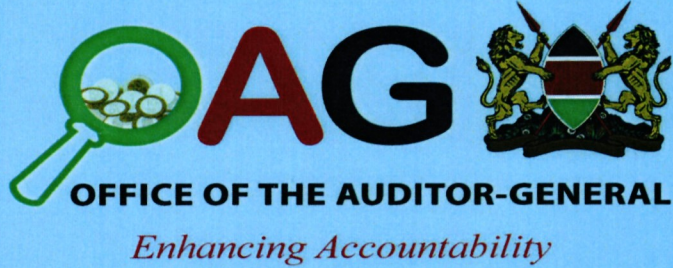


REPUBLIC OF KENYA



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**REPORT**

NATIONAL ASSEMBLY	
DATE:	22 NOV 2022
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**THE AUDITOR-GENERAL**

**ON**

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

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





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

29 SEP 2021

RECEIVED



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**EMBAKASI SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

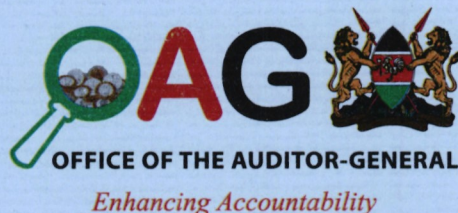
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

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

# 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 SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

---

### **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 Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi South Constituency set out on pages

15 to 46, which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

The financial statements presented for audit revealed the following inaccuracies:

- (i) The balances in the statement of receipts and payments have not been aligned to their respective note numbers as disclosed.
- (ii) The balances for the current financial year do not reflect the reporting currency at the top of the column.
- (iii) Note 17.2 on pending staff payables reflects a balance of Kshs.243,063 relating to other staff gratuity. However, annex 2 on page 37 on analysis of pending staff payables reflects a balance of Kshs.467,818 resulting to an unexplained and unreconciled variance of Kshs.224,755.
- (iv) Annex 5 on PMC bank balances as at 30 June, 2021 reflects a balance of Kshs.3,204,798. However, a re-computation indicates Kshs.34,912,451 resulting to a variance of Kshs.31,707,653.
- (v) Comparison of reported PMC balances indicates that Kshs.36,897 was held at Equity Bank which differs with the balance of Kshs.4,921,777 reported in the certificate of bank balance resulting to a variance of Kshs.4,884,880.

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

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

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

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

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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.

**Functions of NG-CDF Committee**

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

**(b) Key Management**

The Embakasi South Constituency NGCDF day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Elias Mate
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Duncan Mulwa
4.	Member NGCDFC	Sabina Wanjohi

**(d) Fiduciary Oversight Arrangements**

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

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

P.O. Box 1253-00621  
Imara Daima ACC Office Embakasi South,  
Nairobi, KENYA



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

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

Telephone: (254)0720120932  
E-mail: info@Embakasisouthngcdf.go.ke  
Website: www.Embakasisouthngcdf.go.ke

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

Equity Bank  
Embakasi Junction  
P.o Box 51304-00100  
Nairobi Kenya  
Account No 1320261985991

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NG-CDFC CHAIRPERSON'S REPORT



Duncan Mulwa

### **INTRODUCTION**

Embakasi South constituency consist of five ward namely Pipeline, Imara Daima. Kware,Kwa Njenga and Kwa Reuben.The people of Embakasi South are determined to participate effectively in domesticating objectives of vision the big Four in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

### **ACHIEVEMENT**

During the financial year 2020/2021, Embakasi South constituency has been able to absorb more than 70% all the total allocation and also the balance of the other financial years. Construction of classrooms, security projects and helping the needy students through bursaries.

### **EMERGING ISSUES**

There is a dire need by the community for some projects which are devolved. Embakasi South NG-CDFC would like to support the community with a well-equipped dispensary but this function fall under county government. With the emerging of the covid-19 pandemic the constituency really requires one. Insecurity has also affected the constituent thus there is need for more police stations.

### **EMBAKASI SOUTH NG-CDFC MILESTONE**

Embakasi South NGCDFC has gone a milestone in enhancing education sector by providing safe and secure learning environment. Some of the projects that Embakasi South undertook during this financial year include but not limited to;

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

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**Photo Gallery**

**1. Kwa Reuben Chief's camp**



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

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2. Kwa Reuben Secondary



Signature

*David*

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.

