | -                                 |

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24. Intangible Assets

| Description                                    | Period ended June 2025 | Opening Statement<br>1st July 2024 |
|--|------------------------|------------------------------------|
|  | Kshs                   | Kshs                               |
| Cost   |                        |                                    |
| Opening balance at the beginning of the Period | -                      | -                                  |
| Additions                                      | -                      | -                                  |
| Disposal                                       | -                      | -                                  |
| At end of the Period                           | -                      | -                                  |
| Additions–internal development                 | -                      | -                                  |
| Disposal                                       | -                      | -                                  |
| At end of the Period                           | -                      | -                                  |
| Amortization and impairment                    |                        |                                    |
| At beginning of the Period                     | -                      | -                                  |
| Amortization                                   | -                      | -                                  |
| At end of the Period                           | -                      | -                                  |
| Impairment loss                                | -                      | -                                  |
| At end of the Period                           | -                      | -                                  |
| NBV  | -                      | -                                  |

25. Right-of use assets

| Description              | Buildings | Motor vehicles | Plant and equipment | Total |
|--------------------------|-----------|----------------|---------------------|-------|
|                          | Kshs      | Kshs           | Kshs                | Kshs  |
| Cost                     |           |                |                     |       |
| As at 1 July 2024        | -         | -              | -                   | -     |
| Additions                | -         | -              | -                   | -     |
| As at 30 June 2025       | -         | -              | -                   | -     |
| Accumulated Depreciation |           |                |                     |       |
| As at 1 July 2024        | -         | -              | -                   | -     |
| Charge for the year      | -         | -              | -                   | -     |
| As at 30 June 2025       | -         | -              | -                   | -     |

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|                    |   |   |   |   |
|--------------------|---|---|---|---|
|                    |   |   |   |   |
| Carrying Amount    |   |   |   |   |
| As at 30 June 2025 | - | - | - | - |

26. Trade and Other Payables

| Description                           | Period ended June 2025 | Opening Statement 1st July 2024 |
|---------------------------------------|------------------------|---------------------------------|
|                                       | Kshs                   | Kshs                            |
| Trade payables                        | -                      | -                               |
| Employee payables                     | -                      | -                               |
| Other payables                        | -                      | -                               |
| <b>Total trade and other payables</b> | <b>-</b>               | <b>-</b>                        |

27. Third-Party deposits

|  | Period ended June 2025 | Opening Statement 1st July 2024 |
|--|------------------------|---------------------------------|
|  | Kshs                   | Kshs                            |
| Retention as at start of the period (A)            |                        | -                               |
| Retention held during the period (B)               | 17,837,532             | -                               |
| Retention paid during the period (C)               | 5,245,091              | -                               |
| <b>Closing Retention as at period xx, D= A+B-C</b> | <b>12,592,442</b>      | <b>-</b>                        |

Retentions aging analysis.

|                  | Period ended June 2025 |                | Opening Statement 1st July 2024 |                |
|------------------|------------------------|----------------|---------------------------------|----------------|
|                  |                        | % of the total |                                 | % of the total |
| Less than 1 year | -                      | %              | -                               | %              |
| 1-2 years        | -                      | %              | -                               | %              |
| 2-3 years        | -                      | %              | -                               | %              |
| Over 3 years     | -                      | %              | -                               | %              |
| <b>Total</b>     | <b>-</b>               |                | <b>-</b>                        |                |

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

**28. Lease Liabilities**

| Description                            | <i>Period ended June 2025</i> | <i>Opening Statement<br/>1st July 2024</i> |
|--|-------------------------------|--|
|  | Kshs                          | Kshs                                       |
| Balance at the beginning of the period | -                             | -  |
| Discount interest on lease liability   | -                             | -  |
| Paid during the period                 | -                             | -  |
| At end of the period                   | -                             | -  |

**Maturity Analysis**

| Description  | Amount |
|--------------|--------|
| Current      | -      |
| Non- Current | -      |
| Total        | -      |

**Analysed as:**

| Description  | Amount |
|--------------|--------|
| Current      | -      |
| Non- Current | -      |
| Total        | -      |

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29. Gratuity Provision

| Description  | Period ended June 2025 | Opening Statement     |
|--|------------------------|-----------------------|
|  | Kshs                   | 1st July 2024<br>Kshs |
| Gratuity at the beginning of the period (A)                    | 734,369                | -                     |
| Gratuity held during the period (B)                            | 526,336                | 734,369               |
| Gratuity paid during the period (C)                            | 942,378                | -                     |
| <b>Total Gratuity provision as at period June 2025=(A+B-C)</b> | <b>318,327</b>         | <b>734,369.</b>       |

