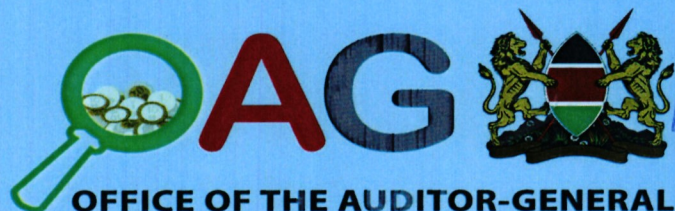



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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

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

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF EMBAKASI WEST Constituency Headquarters

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

(f) NGCDF EMBAKASI WEST Constituency Contacts

Telephone: (254) 722-872779
E-mail: cdfembakasiwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF EMBAKASI WEST Constituency Bankers

Equity Bank Limited
Account Number-0950261868298
Buruburu Branch
P.O. Box 75104
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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

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

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

Budget.

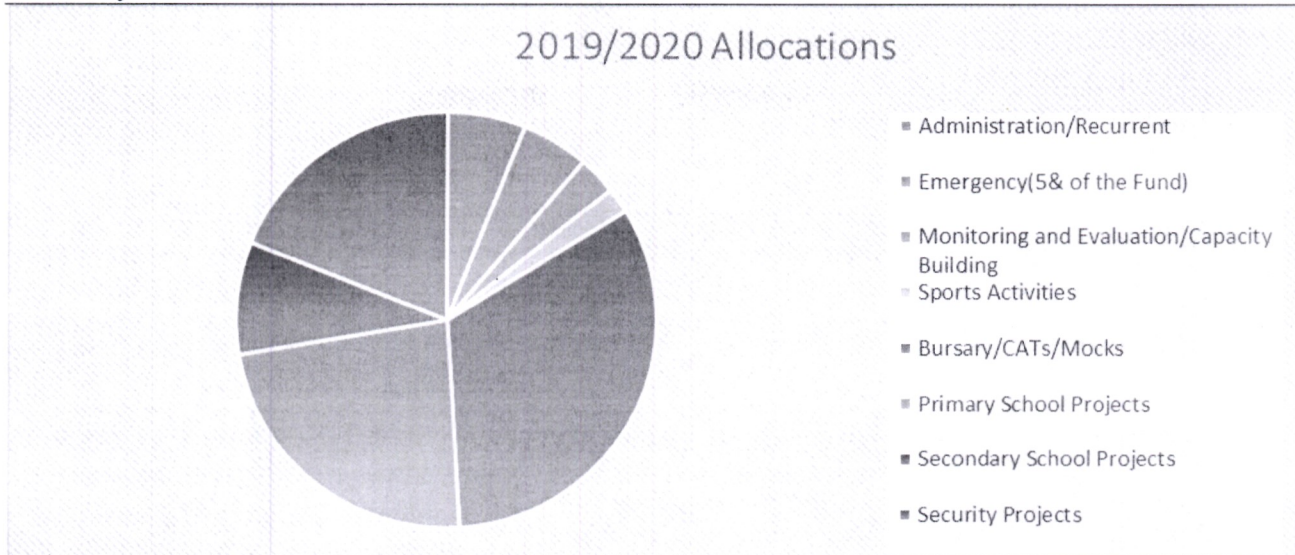
Embakasi West Constituency was allocated Ksh. **137,367,724.14** for the financial year 2019/2020, which was all approved. In the 2019/2020 Financial year Embakasi west NG-CDF has been able to utilize all Ksh. 56,000,000.00 allocated by 30th June 2020 plus an addition Kshs 29,000,000.00 unutilized by the beginning of the financial year that related to previous financial years.

Allocation 2019-2020

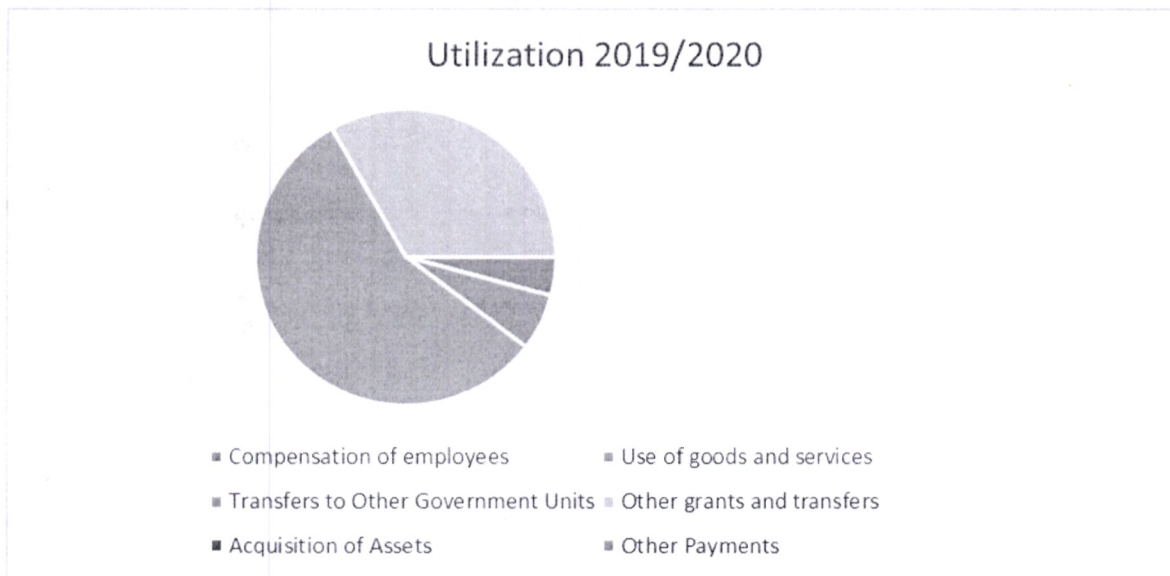
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Utilization 2019-2020