The key development objectives of *Embakasi South Constituency 2018-2022* plan are to:  
(Enumerate all the objectives of the constituency as per the Strategic Plan)

- a) To improve education/school infrastructure and facilities
- b) To Increase support of the needy students
- c) To enhance youth skill development
- d) To equip youth with working skills
- e) To enhance area security
- f) To enhance environmental protection
- g) To improve the condition of roads in the constituency
- h) To improve human working capacity
- i) To improve resource mobilization

#### 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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 20/21 -we increased number of classrooms in public schools and a new secondary school - Bursary beneficiaries at all levels were as per the attached schedules
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 1 to 2. 2 high masts added in the constituency

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

Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with water tanks	Number of Water tanks	Water tanks placed in Njenga Primary and Embakasi Girls
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 12 to 37
Emergency	Improve the mechanism used in handling disasters	Reduce loss of lives and properties	Number of hand wash stations put in place.	Various hand wash stations built within the constituency.

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

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

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

- a. **Education and Training:** Embakasi South NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as water conservation in public school which has helped in availability of clean water like Utawala sec school water tower.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents, the constituency supports 37 teams across the constituency

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

##### **2. Environmental performance**

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

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

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- *NG-CDF staff have at South one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

### **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Embakasi South 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 South NGCDF Constituency is committed to fair and ethical market practises. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

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

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

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

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority



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

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projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

**Public Awareness**

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

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

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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


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

The Accounting Officer in charge of the NGCDF- Embakasi South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

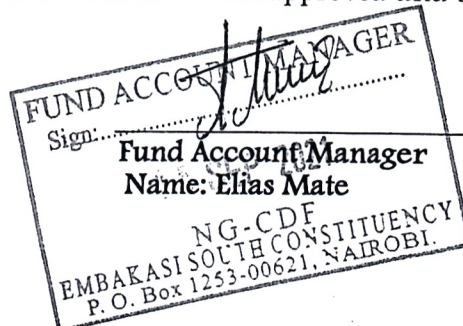
The Accounting Officer in charge of the NGCDF Embakasi South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were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

**Approval of the financial statements**

The NGCDF- Embakasi South Constituency financial statements were approved and signed by the Accounting Officer on 15<sup>th</sup> September 2021.



**Chairman NGCDF Committee  
Name: Duncan Mulwa**



## **2. Unsupported Balances**

### **2.1 Bursaries**

The statement of receipts and payments reflects other grants and transfers of Kshs.62,044,360 which as disclosed in Note 7 to the financial statements includes Kshs.49,150,517 in respect of bursary to tertiary and secondary institutions. However, the expenditure returns and payment vouchers provided to support the balance reflects Kshs.39,032,034 resulting to an unexplained variance of Kshs.4,540,449.

In the circumstances, the accuracy and completeness of the bursary to tertiary and secondary institutions of Kshs.49,150,517 reflected in the financial statements could not be confirmed.

### **2.2 Use of Goods and Services**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.4,229,560 in respect of use of goods and services which includes an amount of Kshs.775,000 whose payment vouchers were not provided for audit. Further, an amount of Kshs.713,000 was not captured in the ledger and hence understating the total amount of use of goods and services to the extent of the omission

In the circumstances, the accuracy and completeness of Kshs.4,229,560 in respect of use of goods and services reflected in the financial statements could not be confirmed.

### **2.3 Cash and Cash Equivalents**

The statement of assets and liabilities and Note 10A to the financial statements reflects a balance of Kshs.80,540,784 in respect to bank balances. However, a board of survey of cash report and certificate of balance were not provided for audit.

In the circumstances, the accuracy and existence of cash and cash equivalents balance of Kshs.80,540,784 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 South 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

### Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amount of Kshs.261,503,201 and Kshs.194,202,518 respectively, resulting to an underfunding of Kshs.67,300,683 or 26 % of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totaling to Kshs.261,503,201 and Kshs.113,661,735 respectively, resulting to an underperformance of Kshs.147,841,466 or 57 % of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public

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

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Expenditure on Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.41,704,500 in respect of transfers to other government units. Analysis of the ledger, the bank statements and other payment records revealed that the Fund made payments during the year as analyzed below;

Institution	Opening Balance	Additional Funds (Kshs)	PMC Account Balance (Kshs)	Paid During the Year (Kshs)
Kware Primary	-	8,000,000	5,897,710	2,102,290
Kware Secondary	-	8,000,000	5,887,590	2,112,410
Reuben Secondary	-	7,162,250	-	7,162,250
AEF Reuben Primary	-	1,570,000	447,110	1,122,890
Kwa Njenga Primiray	-	3,570,000	18,848,882	(15,278,882)
Mukuru Community Centre Primary School	-	9,000,000	3,102,760	5,897,240
Reuben Primary school	-	3,570,000	-	3,570,000

However, Management did not provide the expenditure returns relating to the transactions for verification to determine the nature and purpose of the transfers of Kshs.40,872,250.