30. Cash Generated from Operations

|  | Period ended June 2025 |
|--|------------------------|
|  | Kshs                   |
| Surplus for the period before tax              | (96,059,363)           |
| Adjusted for:                                  |                        |
| Depreciation                                   | 256,365                |
| Non-cash grants received                       | -                      |
| Contributed assets                             | -                      |
| Impairment                                     | -                      |
| Gains and losses on disposal of assets         | -                      |
| Contribution to provisions                     | -                      |
| Contribution to impairment allowance           | -                      |
| <b>Working capital adjustments</b>             |                        |
| Changes in inventory                           | -                      |
| Changes in receivables                         | (50,508,631)           |
| Changes in deferred income                     | -                      |
| Changes in Third party deposits                | (12,592,442)           |
| Changes in gratuity provision                  | 416,042                |
| Changes in payments received in advance        | -                      |
| <b>Net cash flow from operating activities</b> | <b>(33,117,967)</b>    |

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

### **31. Financial Risk Management**

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

#### **i) Credit risk**

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

### Financial Risk Management

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

| Description                                    | Total amount | Fully performing | Past due | Impaired |
|--|--------------|------------------|----------|----------|
|  | Kshs         | Kshs             | Kshs     | Kshs     |
| <b>As at 30<sup>th</sup> June (Current FY)</b> |              |                  |          |          |
| Receivables from exchange transactions         | -            | -                | -        | -        |
| Receivables from non-exchange transactions     | -            | -                | -        | -        |
| Bank balances                                  | -            | -                | -        | -        |
| <b>Total</b>                                   | -            | -                | -        | -        |
| <b>As at 30 June (Previous FY)</b>             |              |                  |          |          |
| Receivables from exchange transactions         | -            | -                | -        | -        |
| Receivables from non-exchange transactions     | -            | -                | -        | -        |
| Bank balances                                  | -            | -                | -        | -        |
| <b>Total</b>                                   | -            | -                | -        | -        |

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

## Financial Risk Management

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

### ii) Liquidity risk management

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

| Description                                     | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|---|-------------------|--------------------|---------------|-------|
|   | Kshs              | Kshs               | Kshs          | Kshs  |
| <b>As at 30<sup>th</sup> June (Current FY)</b>  |                   |                    |               |       |
| Trade payables                                  | -                 | -                  | -             | -     |
| Current proportion of borrowings                | -                 | -                  | -             | -     |
| Provisions                                      | -                 | -                  | -             | -     |
| Deferred income                                 | -                 | -                  | -             | -     |
| Gratuity Provision                              | -                 | -                  | -             | -     |
| <b>Total</b>                                    | -                 | -                  | -             | -     |
| <b>As at 30<sup>th</sup> June (Previous FY)</b> |                   |                    |               |       |
| Trade payables                                  | -                 | -                  | -             | -     |
| Current portion of borrowings                   | -                 | -                  | -             | -     |
| Provisions                                      | -                 | -                  | -             | -     |
| Deferred income                                 | -                 | -                  | -             | -     |

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| Description                 | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-----------------------------|-------------------|--------------------|---------------|-------|
|                             | Kshs              | Kshs               | Kshs          | Kshs  |
| Employee benefit obligation | -                 | -                  | -             | -     |
| <b>Total</b>                | -                 | -                  | -             | -     |

**iii) Market risk**

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

**a) Foreign currency risk**

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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

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

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

**iv) Capital Risk Management-**

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

| Description                                 | Period ended June 2025 | Opening Statement 1 <sup>st</sup> July 2025 |
|---|------------------------|---|
|   | Kshs                   | Kshs  |
| Revaluation Reserve                         | -                      | -   |
| Retained Earnings                           | -                      | -   |
| Capital Reserve                             | -                      | -   |
| Total Funds                                 | -                      | -   |
| Total Borrowings                            | -                      | -   |
| Less: Cash and Bank Balances                | -                      | -   |
| Net Debt/(Excess Cash And Cash Equivalents) | -                      | -   |
| Gearing                                     | -                      | -   |

### 32. Related Party Disclosures

|  | <i>Period ended<br/>June 2025</i> | <i>Opening<br/>Statement 1<sup>st</sup> July<br/>2024</i> |
|--|-----------------------------------|---|
|  | Kshs                              | Kshs  |
| Committee Members Remuneration                         |                                   |   |
| Sitting allowance of committee Members during the year | 2,393,000                         | 3,466,200   |
| Transaction with the NGCDF Board                       |                                   |   |
| Transfers from the NGCDF Board during the year         | 170,469,857                       | 87,736,194  |

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

| Description                                      | <i>Period ended June<br/>2025</i> | <i>Opening Statement<br/>1<sup>st</sup> July 2024</i> |
|--|-----------------------------------|---|
|  | Kshs                              | Kshs  |
| Contingent Assets                                |                                   |   |
| Insurance Reimbursements                         | -                                 | -   |
| Assets Arising from Determination Of Court Cases | -                                 | -   |
| Reimbursable Indemnities and Guarantees          | -                                 | -   |
| Receivables From Other Government Entities       | -                                 | -   |
| Others (Specify)                                 | -                                 | -   |
| Total  | -                                 | -   |