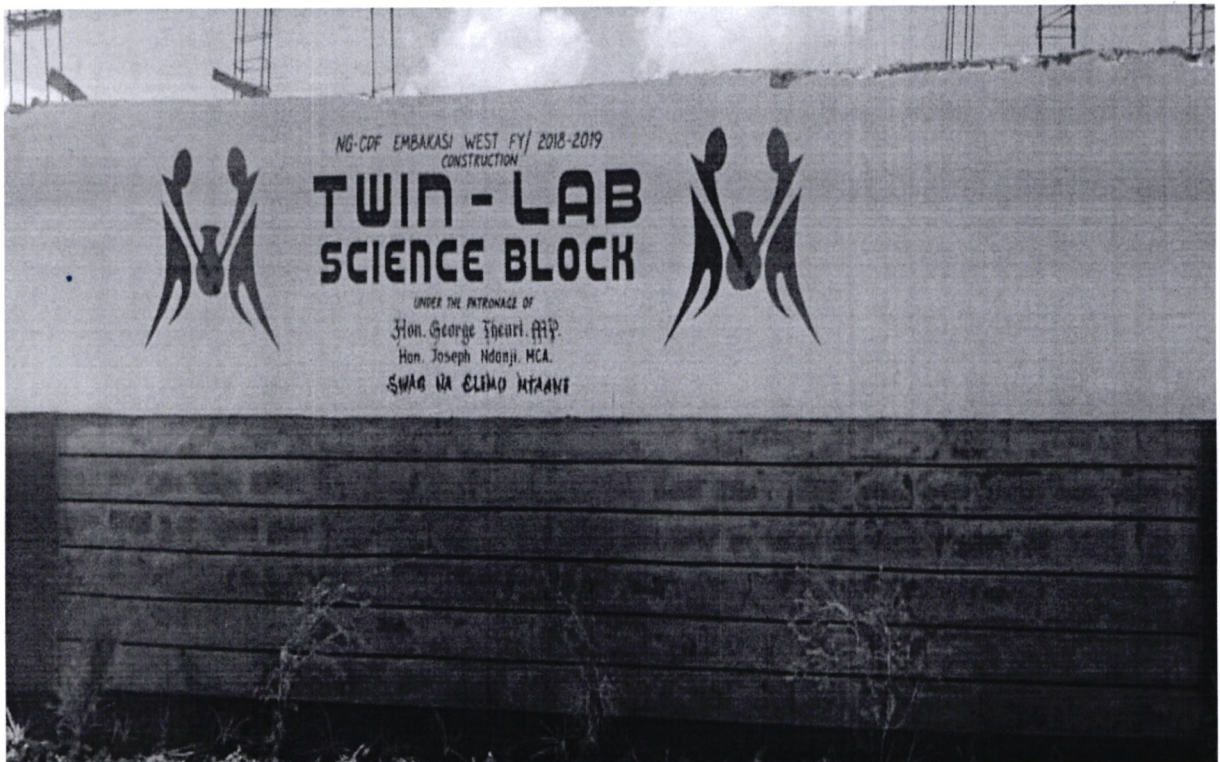
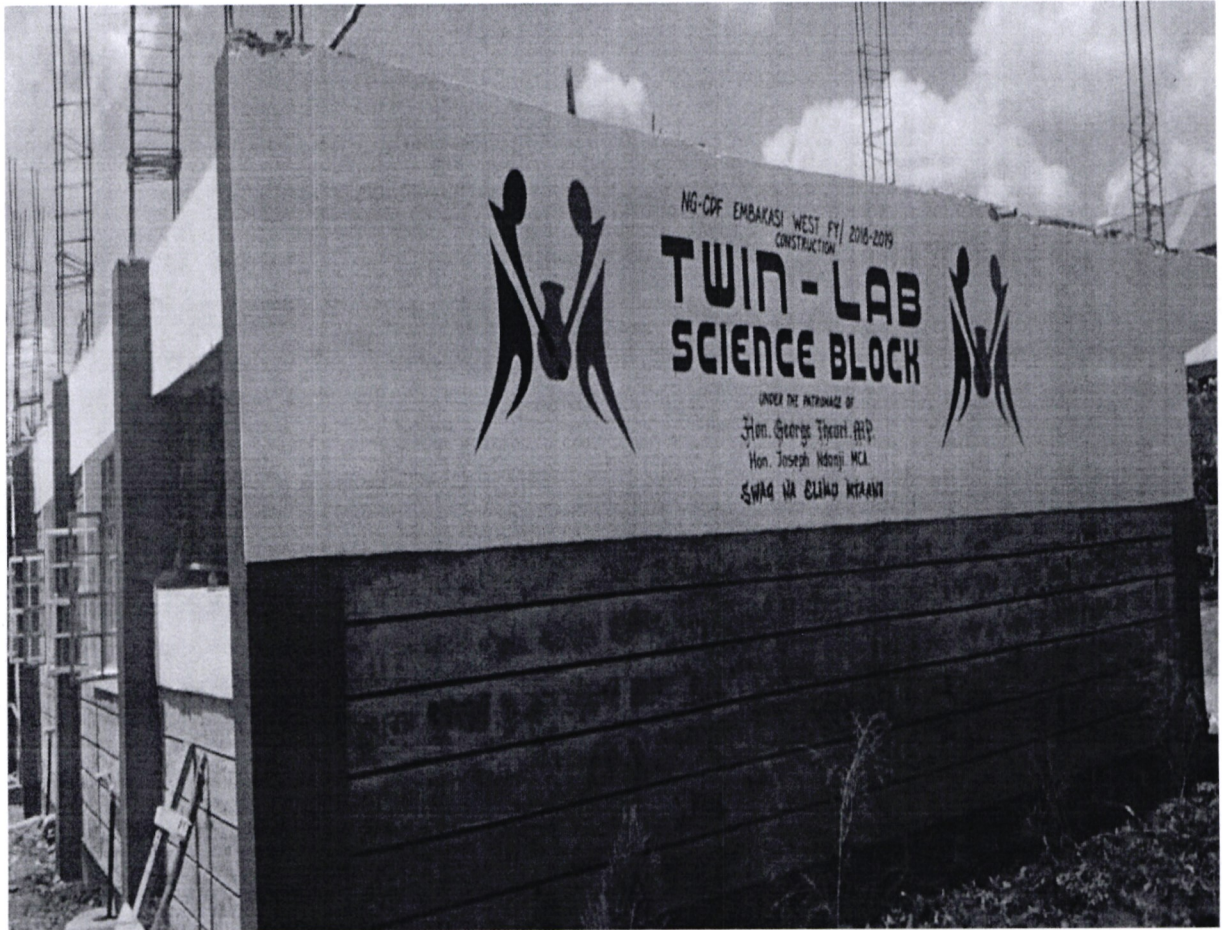
Key achievements