In addition, the ledger reflects transfers amounting to Kshs.16,000,000 and Kshs.8,000,000 to Kwa Njenga Primary School and Kwa Njenga Secondary School respectively which differs with payment vouchers provided which indicated that the payments were made to Kware Primary School and Kware Secondary Schools.

In the circumstances, the utilization and value for money for the transfers to other Government units of 40,872,250 could not be confirmed.

## **2. Irregularities in Bursary Management**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.62,044,360 in respect of other grants and other payments which includes Kshs.49,150,517 relating to bursaries to secondary schools and tertiary institutions.

However, Management did not demonstrate whether there was use of the Education bursary, Mock examinations and Continuous assessment tests committee in identification and vetting of the beneficiaries. Further, the acknowledgement receipts from the schools were not made available for audit.

In the circumstances, the value for money for the amount of Kshs.49,150,517 relating to bursaries could not be confirmed.

## **3. Direct Procurement of Goods and Services in cash**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.4,299,560 in respect of use of goods. However, a review of imprests surrender vouchers of Kshs.840,000 revealed that management used imprests amounting to Kshs.190,500 to procure goods and services (tents, tables, chairs and hospitality) above the minimum allowed threshold contrary to section 107 and second schedule of the Public Procurement and Assets Disposal Act, 2015 which sets the maximum for low value procurement for goods, works and services at Kshs.50,000, Kshs.100,000 and Kshs.50,000 respectively.

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

## **4. Irregular Procurement of Masks, Thermoguns, and Sanitizers**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.4,299,560 in respect of use of goods and services. A review of records revealed an amount of Kshs.551,080 was paid to a firm for supplies and delivery of masks, thermoguns, hand wash detergent and sanitizers that were procured using

direct procurement method. This is contrary to Section 103(2)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity may use direct procurement if the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists;

Further, no delivery notes, inspection and acceptance report and a distribution list was provided for verification casting doubt on whether the items were delivered and used for the intended purpose.

In the circumstances, the value for money for the amount of Kshs.551,080 could not be confirmed.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.



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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

29 July, 2022

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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1		104,010,876
		158,185,920	
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>158,185,920</b>	<b>104,010,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4		3,695,480
		5,613,315	
Use of goods and services	5		10,584,119
		4,299,560	
Transfers to Other Government Units	6		19,500,000
		41,704,500	
Other grants and transfers	7		54,421,336
		62,044,360	
Acquisition of Assets	8	-	-
Other Payments	9	-	922,320
<b>TOTAL PAYMENTS</b>		<b>113,661,735</b>	<b>89,123,255</b>
<b>SURPLUS/DEFICIT</b>		<b>44,524,185</b>	<b>14,887,621</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Embakasi South Constituency financial statements were approved on 15<sup>th</sup> September 2021 and signed by:

*Elias Mate*  
**Fund Account Manager**  
 Name: Elias Mate  
 NGCDF  
 EMBAKASI SOUTH CONSTITUENCY  
 P.O. Box 1253-00621, NAIROBI.

*Dennis Mathenge*  
**National Sub-County  
Accountant**  
 Name: Dennis Mathenge  
 ICPAK M/No: 14373

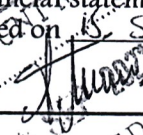
*Duncan Mulwa*  
**Chairman NG-CDF  
Committee**  
 Name: Duncan Mulwa


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


**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	80,540,784	36,016,599
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>80,540,784</b>	<b>36,016,599</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>80,540,784</b>	<b>36,016,599</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B		
<b>NET FINANCIAL SSETS</b>		<b>80,540,784</b>	<b>36,016,599</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...		36,016,599	21,128,978
Prior year adjustments	14	-	
Surplus/Defict for the year		44,524,185	14,887,621
<b>NET FINANCIAL POSITION</b>		<b>80,540,784</b>	<b>36,016,599</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Embakasi South Constituency financial statements were approved on 16<sup>th</sup> September 2021 and signed by:

**FUND ACCOUNTANT**  
Sign:   
**Fund Account Manager**  
Name: Elias Mate  
EMBAKASI SOUTH CONSTITUENCY  
P.O. BOX 2953-008 NAIROBI