*(Give details)*

**Contingent Liabilities**

| Description  | Period ended June 2025 | Opening Statement 1 <sup>st</sup> July 2024 |
|--|------------------------|---|
|  | Kshs                   | Kshs  |
| <b>Contingent Liabilities</b>                                | -                      | -   |
| Court Case xx against the Entity                             | -                      | -   |
| Bank Guarantees in Favour of Subsidiary                      | -                      | -   |
| Contingent Liabilities arising from Contracts Including PPPs | -                      | -   |
| Others (Specify)   | -                      | -   |
| <b>Total</b>   | -                      | -   |

**35. Capital Commitments**

| Capital Commitments           | Period ended June 2025 | Opening Statement 1 <sup>st</sup> July 2024 |
|-------------------------------|------------------------|---|
|                               | Kshs                   | Kshs  |
| Authorized for                | -                      | -   |
| Authorized and Contracted for | -                      | -   |
| <b>Total</b>                  | -                      | -   |

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

**36. Events after the Reporting Period**

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

**37. Ultimate And Holding Entity**

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

**38. Currency**

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

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**17. Annexes  
Annex 1: Summary of Asset Register**

| <b>Asset class</b>                        | <b>Historical Cost/valuation cost balance brought forward (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                                      | -  | -                                       | -                                       | -   |
| Buildings and structures                  | -  | -                                       | -                                       | -   |
| Transport equipment                       | -  | -                                       | -                                       | -   |
| Office equipment, furniture, and fittings | 1,115,900  | -                                       | -                                       | 1,115,900                                 |
| ICT Equipment and Other ICT Assets        | 1,225,955  | -                                       | -                                       | 1,225,955                                 |
| Other Machinery and Equipment             | -  | -                                       | -                                       | -   |
| Intangible assets                         | -  | -                                       | -                                       | -   |
| <b>Total</b>                              | <b>2,341,855</b>   |   | --                                      | <b>2,341,855</b>                          |

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

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**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

|                              | PMC  | ACTIVITY                             |                             |   | ACCOUNT NUMBER | BANK BALANCE – 1 <sup>ST</sup> JULY 2024 | BANK BALANCE AS AT 30 <sup>TH</sup> JUNE 2025 |
|------------------------------|--|--------------------------------------|-----------------------------|---|----------------|--|---|
| <b>PRIMARY SCH. PROJECTS</b> |  |                                      |                             |   |                |  |   |
| 1                            | Nairobi river Primary School Classroom PMC       | Construction of 4 class rooms        |                             |   | 0950280861712  | 11771993.40                              | 2741953.40                                    |
| 2                            | Uhuru Primary School Ablution block PMC          | Construction of toilet block         | Equity Bank Buruburu Branch |   | 0950282476617  | 27069.00                                 | 0.00  |
| 3                            | Uhuru Primary School Classroom Block PMC         | Construction of 4 class rooms        | Equity Bank Buruburu Branch |   | 0950282476595  | 11771993.40                              | 578553.40                                     |
| 4                            | KIFARU Primary School Perimeter wall PMC phase 1 | Construction of 200 M perimeter wall | Equity Bank Buruburu Branch |   | 0950282699806  | 404122.00                                | 0.00  |
| 5                            | Busara Primary School Classroom Block PMC        | Construction of 4 class rooms        | Equity Bank Buruburu Branch |   | 950283026172   | 11771993.00                              | 987234.50                                     |
| 6                            | Kariobangi South Primary School Furniture PMC    | Purchase of desks and lockers        | Equity Bank Buruburu Branch |   | 0950284816544  | 6000.00                                  | 0.00  |
| 7                            | Unity Primary School Toilet Block                | Construction of toilet block         | Equity Bank Buruburu Branch |   | 0950284679354  | 1518385.00                               | 0.00  |
| 8                            | Supaloaf Primary Classroom block phase 1         | Construction of 4 class rooms        | Equity Bank Buruburu Branch |   | 0950285850679  | 2558177.00                               | 963282.00                                     |
| 9                            | Access road to Buruburu 1 Primary School         | Construction of 150 M access Road    | Equity Bank Buruburu Branch |   | 0950284817079  | 383507.00                                | 0.00  |
| 10                           | UMOJA 1 PRIMARY - PERIMETER WALL                 | Construction of 720M perimeter wall  | Equity Bank Buruburu Branch |   | 0950284817103  | 7200000.00                               | 0.00  |
| 11                           | Umoja 1 Primary Furniture PMC                    | Purchase of desks and lockers        | Equity Bank Buruburu Branch | JANE NJAMBI<br>NJOROGE<br>BETH WANEKE<br>KIHARA<br>ANN WAIRIMU<br>KIIRU | 0950284878900  | 7360.00                                  | 0.00  |
| 12                           | Unity Primary Furniture PMC                      | Purchase of desks and lockers        | Equity Bank Buruburu Branch | CATHERINE<br>JELAGAT BIRIR  | 0950284886084  | 11585.00                                 | 0.00  |