Some of the most notable projects in 2019/2020 financial year are as follows

1. Peter Kibukosya Secondary School- Construction of a Twin Lab

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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**COMPLETE CONSTRUCTION OF TWIN LABORATORY AT
PETER KIBUKOSYA SECONDARY SCHOOL FY- (2018-2019)**



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2. Super loaf primary school- Construction of a storey building of four Classrooms, (Phase 1)

COMPLETE CONSTRUCTION OF FOUR CLASSROOMS AT SUPALOAF PRIMARY SCHOOL IN MOWLEM WARD. FY/2018-2019



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3. Bursary disbursement to Tertiary students



Implementation challenges

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

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

The Embakasi west has however been seeking alternative technical department with capacity to deliver timely tender documents

Sign

**Benson Kabucho
CHAIRMAN NGCDF COMMITTEE**

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

Embakasi West Constituency is one of the 17 Constituencies in Nairobi County, Kenya. The constituency is situated approximately six kilometres (6km) East of Nairobi Central Business District (CBD). The Constituency covers an area of 9.35 km². Embakasi West is a unique constituency because it has in it some of the most affluent localities in Nairobi as well as some of the poorest (slum) areas in Nairobi County. The slum areas are the most disadvantaged and challenged due to the number of poverty - stricken people and living in dilapidated living conditions especially in Kiambiu Slums. A new planning framework for constituency development fund was enacted in 2015, aligned with the constitution in the spirit of devolution. These reforms devolved most of the function and capacity to the county governments and the National Government focus was limited to two key areas' security and education. Nevertheless, the legislation recognizes the need to continue to support the less fortunate in the community through provision of social security. The Strategic Plan is the highest - level plan that members of NG - CDF prepares. Its purpose is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process considers the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aspirations. While NG - CDF committee has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, and wholly responsible for its implementation. Other partners, such as State Agencies and community Groups may also be responsible for the delivery of long - term strategies in the Plan these responsibilities are also identified in the Plan.

MISSION

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

VISION

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

GOALS

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

CORE VAUES

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

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

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

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

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

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

GOAL 1 - Creating a Socially Prosperous Constituency

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

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

GOAL 2 - Building Vibrant Community

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

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

GOAL 3 - Caring for the Social Environment

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

- I. Improve the quality of community facilities and public spaces in regard to disability access
- II. Increase participation in community based environmental activities
- III. Promote tree planting and environment protection

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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- IV. Advocate for improvement of community infrastructure including feeder roads, drainage systems and access to clean drinking water

GOAL 4 - Striving for Excellence in Service Provision

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

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To develop the society in the domains of economy, culture and maintain societal development.	To enhance better learning conditions in the primary schools by improving the infrastructure And to cater for bursary and CATs/Mocks and health insurance for vulnerable groups in the constituency	- number of usable physical infrastructure build in primary, secondary, - number of bursary beneficiaries at all levels	In FY 19/20 Embakasi West NG-CDF increased number of classes by 13 new classrooms, and issued cheques to the amount of Kshs 15,181,000.00
Security	Equip, facilitate and enhance capacity of provincial administration and other security	delivery Develop and enhance provincial administration and other security organs	Number of usable physical infrastructure built in locations, sub locations and police stations	In FY 19/20 Embakasi west NG-CDF has initiated Construction of chief's office,