  
**National Sub-County Accountant**  
Name: Dennis Mathenge  
ICPAK M/No: 14373

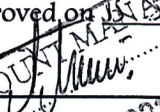
  
**Chairman NG-CDF Committee**  
Name: Duncan Mulwa


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

**IX. STATEMENT OF CASHFLOW**


		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	158,185,920	104,010,876
Other Receipts	3	-	-
		<b>158,185,920</b>	<b>104,010,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	5,613,315	3,695,480
Use of goods and services	5	4,299,560	10,584,119
Transfers to Other Government Units	6	41,704,500	19,500,000
Other grants and transfers	7	62,044,360	54,421,336
Other Payments	9	-	922,320
		<b>113,661,735</b>	<b>89,123,255</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>44,524,185</b>	<b>14,887,621</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>36,016,599</b>	<b>21,128,978</b>
<b>Cash and cash equivalent at END of the year</b>		<b>80,540,784</b>	<b>36,016,599</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Embakasi South Constituency financial statements were approved on 15 September 2021 and signed by:

FUND ACCOUNT MANAGER  
 Sign:   
 Name: Elias Mate  
 EMBAKASI SOUTH CONSTITUENCY  
 P. O. Box 1253-00621, NAIROBI

  
 National Sub-County  
 Accountant

Name: Dennis Mathenge  
 ICPAK M/No: 14373

  
 Chairman NG-CDF  
 Committee

Name: Duncan Mulwa

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

**X. SUMMARY STATEMENT OF APPROPRIATION**

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 %
<b>RECEIPTS</b>		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	88,397,723	261,503,201	194,202,518	67,300,683	74.3%
Proceeds from Sale of Assets			-	-	-	0.0%
Other Receipts			-	-	-	0.0%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>88,397,723</b>	<b>261,503,201</b>	<b>194,202,518</b>	<b>67,300,683</b>	<b>74.3%</b>
<b>PAYMENTS</b>						
Compensation of Employees	5,177,333	1,925,903	7,103,236	5,613,315	1,489,921	79.0%
Use of goods and services	7,160,666	722,338	7,883,004	4,299,560	3,583,444	54.5%
Transfers to Other Government Units	63,662,250	51,485,237	115,147,487	41,704,500	73,442,987	36.2%
Other grants and transfers	61,088,630	30,957,680	126,652,446	62,044,360	64,608,086	49.0%
Acquisition of Assets	-	-	-	-	-	0.0%
Other Payments	-	3,306,564	4,717,027	-	4,717,027	0.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>88,397,723</b>	<b>261,503,201</b>	<b>113,661,735</b>	<b>147,841,466</b>	<b>43.5%</b>

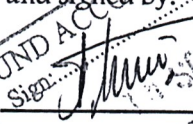
**Embakasi South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

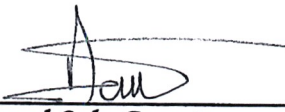
- i. There was no acquisition of asset this financial year
- ii. Delay in funds disbursement thus resulting to late and slow implementation of the budget
- iii. Bursary disbursement for 2019/2020 was delayed and affected by close of schools due to the pandemic

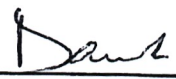
<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	147,841,466
Less undisbursed funds receivable from the Board as at 30th June 2021	67,300,683
	80,540,784
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/21	80,540,784

**Reconciliation of Statement of Budget Appropriation to Statement of Assets and Liabilities introduced**

The NGCDF Embakasi South Constituency financial statements were approved on 15 September 2021 and signed by:

  
 Sign: \_\_\_\_\_  
**FUND ACCOUNT MANAGER**  
**Fund Account Manager**  
**Name: Elias Mate**  
 NGCDF  
 EMBAKASI SOUTH CONSTITUENCY  
 P.O. BOX 100621, NAIROBI.

  
 \_\_\_\_\_  
**National Sub-County  
Accountant**  
**Name: Dennis Mathenge**  
**ICPAK M/No: 14373**

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**  
**Name: Duncan Mulwa**

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

**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/ c %)
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>1.0 Administration and Recurrent</b>		Kshs		Kshs			Kshs	
1.1 Compensation of employees	5,177,333	-		1,925,903	7,103,235	5,613,315	1,489,920	79
1.2 Committee allowances	1,448,000	-		41,000	1,489,000	760,500	728,500	51
1.3 Use of goods and services	1,600,000	-		492,366	2,092,366	1,325,060	767,306	63
<b>Total</b>	<b>8,225,333</b>	<b>-</b>	<b>-</b>	<b>2,459,270</b>	<b>10,684,602</b>	<b>7,698,875</b>	<b>2,985,727</b>	<b>72</b>
<b>2.0 Monitoring and evaluation</b>								
2.1 Capacity building	2,000,000	-		172,897	2,172,897	394,000	1,778,897	18
2.2 Committee allowances	1,112,666	-		7,000	1,119,666	1,020,000	99,666	91
2.3 Use of goods and services	1,000,000	-		9,075	1,009,075	800,000	209,075	79
<b>Total</b>	<b>4,112,666</b>	<b>-</b>	<b>-</b>	<b>188,972</b>	<b>4,301,638</b>	<b>2,214,000</b>	<b>2,087,638</b>	<b>51</b>
<b>3.0 Emergency</b>								
3.1 Primary Schools	-	-		-	-	-	-	-
3.2 Secondary schools	-	-		-	-	-	-	-
3.3 Tertiary institutions	-	-		-	-	-	-	-
3.4 Security projects	-	-		-	-	-	-	-
3.5 Unutilised	7,192,207	-		5,083,572	12,275,779	5,231,865	7,043,914	43
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>-</b>	<b>5,083,572</b>	<b>12,275,779</b>	<b>5,231,865</b>	<b>7,043,914</b>	<b>43</b>
<b>4.0 Bursary and Social Security</b>								
4.1 Secondary Schools	14,272,220	-		18,343,500	32,615,720	32,525,483	90,237	100