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|    |  |                               |                             |  |               |         |      |
|----|--|-------------------------------|-----------------------------|--|---------------|---------|------|
|    |  |                               |                             | SUSAN NAFULA<br>NYONGESA<br>GEOFFREY<br>KENEDY OWINO<br>OYUGI                    |               |         |      |
| 13 | Busara Primary Furniture PMC           | Purchase of desks and lockers | Equity Bank Buruburu Branch |  | 0950284878914 | 7180.00 | 0.00 |
| 14 | Peter Kibukosya Primary Furniture PMC  | Purchase of desks and lockers | Equity Bank Buruburu Branch |  | 0950284878925 | 9100.00 | 0.00 |
| 15 | Kifaru Primary Furniture PMC           | Purchase of desks and lockers | Equity Bank Buruburu Branch |  | 0950284878933 | 7180.00 | 0.00 |
| 16 | Tumaini Primary Furniture PMC          | Purchase of desks and lockers | Equity Bank Buruburu Branch | Millicent Kefa<br>Jonathan<br>Otsemba<br>Beatrice Shikanda                       | 0950284878883 | 7240.00 | 0.00 |
| 17 | Supa loaf Primary Furniture PMC        | Purchase of desks and lockers | Equity Bank Buruburu Branch | WILSON IRUNGU<br>WAKIBATHA<br>BENSON<br>KABUCHO<br>CHRISTINE<br>AWUOR<br>OLONDE  | 0950284881854 | 7880.00 | 0.00 |
| 18 | Kariobangi South Primary Furniture PMC | Purchase of desks and lockers | Equity Bank Buruburu Branch | PAMELLA<br>NAWIRE<br>MANGOLI<br>JOHN KILONZO<br>MULONZIA<br>JAMES KIBE<br>MWANGI | 0950284878891 | 7960.00 | 0.00 |
| 19 | Nairobi River Primary Furniture PMC    | Purchase of desks and lockers | Equity Bank Buruburu Branch | MARGARET<br>WARUI<br>LILIAN IBRAHIM<br>NATHAN<br>MKHWANA<br>ISSAC ODIWUOR        | 0950284878877 | 7100.00 | 0.00 |
| 20 | Uhuru Primary Furniture PMC            | Purchase of desks and lockers | Equity Bank Buruburu Branch | ELIZABETH<br>THAIRU<br>JULIUS GITARI<br>PETER IRUNGU                             | 0950284886042 | 6960.00 | 0.00 |

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|    |   |  |                             |   |               |           |            |
|----|---|--|-----------------------------|---|---------------|-----------|------------|
| 21 | Kariobangi South Primary Phase 2 School Perimeter wall PMC            | construction of 250M perimeter wall                            | Equity Bank Buruburu Branch | PAMELLA NAWIRE<br>MANGO'OLI<br>JAMES KIBE<br>MWANGI<br>SAMUEL<br>GACHOKI<br>MUTHONI | 0950285741272 |           | 285963.00  |
| 22 | Peter Kibukosya Primary Multipurpose hall                             | Construction of 250 M perimeter wall                           | Equity Bank Buruburu Branch |   | 0950284370800 | 908831.00 | 0.00       |
| 23 | BURUBURU 1 PRIMARY SCHOOL Furniture PMC                               | Purchase of desks and lockers                                  | Equity Bank Buruburu Branch | IRENE W.<br>MUCHOKI<br>OSCAR SIRINJI<br>LYDIA NJUGUNA<br>STEPHEN AWITI              | 0950284941664 | 9428.00   | 0.00       |
| 24 | Kariobangi South Primary School Perimeter wall PMC PHASE 1PMC         | Constriction of 250 M Perimeter wall                           | Equity Bank Buruburu Branch | PAMELLA NAWIRE<br>MANGO'OLI<br>JAMES KIBE<br>MWANGI<br>SAMUEL<br>GACHOKI<br>MUTHONI | 0950285741272 | 620471.00 | 344666.00  |
| 25 | KIFARU PRIMARY SCHOOL CONSTRUCTION OF A PERIMETER WALL PHASE 2 PMC    | Constriction of 430 M Perimeter wall                           | Equity Bank Buruburu Branch | LUCY NYAKINA<br>MOSES<br>ONYANGO<br>DORCAS ROCHE                                    | 0950285741281 |           | 104108.00  |
| 26 | BURUBURU 1 PRIMARY SCHOOL CONSTRUCTION OF PERIMETER WALL PMC          | Constriction of 250 M Perimeter wall                           | Equity Bank Buruburu Branch | IRENE W<br>MUCHOKI<br>OSCAR SIRINJI<br>LYDIAH<br>NJUGUNA<br>STEPHEN AWITI           | 0950285741290 |           | 347845.00  |
| 27 | UMOJA 1 PRIMARY SCHOOL PWD CENTER REVOVATION AND FURNITURE SUPPLY PMC | Renovation and supply of furniture to Umoja Primary PWD center | Equity Bank Buruburu Branch |   | 0950285741311 |           | 1169760.00 |
| 28 | KIFARU PRIMARY SCHOOL CONSTRUCTION OF 4 CLASSROOMS PMC                | Construction of 4 class rooms                                  | Equity Bank Buruburu Branch | LUCY NYAKINA<br>MOSES<br>ONYANGO<br>DORCAS ROCHE                                    | 0950285741368 |           | 1196275.72 |