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**

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	organs in order to improve service Number of usable physical infrastructure built in locations, sub locations and police stations	infrastructure to enhance service delivery		one storey to house Chief and assistant chief, children's office
Environment	To improve Public facilities by developing sanitation facilities	Ablution blocks in Public Schools	Number of students benefiting	Additional ablution blocks for our school at Kariobangi South Primary School
Sports	Sponsoring sports tournament and procuring games kits and uniforms for sports teams (boxing, football, netball and basketball)	Youth to be engaged in various tournaments.	Number of youths to benefit from sports kits.	Number of youth groups in the constituency the were engaged in boxing, football and basket tournament. 20 teams benefited from uniforms and sports kits

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Embakasi West NG – CDF Committee has a vision for the future. We want to see a constituency that is thriving, one that is able to balance social wellbeing of the constituents through linkage to sustainable economic development, integrated environmental protection and management, community participation in the education of children and young people and providing technical skills development. The NG – CDF Committee will be instrumental in developing projects that improves community welfare and promote community engagement. The Committee will work collaboratively with the community and all stakeholders to understand and represent the special needs of all the different groups within our Constituency. Working through this Strategic Plan will ensure that our administration will be focused and responsive to community needs and aspirations.

NG – CDF Committee together with staff will develop strategies that examine and consider community safety, education, ICT and wellbeing. Furthermore, we are committed to working with various community groups that are representative of the Constituency. In some cases, our work will have a particular focus on those people who traditionally have difficulty being heard; groups such as young people, seniors, people with a disability, homeless people and young families. Embakasi West Strategic Plan provides a sound base to develop the required five (5) year Plan based on the feedback received from the community. These plans give life to Embakasi West Strategic Plan (2018 - 2022).

1. Sustainability strategy and profile -

Our Vision

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

Our Mission Philosophy:

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

2. Environmental performance

Embakasi West NG-CDF is committed to reducing its impact on the environment. We will strive to improve our environment over time and to initiate additional projects and activities that will further reduce our impacts on the environment. Our commitment to the environment extends to our constituents, our staff, and the community in which we operate. We are committed to:

- Comply with all applicable environmental regulations;
- Prevent pollution whenever possible;
- Train all of our staff and constituents on our environmental program and empower them to contribute and participate;
 - Communicate our environmental commitment and efforts to our constituents, staff, and our community; and
 - Continually improve over time by striving to measure our environmental impacts and by setting goals to reduce these impacts each year.

3. Employee welfare

Embakasi West NG-CDF is committed to providing a quality service in a manner that ensures a safe and healthy workplace for our employees.

Embakasi West NG-CDF recognizes all its employees as the most valuable resource towards the achievement of its vision and goals and that the welfare of all staff is essential in achieving it. The well-being of all employees is of a primary concern by investing in the health and welfare of employees the Company is investing in the efficiency and effectiveness of the organization.

Embakasi West NG-CDF is committed to producing a caring and supportive working environment which is conducive to the welfare of all employees, and which enables them to develop towards their full potential. Aim to provide a framework for the provision of staff welfare support. Roles of Responsibility All staff have a role to play with regards to their own health and well-being at work and are advised to raise any matters of concern, In order for the staff to work effectively, they need to have support from the NG-CDF for their relevant professional development, good working environment and life after retirement. This based on the recognition that staff whose individual needs are met feel valued and appreciated and will be more productive in the execution of their duties.

4. Market place practices-

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the 10 grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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- a) Responsible competition practice.
Ensuring full adherence to all relevant regulations in implementation
- b) Responsible Supply chain and supplier relations- explain
Updated suppliers register and prompt processing of payments when they fall due.
- c) Responsible marketing and advertisement-
Through use of noticeboards, newspapers and websites to advertise and give publication of on-going activities
- d) Product stewardship-
Embakasi West NG-CDF displays its service charter both in Kiswahili and English that articulates our vision, mission goals and key function areas
- e) Adherence to Public Procurement and Disposal act 2015
Embakasi West NG-CDF has adhered to PPDA Act 2015 with prompt payment to suppliers, advertisement of contracts on the constituency website and published dailies e.t.c

5. Community Engagements-

The National Government Constituency development fund Act 2015 section 27 stipulates that the chairman of the Constituency committee shall, within the first year of the commencement of a new parliament and at least once every two years thereafter convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

It is a process that involves identifying, consideration of national development plans and policies and the constituency strategic development plan, and identifying a list of priority projects both immediate and long term.

It is therefore the role of the community as whole to priorities the projects and set development agenda for the constituency.

Some of the activities the community has been engaged in include:

1. Sports tournament; which include boxing, football and basket ball
2. Construction of Police Stations like Kwa Maji Police post
3. Environmental projects like installation of water tanks in all public institution in the constituency

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF EMBAKASI WEST NG-CDF 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 National Government Constituency Development Fund- Embakasi West shall prepare financial statements in respect of that Fund. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

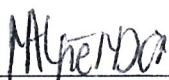
The Accounting Officer in charge of the NGCDF-EMBAKASI WEST Constituency is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the National Government National Government Constituency Development Fund- Embakasi West for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF-EMBAKASI WEST; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF-EMBAKASI WEST; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-EMBAKASI WEST Constituency accepts responsibility for the National Government National Government Constituency Development Fund- Embakasi West financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Embakasi West NG-CDF* financial statements give a true and fair view of the state of National Government National Government Constituency Development Fund- Embakasi West transactions during the financial year ended June 30, 2020, and of the National Government National Government Constituency Development Fund- Embakasi West 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 National Government National Government Constituency Development Fund- Embakasi West, which have been relied upon in the preparation of the National Government National Government Constituency Development Fund- Embakasi West financial statements as well as the adequacy of the systems of internal financial control.