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

4.2 Tertiary Institutions	20,000,000	-	3,392,402	23,392,402	16,625,034	6,767,368	71
4.3 Social Security	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-
<b>Total</b>	<b>34,272,220</b>	<b>-</b>	<b>21,785,902</b>	<b>56,008,122</b>	<b>49,150,517</b>	<b>6,857,605</b>	<b>88</b>
5.0 Sports							
5.1	2,741,778	-	-	2,741,778	2,740,200	1,578	100
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>-</b>	<b>2,741,778</b>	<b>2,740,200</b>	<b>1,578</b>	<b>100</b>
6.0 Environment							
6.1	2,741,778	-	4,138,205	6,879,983	4,921,778	1,958,205	72
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>4,138,205</b>	<b>6,879,983</b>	<b>4,921,778</b>	<b>1,958,205</b>	<b>72</b>
7.0 Primary Schools Projects							
Kwa Njenga Primary School	8,500,000	-	-	8,500,000	8,000,000	500,000	94
Kwa Njenga Primary School	6,000,000	-	-	6,000,000	832,250	5,167,750	14
Kware Primary school	5,000,000	-	-	5,000,000	-	5,000,000	-
Reuben Primary School	7,162,250	-	-	7,162,250	7,162,250	-	100
Reuben Primary School	-	-	1,570,000	1,570,000	1,570,000	-	-
Njenga primary school	-	-	100,000	100,000	-	100,000	-
Kware Primary school	-	-	8,000,000	8,000,000	-	8,000,000	-
Njenga primary school	-	-	7,100,000	7,100,000	3,570,000	3,530,000	50
<b>Total</b>	<b>26,662,250</b>	<b>-</b>	<b>16,770,000</b>	<b>43,432,250</b>	<b>21,194,500</b>	<b>22,297,750</b>	<b>49</b>
8.0 Secondary Schools Projects							
Kwa Njenga Secondary school	13,000,000	-	-	13,000,000	8,000,000	5,000,000	62
Reuben Secondary school	9,000,000	-	-	9,000,000	3,570,000	5,430,000	40
Imara Secondary School	9,000,000	-	-	9,000,000	-	9,000,000	-



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

Kware Secondary school	6,000,000	-	-	6,000,000	-	6,000,000	-
Kware Secondary school	-	-	8,000,000	8,000,000	-	8,000,000	-
Embakasi Girls sec school	-	-	(2,284,763)	(2,284,763)	-	(2,284,763)	-
Our lady of nazareth sec school	-	-	20,000,000	20,000,000	-	20,000,000	-
<b>Total</b>	<b>37,000,000</b>	<b>-</b>	<b>25,715,237</b>	<b>62,715,237</b>	<b>11,570,000</b>	<b>51,145,237</b>	<b>18</b>
<b>9.0 Tertiary institutions Projects</b>							
<b>MUKURU COMMUNITY CENTR</b>							
<b>Total</b>	<b>-</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>-</b>	<b>100</b>
<b>10.0 Security Projects</b>							
Assistant County Commissioner's office Imara Daima	3,500,000			3,500,000	-	3,500,000	-
County Commissioners office Imara Daima	10,640,648	-		10,640,648	-	10,640,648	-
Pipeline police post		8,300,000		8,300,000	-	8,300,000	-
AA Vilia Police station		7,435,732		7,435,732	-	7,435,732	-
Mombasa Road police post		2,300,000		2,300,000	-	2,300,000	-
Kwa Reuben Chief Office		2,000,000		2,000,000	-	2,000,000	-
Imara Daima Chief Office		2,000,000		2,000,000	-	2,000,000	-
Njenga Police Station		7,020,000		7,020,000	-	7,020,000	-
Kware Chiefs Office		3,000,000		3,000,000	-	3,000,000	-
Kwa Reuben Police Post		2,550,405		2,550,405	-	2,550,405	-
<b>Total</b>	<b>14,140,648</b>	<b>34,606,136</b>	<b>-</b>	<b>48,746,784</b>	<b>-</b>	<b>48,746,784</b>	<b>-</b>
<b>11.0 Acquisition of assets</b>							
Motor Vehicles	-			-		-	
Construction of CDF office	-			-		-	