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|    |   |                                |                             |   |                |          |             |
|----|---|--------------------------------|-----------------------------|---|----------------|----------|-------------|
| 29 | UMOJA I Primary school construction of 8 classrooms PMC | Construction of 8 class rooms  | Equity Bank Buruburu Branch |   | 0950285854498  |          | 7115058.00  |
| 30 | TENA PRIMARY SCHOOL ABLUTION BLOCK PMC                  | Construction of toilet block   | Equity Bank Buruburu Branch | CATHERENE BIRIR<br>THOMAS AKENDO<br>LILLIAN OTIENO                      | 0950285850724  |          | 2734477.00  |
| 31 | TENA PRIMARY SCHOOL CLASSROOMS PMC                      | Construction of 4 class rooms  | Equity Bank Buruburu Branch | CATHERENE BIRIR<br>SUSAN NYONGESA<br>RICHARD MAUNDU                     | 0950285850702  |          | 7977967.00  |
| 32 | SUPALOAF PRIMARY SCHOOL CLASSROOMS PHASE II PMC         | Construction of 12 class rooms | Equity Bank Buruburu Branch |   | 0950285850679  |          | 10306356.00 |
| 33 | Kariobangi South Primary School,PWD center PMC          | Construction of a PWD center   | Equity Bank Buruburu Branch |   | 0950285741283  |          | 2783661.00  |
| 34 | Tumaini Primary School 10 Classrooms Renovations        | Renovation of 12 Classrooms    | Equity Bank Buruburu Branch |   | 0950285850702  |          | 629600.04   |
|    | BURUBURU 1 PRIMARY SCHOOL DINING AND DORMITORY          |                                | Equity Bank Buruburu Branch |   | 0950280606507  | 101.00   |             |
|    | UHURU PRIMARY SCHOOL - RENOVATION                       |                                | Equity Bank Buruburu Branch |   | 0950282476641  | 3286.00  |             |
|    | BURUBURU 1 PRIMARY SCHOOL-CLASSROOM                     |                                | Equity Bank Buruburu Branch |   | 09502280846332 | 56183.00 |             |
|    | KARIOBANGI SOUTH PRIMARY CLASSROOMS PHASE 2             |                                | Equity Bank Buruburu Branch |   | 09502798323968 | 9240.00  |             |
|    | UMOJA I PRIMARY ASBESTOS                                |                                | Equity Bank Buruburu Branch |   | 0950278890893  | 96405.53 |             |
|    | UNITY PRIMARY SCHOOL CLASSROOM-BLOCK                    |                                | Equity Bank Buruburu Branch | JANE NJAMBI<br>NJOROGE<br>BETH WANEKE<br>KIHARA<br>ANN WAIRIMU<br>KIIRU | 0950284679354  | 87539.10 |             |

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|  |                             |   |                |           |  |
|--|-----------------------------|---|----------------|-----------|--|
| UMOJA I PRIMARY SCHOOL 8 (NO)/CLASSROOMS                               | Equity Bank Buruburu Branch | WILSON IRUNGU<br>BENSON N<br>KABUCHO<br>CHRISTINE<br>AWUOR<br>MARY W<br>KAMAU | 0950285854498  | 206730.00 |  |
| Supaloaf primary School Classrooms (Phase II)                          | Equity Bank Buruburu Branch |   | 0950285850679  | 68507.50  |  |
| UMOJA I PRIMARY MUSIC CENTRE   | Equity Bank Buruburu Branch |   | 0950279886725  | 68109.00  |  |
| UMOJA I PRIMARY MUSIC CENTRE   | Equity Bank Buruburu Branch |   | 0950279886725  | 2475.00   |  |
| PETER KIBUKOSYA SIX CLASSROOMS BLOCK                                   | Equity Bank Buruburu Branch |   | 0950279836853  | 66768.80  |  |
| DR. MWENJE SECONDARY SCHOOL LABORATORY PMC                             | Equity Bank Buruburu Branch |   | 0950280258814  | 5929.99   |  |
| KARIOBANGI SOUTH PRIMARY SCHOOL-DR.MWENJE SECONDARY SCHOOL ACCESS ROAD | Equity Bank Buruburu Branch |   | 0950280761294  | 9000.00   |  |
| BUSARA PRIMARY SCHOOL FURNITURE  | Equity Bank Buruburu Branch | MARY RONO<br>SAJIDA LAILER<br>DONARD<br>MUTUA MAWEU                           | 0950282487563  | 23243.00  |  |
| SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT              | Equity Bank Buruburu Branch |   | 0950272949182  | 826.50    |  |
| Mowtem Super Loaf Class Block(phase 1)                                 | Equity Bank Buruburu Branch |   | 0950284816717  | 55677.00  |  |
| Kariobangi South Primary School Ablution Block                         | Equity Bank Buruburu Branch |   | 0950279832329  | 779079.00 |  |
| TUMAINI PRIMARY SCHOOL-CLASSROOMS RENOVATIONS                          | Equity Bank Buruburu Branch |   | 0950285989635  | 123514.00 |  |
| TUMAINI PRIMARY SCHOOL PERIMETER-WALL-                                 | Equity Bank Buruburu Branch |   | 09502882789377 | 43308.00  |  |
| UMOJA I FURNITURE  | Equity Bank Buruburu Branch |   | 0950284878900  | 9385.50   |  |