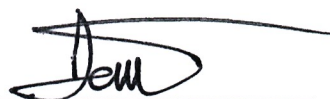
The Accounting Officer in charge of the NGCDF-EMBAKASI WEST Constituency confirms that the National Government National Government Constituency Development Fund- Embakasi West has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the National Government National Government Constituency Development Fund- Embakasi West 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 National Government National Government Constituency Development Fund- Embakasi West financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-EMBAKASI WEST Constituency financial statements were approved and signed by the Accounting Officer on 6th September 2020.



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

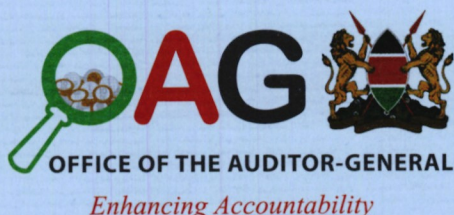


**Sub-County Accountant
Name: Dennis Mathenge
ICPAK Member Number: 14373**

:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi West Constituency set out on pages 18 to 49 which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Embakasi West Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccurate Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities as at 30 June, 2020 reflects comparative bank balance of Kshs.30,713,623 while closing balance for the year 2018/2019 was Kshs.35,574,985 resulting to unreconciled difference of Kshs.4,861,362. Further, the statement reflects bank balances of Kshs.1,623,984 for the year ended 30 June, 2020 while explanatory Note 10A reflects Kshs.3,480,289 resulting to a variance of Kshs.1,856,305.

In addition, a review of the bank reconciliation statement as at 30 June, 2020 provided for audit revealed that stale cheques amounting to Kshs.157,421 were included in bank reconciliation for the year ended 30 June, 2020 as unrepresented cheques without being reversed in the cash book to reflect the actual cash and cash equivalents.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.1,623,984 as at 30 June, 2020 could not be confirmed.

Report of the Auditor General on National Government Constituencies Development Fund - Embakasi West Constituency for the year ended 30 June, 2020

2. Inaccurate Transfers from CDF Board

As disclosed in Note 1 to the financial statements, the statement of receipts and payments as at 30 June, 2020 reflects Kshs.56,052,000 in respect of total receipts which includes Kshs.56,000,000 for transfers from CDF Board- AIE's received. However, the summary statement of appropriation - recurrent and development combined reflects an amount of Kshs.86,713,623 in respect of transfers from CDF Board amounting to an unreconciled variance of Kshs.30,661,623.

Consequently, the accuracy and completeness of the transfers from CDF Board of Kshs.56,052,000 cannot 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 Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budget and Budgetary Control

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual on comparable basis of Kshs.232,342,615 and 86,765,623 respectively resulting to an under collection of Kshs.145,628,992 or 63% of the budgeted receipts.

Further, the statement reflected a total expenditure budget of Kshs.232,342,615 against actual on comparable basis of Kshs.85,141,639 resulting to under expenditure of Kshs.147,200,976 or 63% of the budgeted expenditure.

The underfunding and under expenditure may have affected the planned activities and negatively impacted on service delivery to the constituents.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

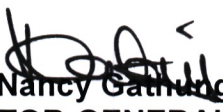
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**


Reports and Financial Statements

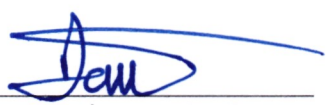
For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	56,000,000	99,784,483
Proceeds from Sale of Assets	2		
Other Receipts	3	52,000	36,000
TOTAL RECEIPTS		56,052,000	99,820,483
PAYMENTS			
Compensation of employees	4	3,549,771	2,326,488
Use of goods and services	5	5,210,813	5,666,536
Transfers to Other Government Units	6	48,111,243	23,294,817
Other grants and transfers	7	28,269,812	32,069,005
Acquisition of Assets	8		14,900
Other Payments	9		5,748,012
TOTAL PAYMENTS		85,141,639	69,119,758
SURPLUS/DEFICIT		(29,089,639)	30,700,725

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI WEST Constituency financial statements were approved on 6th September 2020 and signed by:


Fund Account Manager
Name: Alfred N. Mwangi



Sub-County Accountant
Name: Dennis Mathenge
ICPAK Member Number: 14373


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,623,984	30,713,623
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		1,623,984	30,713,623
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,623,984	30,713,623
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		1,623,984	30,713,623
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	30,713,623	12,898
Surplus/Deficit for the year		(29,089,639)	30,700,725
Prior year adjustments	14		-
NET FINANCIAL POSITION		1,623,984	30,713,623

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI WEST Constituency financial statements were approved on 6th September 2020 and signed by:


Fund Account Manager
Name: Alfred N. Mwangi


Sub-County Accountant
Name: Dennis Mathenge
ICPAK Member Number: 14373

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	56,000,000	99,784,483
Other Receipts (Sale of Tender)	3	52,000	36,000
		56,052,000	99,820,483
Payments for operating expenses			
Compensation of Employees	4	3,549,771	2,326,488
Use of goods and services	5	5,210,813	5,666,536
Transfers to Other Government Units	6	48,111,243	23,294,817
Other grants and transfers	7	28,269,812	32,069,005
Other Payments	9		5,748,012
		85,141,639	69,104,858
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16		
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(29,089,639)	30,715,625
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		14,900
Net cash flows from Investing Activities		-	14,900
NET INCREASE IN CASH AND CASH EQUIVALENT		(29,089,639)	30,700,725
Cash and cash equivalent at BEGINNING of the year	13	30,713,623	12,898
Cash and cash equivalent at END of the year		1,623,984	30,713,623

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI WEST Constituency financial statements were approved on 6th September 2020 and signed by:



Fund Account Manager
Name: Alfred N. Mwangi



Sub-County Accountant
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Reports and Financial Statements
For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	94,974,891	232,342,615	86,713,623	145,628,992	37.3%
Proceeds from Sale of Assets			0		-	0.0%
Other Receipts (sale of Tender)			0	52,000	(52,000)	
TOTAL RECEIPTS	137,367,724	94,974,891	232,342,615	86,765,623	145,576,992	37.3%
PAYMENTS						
Compensation of Employees	3,109,320	965,516	4,074,836	3,549,771	525,065	87.1%
Use of goods and services	8,863,775	5,776,759	14,640,534	5,210,813	9,429,721	35.6%
Emergency	7,198,241.38	5,738,993.00	12,937,234	-	12,937,234	0.0%
Transfers to Other Government Units	44,058,313	57,718,041.00	101,776,354	48,111,243	53,665,111	47.3%
Other grants and transfers	73,748,074	22,346,567.00	96,094,641	28,269,812	67,824,829	29.4%
Acquisition of Assets	390,000.00	0	390,000		390,000	0.0%
Other Payments	0	2,429,015	2,429,015		2,429,015	
TOTAL	137,367,724	94,974,891	232,342,615	85,141,639	147,200,976	36.6%

(a) On receipts the total receipts from the NGCDF Board is 51.6 which is due

- i. Funds of ksh 55,040,875.49 relating to Financial year 2018/2019 and Ksh. 81,367,724.10 relating to financial year 2019/2020 had not been received as at 30th June 2020
- ii. Projects amounting to Kshs. 29,406,584.37 have not been approved or are under conditional approval.

(b) On payments

- i. On Compensation to employees the unutilized funds relate to gratuity set aside to be paid at the end of the employment On Compensation to employees the unutilized funds relate to gratuity set aside to be paid at the end of the employment contracts.
- ii. On use of goods and services, 35.3% underutilization was as a result of late disbursement from the NGCDF.
- iii. On transfer to other Government Units, and grants and transfers underutilization is because of late disbursement from the NGCDF Board and reallocation still pending approval from the Board

c)

**Reports and Financial Statements
For the year ended June 30, 2020**

- i. Adjustments comprises of cash brought forward Kes. 30,713,623.00 plus all unreceived funds from the NG-CDF Board relating to previous years KES. 64,261,268.00*

The NGCDF-EMBAKASI WEST Constituency financial statements were approved on **6th September 2020** and signed by:



Fund Account Manager
Name: Alfred N. Mwangi



Sub-County Accountant
Name: Dennis Mathenge
ICPAK Member Number: 14373

Reports and Financial Statements
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,109,320.00	965,516.00	4,074,836.00	3,549,771.00	525,065.00
1.2 Committee allowances	1,000,000.00		1,000,000.00	1,000,000.00	-
1.3 Use of goods and services	3,742,743.45	4,215,536.00	7,958,279.45	2,618,813.00	5,339,466.45
1.4 Acquisition of assets	390,000.00	110,223.00	500,223.00	244,000.00	256,223.00
Sub-Total	8,242,063.45	5,291,275.00	13,533,338.45	7,412,584.00	6,120,754.45
2.0 Monitoring and evaluation					
2.1 Capacity building	2,000,000.00	1,000,000.00	3,000,000.00	348,000.00	2,652,000.00
2.2 Committee allowances	1,500,000.00	451,000.00	1,951,000.00	1,000,000.00	951,000.00
2.3 Use of goods and services	621,031.72		621,031.72		621,031.72
Sub-Total	4,121,031.72	1,451,000.00	5,572,031.72	1,348,000.00	4,224,031.72

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Tumaini Primary School									
7.1-Umoja 1 Primary School- construction of PWD center	16,000,000.00			16,000,000.00		10,000,000.00		6,000,000.00	
7.2--Umoja 1 Primary School- Replacement of asbestos roof with iron sheets in 2 blocks	909,574.11			909,574.11		1,102,504.00		(192,929.89)	
7.3-Kariobangi South Primary School- Construction of 3 (No) classrooms	6,000,000.00			6,000,000.00		6,000,000.00		-	
7.4-Kariobangi South Primary School- Construction of a 20 doors toilet block	4,148,739.00			4,148,739.00		4,148,739.00		-	
7.5-Unity Primary School- Construction of 200m perimeter wall	5,000,000.00			5,000,000.00		5,000,000.00		-	
7.6-Buruburu 1 Primay furniture		1,000,000.00		1,000,000.00		1,000,000.00		-	
7.8-Super loaf primary school Classroom PMC						900,000.00		(900,000.00)	
Super loaf primary school Classroom PMC						5,960,000.00		(5,960,000.00)	
Super loaf primary school Furniture PMC						2000000		(2,000,000.00)	
Sub-Total	32,058,313.11			53,360,000.00		36,111,243.00		49,307,070.11	
8.0 Secondary Schools Projects (List all the Projects)									
8.1 -Peter Kibukosya Secondary School- Construction of 6 Classrooms	12,000,000.00			12,000,000.00		12,000,000.00		-	
Sub-Total	12,000,000.00					12,000,000.00		-	
9.0 Tertiary institutions Projects (List all the Projects)									