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Purchase of furniture and equipment	-	-	-	-	-	-	-	-	-
Purchase of computers	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>12.0 Other payments</b>									
Strategic Plan	-	40,000	40,000	-	-	-	-	40,000	-
Innovation Hub roads	1,410,463	3,266,564	4,677,027	-	-	-	-	4,677,027	-
<b>Total</b>	-	3,306,564	4,717,027	-	-	-	-	4,717,027	-
<b>13.0 unallocated fund</b>									
Unapproved projects									
AIA									
PMC savings									
<b>Total</b>	137,088,879	88,397,723	261,503,201	113,661,735	147,841,466				43

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

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**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 (gratuity and retentions).

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

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

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

**Proceeds from Sale of Assets**

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

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**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably

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determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

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**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

<b>GFS CODES</b>				
	<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>1330407</b>	Normal Allocation			
	1	B047399		4,000,000
	2	B047827		15,000,000
	3	B049209		36,010,876
	4			18,000,000
	5	B104272		19,000,000
	6	B104195		12,000,000
	1	B04936	66,185,919.70	
	2	B124743	5,000,000.00	
	3	B128069	6,900,000.00	
	4	B119779	15,000,000.00	
	5	B/128370	7,000,000.00	
	6	B124923	10,000,000.00	
	7	B126377	11,100,000.00	
	8	B132124	6,000,000.00	
	9	B138793	12,000,000.00	
	10	B149523	12,000,000.00	
	11	B128379	7,000,000.00	
<b>1330408</b>	Conditional Grants	AIE NO...		
<b>1330409</b>	Receipt from other Constituency			
	<b>TOTAL</b>		<b>158,185,920</b>	<b>104,010,876</b>
<b>3510000</b>				
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>3510202</b>	Receipts from the Sale of Buildings			-
<b>3510601</b>	Receipts from the Sale of Vehicles and Transport Equipment			-
<b>3510801</b>	Receipts from the Sale Plant Machinery and Equipment			-

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3510803	Receipts from the Sale of Office and General Equipment			-
	<b>TOTAL</b>			-
				-
				-
<b>1400000</b>	<b>3 OTHER RECEIPTS</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
1410107	Interest Received			-
1410405	Rents			-
1420601	Receipts Sale of Tender Documents		-	-
	Hire of plant/equipment/facilities		-	-
	Unutilized funds from PMCs			-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>TOTAL</b>		-	-
				-
<b>2110000</b>	<b>2110000</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	NG-CDFC Basic staff salaries		5,543,715	3,642,680
	<b>Personal allowances paid as part of salary</b>			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2710120	Gratuity-contractual employees			
2120101	Employer Contributions NSSF schemes		69,600	52,800
	<b>TOTAL</b>		<b>5,613,315</b>	<b>3,695,480</b>
<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
2210100	Utilities, supplies and services		59,000	2,843,840
2210101	Electricity		0	
2210102	Water & sewerage charges			
2210104	Office rent		690,000	
2210200	Communication, supplies and services		195,000	69,310
2210300	Domestic travel and subsistence		150,000	150,000



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2210500	Printing, advertising and information supplies & services		248,000	
2210600	Rentals of produced assets			
2210700	Training expenses		394,000	
2210800	Hospitality supplies and services		170,000	
2210802	Other committee expenses		760,500	3,100,000
2210809	Committee allowance		1,020,000	2,150,000
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services		300,000	2,254,189
2211200	Fuel , oil & lubricants			
2211300	Other operating expenses		296,500	
2211301	Bank service commission and charges		16,560	16,780
2211310	Other Operating Expenses			
2211313	Security operations			
2220100	Routine maintenance - vehicles and other transport equipment			
2220200	Routine maintenance- other assets			
	<b>TOTAL</b>		<b>4,299,560</b>	<b>10,584,119</b>
<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
2630204	Transfers to Primary Schools		41,704,500	16,500,000
2630205	Transfers to Secondary Schools			3,000,000
2630206	Transfers to Tertiary Institutions			
	<b>TOTAL</b>		<b>41,704,500</b>	<b>19,500,000</b>
<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>			
	<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
2640101	Bursary - Secondary ( see attached list)		32,825,483	4,333,000
2640102	Bursary -Tertiary ( see attached list)		16,325,034	17,549,218
2640104	Bursary- Special Schools			
2640105	Mocks & CAT ( see attached list)			