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|                          |   |                               |                             |   |                |                    |                    |
|--------------------------|---|-------------------------------|-----------------------------|---|----------------|--------------------|--------------------|
|                          | <b>TOTAL</b>  |                               |                             |   |                | <b>50746822.72</b> | <b>40266760.06</b> |
|                          | <b>SECONDARY SCHOOL PROJECTS</b>                        |                               |                             |   |                |                    | <b>0.00</b>        |
| 1                        | Dr Mwenje Secondary School Classroom Block PMC          | Construction of 6 Classrooms  | Equity Bank Buruburu Branch |   | 0950280837622  | 2371590.00         | 2371590.00         |
| 2                        | Uhuru Secondary School Laboratory PMC                   | Construction of a twin lab    | Equity Bank Buruburu Branch |   | 0950284400621  | 1294500.75         | 0.00               |
| 3                        | Dr. Mwenje Secondary School Furniture PMC               | Purchase of desks and lockers | Equity Bank Buruburu Branch |   | 0950284878909  | 7170.00            | -0.20              |
| 4                        | UHURU SECONDARY SCHOOL FURNITURE PMC                    | Purchase of desks and lockers | Equity Bank Buruburu Branch | NGARUIYA THOMAS EUTYCHUS ISSAC WAWERU MWANGI ANTONY NZUKI | 0950285852148  |                    | 0.00               |
| 5                        | PETER KIBUKOSYA SECONDARY SCHOOL FURNITURE PMC          | Purchase of desks and lockers | Equity Bank Buruburu Branch | PATRICK MBURU SUSAN MWORIA PAUL WANGA                     | 0950285850642  |                    | 0.00               |
| 6                        | Dr Mwenje Secondary School Bus PMC                      | Purchase of 51 seater bus     | Equity Bank Buruburu Branch |   | 0950285989612  |                    | 5740425.00         |
|                          | PETER KIBUKOSYA Secondary School LAB                    |                               | Equity Bank Buruburu Branch |   | 09502882789377 | 160619.37          |                    |
|                          | PETER KIBUKOSYA SECONDARY SCHOOL FURNITURE              |                               | Equity Bank Buruburu Branch |   | 0950284370800  | 11450.00           |                    |
|                          | <b>TOTAL</b>  |                               |                             |   |                | <b>3845330.12</b>  | <b>8112014.80</b>  |
| <b>SECURITY PROJECTS</b> |   |                               |                             |   |                |                    |                    |
|                          | Mowlem Pollice PMC                                      | EQUITY, Buruburu Brach        | Equity Bank Buruburu Branch |   | 0950284081310  | 1389476.00         | 1389476.10         |
|                          | BURUBURU POLICE STATION ABLUTION BLOCK CONSTRUCTION PMC | EQUITY, Buruburu Brach        | Equity Bank Buruburu Branch | DANIEL KAIRU BENSON MATHEKA ISSAC OCHIENG                 | 0950285741303  |                    | 202444.88          |

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|   |                           |                                |                                    |               |                      |                    |
|---|---------------------------|--------------------------------|------------------------------------|---------------|----------------------|--------------------|
|   |                           |                                | TERRY SITIENEI<br>LABAN<br>KARANJA |               |                      |                    |
| Construction of Umoja 1<br>Assistant Chief's Office PMC | EQUITY, Buruburu<br>Brach | Equity Bank Buruburu<br>Branch |                                    | 0950286254184 |                      | 3870506.00         |
| OFFICE FURNITURE FOR<br>POLICE/AP/CHIEFS OFFICES<br>PMC |                           | Equity Bank Buruburu<br>Branch |                                    | 0950272961209 | 9920.00              | 0.00               |
| MOWLEM ASSISTANT CHIEFS<br>CAMP                         |                           | Equity Bank Buruburu<br>Branch |                                    | 0950279831685 | 399574.50            |                    |
| UMOJA 11 CHIEFS CAMP<br>QUARTERS NGCDF PROJECT          |                           | Equity Bank Buruburu<br>Branch |                                    | 0950286254184 | 11.75                |                    |
| Kwa Maji police post                                    |                           | Equity Bank Buruburu<br>Branch |                                    | 0950277385887 | 1601.00              |                    |
| TOTAL   |                           |                                |                                    |               | 1800583.25           | 5462426.98         |
| <b>GRAND TOTAL</b>                                      |                           |                                |                                    |               | <b>56,392,736.09</b> | <b>53841201.84</b> |