**Reports and Financial Statements
For the year ended June 30, 2020**

10.0 Security Projects						
10.1-KCC Police StationKCC Police Station-Construction of a modern police station	16,000,000.00			16,000,000.00		16,000,000.00
10.2-Uhuru Estate Police post-Construction of a modern police post and a multipurpose hall	10,000,000.00			10,000,000.00		10,000,000.00
10.3-Umoja 1 Police post		7,000,000.00		7,000,000.00		7,000,000.00
Umoja 2 Chiefs camp & ICT Hub				~	8,500,000.00	(8,500,000.00)
Retention-Buruburu Riverside Police post-Invent Contractors Co LTD				~	199,612.00	(199,612.00)
Access roads to Schools-Kariobangi Primary - Dr Mwenje Secondary School			11,662,279.99	11,662,279.99		11,662,279.99
ICT HUB				~		~
				~		~
Sub-Total	26,000,000.00		18,662,279.99	44,662,279.99	8,699,612.00	35,962,667.99
GRAND TOTAL	137,367,724.14		94,974,890.99	232,342,615.13	85,141,639.00	147,200,976.13

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
AIE NO...B005239		45,784,483.15
AIE NO...B005239		10,000,000.00
AIE NO...B005239		10,000,000.00
AIE NO...B005239		6,000,000.00
AIE NO...B005239		14,000,000.00
AIE NO...B005239		14,000,000.00
B041267	18,000,000.00	
B047400	4,000,000.00	
B104196	10,000,000.00	
B104273	10,000,000.00	
B104144	4,000,000.00	
B096553	10,000,000.00	
TOTAL	56,000,000	99,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received		-
Rents		-
Sale of Tender Documents	52,000	36,000
Other Receipts Not Classified Elsewhere (specify)		
TOTAL	52,000	36,000

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	1,636,671	1,652,088.00
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	372,000	372,000
Transport allowance	288,000	288,000
Leave allowance		
NHIF	64,800	
Other personnel payments		
Employer contribution to NSSF	14,400	14,400
Gratuity-contractual employees	1,173,900	
TOTAL	3,549,771	2,326,488.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	768,092	303,995
Electricity	13,200	
Water & sewerage charges		-
Office rent	283,400	
Communication, supplies and services	42,941	73,903
Domestic travel and subsistence	294,627	
Printing, advertising and information supplies & services	535,451	
Rentals of produced assets		-
Training expenses	348,000	1,878,919
Hospitality supplies and services	335,829	
Other committee expenses	758,916	1,021,718
Committee allowance	1,254,000	1,332,000
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	576,357	1,056,000
Fuel , oil & lubricants		
Other operating expenses		
Bank service commission and charges		
Other Operating Expenses		-
Security operations		-
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets		
TOTAL	5,210,813	5,666,536

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	36,111,243	13,137,931
Transfers to Secondary Schools	12,000,000	10,156,886.25
Transfers to Tertiary Institutions		
Transfers to Health Institutions		
TOTAL	48,111,243	23,294,817

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary		18,650,000.00
Bursary - Tertiary	15,181,000	6,271,000.00
Bursary- Special Schools	-	
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	8,699,612	2,800,000.00
Roads and Bridges	-	-
Sports	2,729,200	1,011,800
Environment	1,660,000	3,336,205
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects		
TOTAL	28,269,812	32,069,005

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	8,000
Purchase of computers, printers and other IT equipment	-	6,900
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	0	14,900

9. OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Strategic Plan	-	3,409,498
ICT Hubs	-	2,338,513
	-	-
TOTAL	-	5,748,011

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019-2020	2018-2019
		Kshs	Kshs
<i>Equity Bank - Buruburu Branch</i>	950261868298	3,480,289.01	35,574,985.44
<i>Name of Bank, Account No.</i>		0	0
<i>Name of Bank, Account No.</i>		0	0
Total		3,480,289.01	35,574,985.44
10B: CASH IN HAND			
Location 1		0	0
Location 2		0	0
Location 3		0	0
Other Locations (<i>specify</i>)		0	0
		0	0
Total		0	0
<i>[Provide cash count certificates for each]</i>		0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	Kshs (1/7/2020)	Kshs (1/7/2018)
Bank accounts	35,574,985	860,402.25
Cash in hand		
Imprest		
TOTAL	35,574,985	860,402

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	199,612	199,612
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	199,612	-
Net changes in account receivables D= A+B-C	-	199,612

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	257,183	874,671
Others (specify)	-	-
	257,183	874,671

17.3: UNUTILIZED FUND (See Annex 3)