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	Social Security programmes (NHIF)			
2640507	Security Projects ( see attached list)			23,654,710
2640509	Sports Projects ( see attached list)		2,740,200	2,807,430
2640510	Environment Projects ( see attached list)		4,921,778	
2640200	Emergency Projects ( see attached		5,231,865	6,076,978
	<b>TOTAL</b>		<b>62,044,360</b>	<b>54,421,336</b>
<b>3100000</b>	<b>8 ACQUISITION OF ASSETS</b>			
	<b>Non Financial Assets</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles Vehicles and Other Transport Equipment		-	-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles and Other Transport Equipment		-	-
	Purchase of Household Furniture and Institutional Equipment			
	Purchase of office furniture and and General Equipment		-	-
	Purchase of computers ,printers and other IT equipments		-	-
	Purchase of ICT Equipment, Software and Other ICT Assets		-	-
	Purchase of Specialized Plant, Equipment and Machinery		-	-
	Rehabilitation and Renovation of Plant, Machinery and Equip.		-	-
	Acquisition of Land		-	-
	Acquisition of Intangible Assets			
	<b>TOTAL</b>		-	-
2211310	Strategic Plan		-	922,320
2211311	ICT Hubs		-	-
				-
	<b>TOTAL</b>		-	<b>922,320</b>

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<b>10A: Bank Balances (cash book bank balance)</b>				
	<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Closing cash book bank balance</b>		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
	<i>Equity Bank Ltd NGCDFC Embakasi South</i>	<i>1320261985991 .</i>	<b>80,540,784</b>	<b>36,016,599</b>
			-	-
			-	-
	<b>TOTAL</b>		<b>80,540,784</b>	<b>36,016,599</b>
	<b>10B: CASH IN HAND)</b>			
			<b>2020 - 2021</b>	<b>2019 - 2020</b>
			<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
	Location 1		-	-
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	<b>TOTAL</b>		-	-
				<i>[Provide cash count certificates for each]</i>
	<b>11: OUTSTANDING IMPRESTS</b>			
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
		<b>Date imprest taken</b>	<b>Kshs</b>	<b>Kshs</b>
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
	<b>TOTAL</b>		-	-



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Bank accounts balances			-	-
Cash in hand			-	-
Accounts Payable			-	-
Receivables			-	-
Others (specify)			-	-
<b>Total</b>			-	-
Clarification note included				
<b>15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST</b>				
			<b>2020- 2021</b>	<b>2019- 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Outstanding Imprest as at 1st July (A)			-	-
Imprest issued during the year (B)			-	<b>9,426,000</b>
Imprest surrendered during the Year (C)			-	<b>9,426,000</b>
Net changes in accounts receivables (D=A+B-C)			-	-
			<b>2020- 2021</b>	<b>2019- 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Deposits and Retention as at 1st July 2019 (A)			-	-
Deposits and Retention held during the year (B)			-	-
Deposits and Retention paid during the year ©			-	-
Closing accounts payable at 30th June (D=A+B-C)			-	-
<b>17. OTHER IMPORTANT DISCLOSURES</b>				
<b>17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>				
			<b>2020- 2021</b>	<b>2019- 2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Construction of buildings			-	-
Construction of civil works			-	-
Supply of goods			-	-
Supply of services			-	-

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TOTAL		-	-
<b>17.2: PENDING STAFF PAYABLES (See Annex 2)</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
NGCDF Staff		-	-
Others Staff Gratuity		243,063	1,465,345
		<b>243,063</b>	<b>1,465,345</b>
<b>17.3: UNUTILISED FUNDS (See Annex 3)</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Compensation of employees		1,489,921	1,925,903
Use of goods and services		3,583,444	722,338
Amounts due to other Government entities (see attached list)		73,442,987	51,485,237
Amounts due to other grants and other transfers (see attached list)		64,608,086	65,563,816
Acquisition of assets		-	-
Others ( <i>specify</i> )		4,717,027	4,717,027
Funds pending approval			
		<b>147,841,466</b>	<b>124,414,322</b>
<b>17.4: PMC ACCOUNT BALANCES (See Annex 4)</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)		3,204,798	25,168,896.37