**Annex 3: Progress On Follow Up of Auditor Recommendations**

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>  | <b>Status:<br/>(Resolved / Not Resolved)</b> | <b>Timeframe:<br/>(Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
| 1   | <p><b>Non-Maintenance of PMC Cashbook</b></p> <p>Annex 5 to the financial statements reflects the PMC Bank Balances as at 30<sup>th</sup> June,2024 totaling Kshs 48,080,188. The contractors carrying out project in the constituency are paid from the project management committee accounts.it was observed that there were no cash books maintained for PMC accounts. Further, it was noted that the reported balances rather than the cash books. Although the balances reflected in annex 5 matched the bank statements and the bank confirmation certificates, the absence of cashbooks made it difficult to confirm the accuracy of the balances since the fund relied on third party information instead of own information which should have originated from the ledger (cash books).<br/>In circumstances, the accuracy and completeness of the PMC bank balances totaling kshs.48,080,188 could not be confirmed.</p> | <p>Embakasi West NG-CDF has maintained cash books of all existing PMCS. Please refer to appendix 1 of REF;<br/><b>EWNGCDFCDF/2024/VOL12/24/01</b></p> | Resolved                                     |   |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 2  | <p><b>Other Grants and Transfers.</b><br/>The statement of receipts and payments and note 8 for the financial statements reflects other grants and transfers total amount of kshs 104,317,720. Included in this amount is bursary to secondary, tertiary and special schools of kshs. 73,765,000, kshs.17,498,000 and kshs 2,332,000 respectively. The total amount of kshs 93,595,000 represents a 42% of the total transfers from NGCDF Board, which is 7% above the allowable limit of 35%.the anomaly was no explained. Further detailed analysis of the total bursaries of kshs 93,595,000 were not provided for audit review</p> | <p>1.Find attached NGCDF CEO Circular which elaborated amendments in NGCDF act which include change from 35% to 40% of bursary allocations (<b>Appendix ii REF; EWNGCDFCDF/2024/VOL12/24/01</b>)</p> <p>2.attached vote book status report details confirming that no extra amount was spent on bursary that was not budgeted (<b>Appendix iii REF; EWNGCDFCDF/2024/VOL12/24/01</b>)</p> <p>3.Some amounts were brought forward as unused remaining balances from previous years.</p> | Resolved                          |  |
| 3.   | <p><b>Budgetary controls and performance</b><br/>The summary statement of appropriation reflects final receipts budget and actual amounts on comparable basis of kshs394,883,846 and kshs 303,050,007 respectively, resulting to an underfunding of kshs91,833,839 or 23% of the budget. Similarly, the fund spent kshs 210,710,033 against actual receipts of kshs.303,050,007 resulting to an underutilization of kshs 92,339,974, or 30% of actual receipts.</p>  | <p>1.The underfunding is a result of funds not received during the financial year under consideration. (See attached copies of AIE received after 30<sup>th</sup> June 2024 relating to financial year under consideration for further Audit verification) <b>Appendix I (REF; EWNGCDFCDF/2024/VOL12/24/01)</b></p>   | Resolved                          |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
|  |  | <p>The underutilization relates to late receipt of funds Kshs 60,000,000 was received on 28<sup>th</sup> June 2024 which was not able to be disbursed immediately ( see attached AIE for further Audit verification) <b>Appendix II</b> , the remaining amounts relate to emergency moneys which were awaiting approval for reallocation from the NG-CDF board ( See attached approval from the NG-CDF board ) <b>Appendix III(REF; EWNGCDFCDF/2024/VOL12/24/01)</b></p> |                                   |  |
| 4  | <p><b>Unauthorized branding of Constituency Development Funds (CDF) Projects</b></p> <p>During the audit inspection in the month of November 2024, it was observed that the area MP had branded his name and image on various CDF funded infrastructure projects, including classrooms, laboratories and furniture. The branding includes member of parliaments name and title, conveying personal ownership of the projects financed through the taxpayer funds. The personal branding of projects funded through CDF creates the impression of individual ownership, which is misleading and constitutes misuse of</p> | <p>The management has taken note of the observation made by the auditor will make necessary corrective action to ensure that projects are being correctly branded as per regulations.</p>  | Resolved                          |  |