Amounts due to other Government entities	22,000,000.00	2,338,514
Amounts due to other grants and other transfers	26,000,000.00	33,000,000
others		13,655,340.38
Total	48,000,000	48,993,853.98

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
PMC account Balances (see attached list)	58,070,725.58	31,990,700.77
	58,070,725.58	31,990,700.77

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					2019-2020	2018-2019	
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019-2020	Outstanding Balance 2018-2019	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. Primary Schools			0	0	22,000,000.00		
2. Secondary Schools			0	0		-	
3. Ministry of ICT						2,338,513.60	
Sub-Total					22,000,000.00	2,338,513.60	
Amounts due to other grants and other transfers							
3. Security Projects			0	0	26,000,000.00	7,000,000.00	
4. Roads and Bridges Projects			0	0			
5. Environmental Projects			0	0		-	
6. Bursary-Secondary			0	0		14,000,000	
7. Bursary-Tertiary			0	0		13,000,000	

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Sub-Total								26,000,000.00	13,000,000.00
Grand Total								48,000,000.00	21,690,513.00
8.									
Sub-Total									
Grand Total									
6. Sports				0	0				2,161,661.85
7. Environment				0	0				1,680,000.00
Sub-Total						0.00			
Grand Total									
8. Administration/recurrent/ M& E									1,569,440.93
9.Roads									9,813,678.53
Sub-Total									13,655,340.38
Grand Total								48,000,000.00	48,993,853.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2018/2019	Additions during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1,024,565			930,460
ICT Equipment, Software and Other ICT Assets	301,500			301,500
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	1,326,065	0	0	1,231,960

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance	Bank Balance
			2019/2020	2018/2019
UMOJA 11 CHIEF'S CAMP QUARTERS NGCDF PROJECT	EQUITY	0950272961209	12	12
Tumaini Primary School Perimeter Wall PMC	EQUITY	0950272466637		316,059
Umoja 1 Primary School Swimming Pool PMC	EQUITY	0950265637139		592,411
BURUBURU 1 PRIMARY SCHOOL AUTISM BLOCK NGCDF PROJECT	EQUITY	0950271616644	-	1,287,878
SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT	EQUITY	0950272949182	23,243	23,243
BUSARA PRIMARY SCHOOL HALL CDF PROJECT	EQUITY	0950266504084	-	-
Unity Primary School Perimeter Wall	EQUITY	0950277367082		545,730
Mowlem Police Post Quarters	EQUITY	0950272991290		550,559
Kwa maji police post	EQUITY	0950277385887	1,416,004	1,416,003
City Cotton Chief' Camp	EQUITY	0950277366073	-	794,876
Mowlem Assistant chief's camp	EQUITY	0950276347494	-	522,209
Office Furniture For Police/AP/ Chief PMC	EQUITY	0950278874528	9,920	2,800,000
Mowlem Super Loaf Class Block(phase 1)	EQUITY	0950278891117	944,983	8,000,000
Peter Kibisosya PMC	EQUITY	0950277758212	635,021	10,083,253
Umoja 1 Primary Asbestos PMS	EQUITY	0950278890893	1,433,404	-
Umoja 2 Chiefs camp PMC	EQUITY	0950279883186	8,500,000	-
Unity Primary School Phase 2 (PMC)	EQUITY	0950279578694	5,000,000	-
Kariobangi South Primary School Classroom block PMC	EQUITY	09502798323968	6,000,000	-
Kariobangi South Primary School Ablution Block PMC	EQUITY	0950279832329	4,148,139	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Superloaf Primary School Furniture PMC	EQUITY	09502796877976	2,000,000	-
Superloaf primary School Classrooms (Phase II)	EQUITY	0950279877955	5,960,000	-
Umoja 1 primary School Music centre	EQUITY	0950279886725	10,000,000	-
Peter Kibukosya Secondary School 6 classroom block PMC	EQUITY	0950279836853	12,000,000	-
Umoja 1 Primary Asbestos PMC	EQUITY	0950278890893		5,058,467
Total			58,070,726	31,990,701

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Accuracy of the Financial Statements 1. Cash and Cash Equivalents	Examination of Bank reconciliation statements reflects Ksh.30,190,143 against unrepresented cheques which includes stale cheques amounting Kshs.88,600. However, no explanation has been given for failure to reverse stale cheques in the cashbook contrary to section 90(3) of	Prudence accounting concept requires stale cheques be reversed in the cashbook since such cheques cannot transact. The Cheques in question have since been reversed in the cashbook in the subsequent month of July 2018 and issued to other beneficiaries. Find attached cash book extract detailing the same	Alfred N Mwangi, Fund Accounts Manager	Resolved	30/08/2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY

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	Public Finance Management Act, regulation 2015.			
2. Budget Performance	During the year under review, Embakasi West NG-CDF had budgeted to spend Kshs. 141,374,168 against actual expenditure of Kshs. 85,200,957 or 60% of the total Budget resulting in under expenditure of Kshs. 56,173,213 or 40% of the budget which has not been explained.	The outstanding balance of Kshs 56,173,213.00 was released to the constituency in the subsequent financial year by AIE NO B005239 issued on the 20/08/2018 of Kshs. 45,784,483.15 . The balance of Kshs. 11,379,310.3 was a result of supplementary budget of 2017/2018. Find attached the AIE and letter form the NGCDF Board detailing the same	NGCDF Board	Resolved 30/11/2018