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|--|--|---|-----------------------------------|--|
|  | <p>public resources which may also infringe upon regulations prohibiting the personalization of taxpayer-funded initiatives. This is contrary to section 68(2) of public finance management act,2012 which states that public officers are required to use public funds prudently and only for lawful authorized purposes and that CDF resources should be used solely for the development of projects that benefit the community without political personalization.in the circumstances, management is in breach of law.</p>  |   |                                   |  |
| 5  | <p><b>Non-Compliance with law on Management of Emergency reserves</b></p> <p>The statement of receipts and payments reflects other grants and transfers amount of kshs104,317,720 as disclosed in note 8 to the financial statements. Included in this amount is kshs 7,636,190 incurred in relation to emergency projects. Five (5%) percent of the funds allocated would be kshs 19,744,192. Audit review of the funds budget showed that the committee allocated kshs 30,788,695 as “Emergency Reserve” funds. This was higher than the recommended 5% portion by kshs 11,044,503.an amount which would have ideally been allocated and used under other programs/projects. Further the fund committee sat and approved an emergency expenditure of</p> | <p>Emergency reserve is allocated to a constituency at 5% which is a stated figure in the circular forwarded to constituencies for preparation of budget proposal for each financial year. (See Attached copies of circulars for further audit verification) Appendix IV</p> <p>Kshs 30,788,695 relates to emergency reserve relating to three financial years which were awaiting re allocation at the time of preparation of financial statements.</p> <p>All the above emergency reserves have since been reallocated to other projects. (Find attached NG-CDF board circular detailing emergency reserves for each of</p> | Resolved                          |  |

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|--|---|--|-----------------------------------|--|
|  | <p>kshs7,636,190 rehabilitation of access road to Buruburu 1 primary school. No evidence has been provided to confirm the committee reported on utilization of the emergency reserve to the board within 30days of the occurrence of the emergency in the prescribed format.</p> <p>This was contrary to section 8(1) of the NGCDF Act,2015 which requires that a portion of the fund, equivalent to 5% shall be allocated as emergency reserve and shall remain unallocated and shall be available for emergencies that may occur within the constituency.</p> | <p>the financial years, code list for each of the years detailing approved emergency reserves and re allocation schedules for each of the reserves)</p> <p>Emergency reserve re allocations can only be approved by the NG-CDF board after the request from the Embakasi West NG-CDF committee. The rehabilitation of access road to Buruburu 1 Primary School was an approved re allocation from the board relating to 2022-2023 unspent emergency reserve. (find attached re allocation request and approval for further audit verification) Appendix V<br/><b>REF;<br/>EWNGCDFCDF/2024/VOL12/24/01)</b></p> |                                   |  |
| 6  | <p><b>Unutilized Funds</b></p> <p>Annex 3 to the financial statements reflects unutilized funds amount of kshs 103,717,779. Management has not provided the measures it has put in place to address the situation of unutilized funds and the recurring situation over the years. Under the circumstance, it was not possible to ascertain whether the fund budget is realistic and</p>   | <p>Some of the PMC in question still hold retention moneys that is supposed to be released to the contractors after the defect period.</p> <p>Other PMC accounts hold funds awaiting implementation, contractors had not raised payment certificate at the time of preparation of financial statements. (See PMC balances as at 30th September 2024</p>  | Resolved                          |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
|  | <p>whether it has capacity to implement the overlapping projects.<br/>As a result, failure to implement projects may lead to backlog and over rolling of projects over the years</p>   | <p>to confirm the same) Appendix VII (REF; EWNGCDFCDF/2024/VOL12/24/01)</p> <p>Some PMCs especially those in the security docket are affected by the regular transfer of signatories (police officers) who have to sign bank account to initiate closure of accounts</p> |                                   |  |
| 7  | <p><b>Delay in Implementation of Projects</b></p> <p>The statements of receipts and payments reflect transfers to other government units totaling kshs 87,736,194 and other grants and transfers amount of kshs 104,317,720 both totaling kshs 192,053,914 as disclosed in Note 7 and Note 8 to the financial statements. Review of project implementation status provided for audit indicated management proposed to implement only twenty-two (22) projects with total contract sum of kshs 104,947,761 out of which kshs.67,194,930 was paid during the year under audit. Management did not provide detailed support of the projects and their status, as a justification of payments totaling kshs 124,858,984 during the year under audit. Further, Management did not provide the approved code list for the year under audit indicating the total projects and their contract sum approved for implementation.</p> | <p>Kindly find attached project implementation status with all details for further audit verification (Appendix IX) (REF; EWNGCDFCDF/2024/VOL12/24/01)</p>   | Resolved                          |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
|  | <p>In the circumstances, the constituents of Embakasi west constituency did not realize fully the benefits as intended during the year under review and regularity of expenditure totaling kshs 124,858,984 could not be confirmed</p>   |  |                                   |  |
| 8  | <p><b>Errors in the presentation and disclosure of financial statements</b></p> <p>The preliminary pages with roman numbers are not consistently numbered while the table of contents is not aligned to all pages. This is contrary to section 167 of the Public Financial Management act 2012 which requires that at the end of every financial year, the administrator of a National Public Fund established by section 110 of the Public Finance Management act of 2012 shall prepare financial statements for the fund in accordance with the standards and formats prescribed by the public sector accounting standards board.</p> <p>In the circumstances, management was not in compliance with prescribed reporting template. 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 assurances about whether the activities, financial transactions and</p> | <p>Find attached amended financial statements for further audit verification (Appendix ix) <b>(REF; EWNGCDFCDF/2024/VOL12/24/01)</b></p> | Resolved                          |  |

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



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