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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		Comments
				2020	d=a-c	
<b>Construction of buildings</b>	a	b	c		d=a-c	
1.	-	-	-	-	-	
2.	-	-	-	-	-	
3.	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	
<b>Construction of civil works</b>	-	-	-	-	-	
4.	-	-	-	-	-	
5.	-	-	-	-	-	
6.	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	
<b>Supply of goods</b>	-	-	-	-	-	
7.	-	-	-	-	-	
8.	-	-	-	-	-	
9.	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	
<b>Supply of services</b>	-	-	-	-	-	
10.	-	-	-	-	-	
11.	-	-	-	-	-	
12.	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	
<b>Grand Total</b>	-	-	-	-	-	





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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance		Comments
		2020/21	2019/20	
Compensation of employees	-	-	-	
Use of goods & services	-	1,489,921	1,925,903	
Amounts due to other Government entities	-	3,583,444	722,338	
	-	73,442,987	51,485,237	
	-	-	-	
	-	-	-	
	-	-	-	
<b>Sub-Total</b>	-	78,516,353	54,133,479	
Amounts due to other grants and other transfers	-	64,608,086	65,563,816	
	-	-	-	
	-	-	-	
	-	-	-	
<b>Sub-Total</b>	-	143,124,439	119,697,295	
Acquisition of assets	-	-	-	
	-	-	-	
<b>Others (specify)</b>	-	4,717,027	4,717,027	
	-	-	-	
	-	-	-	
	-	-	-	
<b>Sub-Total</b>	-	147,841,466	124,414,322	
Funds pending approval	-	-	-	
<b>Grand Total</b>	-	147,841,466	124,414,322	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs)	
	2019/20	2020/21			2020/21	2020/21
Land	-	-	-	-	-	-
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-
Office equipment, furniture and fittings	885,798	-	-	-	885,798	-
ICT Equipment, Software and Other ICT Assets	33,999	-	-	-	33,999	-
Other Machinery and Equipment	-	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>919,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>919,797</b>	<b>-</b>

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ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021

PMC	Bank	Account number	Bank Balance	
			2020/21	2019/20
AA VILLA POLICE POST	CO-OPERATIVE	01141800174800		8,045,200
KWA NJENGA PRIMARY	CO-OPERATIVE	01141800174700		965,456
IMARA DAIMA DO OFFICE	CO-OPERATIVE	01141800397900		3,531
IMARA DAIMA DO OFFICE	EQUITY BANK	01320279905940		16,154,709.37
KWARE PRIMARY	EQUITY BANK	1320280275475	5,897,710	
KWARE SECONDARY	EQUITY BANK	1320280271240	5,887,590	
REUBEN SECONDARY	EQUITY BANK	1320280271180	0	
ASSISTANT COUNTY COMMISSIONER IMARA DAIMA	EQUITY BANK	1320279905940	626,362.37	
AEF REUBEN PRIMARY	EQUITY BANK	1320279904121	447,110	
KWA NJENGA PRIMARY	EQUITY BANK	1320279902384	18,848,882	
EMBAKASI GIRLS	EQUITY BANK	1320279899037	65,140	
MUKURU COMMUNITY CENTRE	EQUITY BANK	1320280844325	3,102,760	
EMBAKASI SOUTH ENVIRONMENT PMC	EQUITY BANK	1320280900077	36,897.59	
<b>Total</b>			<b>3,204,798</b>	<b>25,168,896</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Presentation and Disclosures in the Financial Statements	Not responded	Not Resolved	
2.1	The statement of assets and liabilities reflects total cash and cash equivalent bank balance of Kshs.36,016,599 and cash at hand balance of Nil. However, the cash book and Board of Survey Report for the year ended 30 June, 2020 reflects a cash on hand of Kshs.1,915,000 which was not included in the closing balance of cash and cash equivalent resulting to understatement of cash balance by Kshs.1,915,000 which was not explained.	Not responded	Not Resolved	
2.2	The statement of receipts and payments for the year ended 30 June, 2020 reflects expenditure of Kshs.10,584,119, however, an	Not responded	Not 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)
	expenditure of Kshs.481,810 was incurred for execution of tenancy agreement but it was not included in the total expenditure for Use of Goods and Services therefore the expenditure is understated by similar amounts			
2.3	The statements of receipt and payment for the year ended 30 June, 2020 reflects total expenditure of Kshs.89,123,255 which includes Kshs.10,584,119 note 5 in respect of goods and services. However, as per the payment vouchers provided, the expenditure for use of goods and services was Kshs.12,957,270 resulting to unexplained variances of Kshs.2,373,151. In the circumstances, the accuracy of the financial statement for the year ended 30 June, 2020 could not be confirmed.	Not responded	Not Resolved	
3.0	The statement of receipts and payments for the year ended 30 June, 2020 reflects expenditure of Kshs.10,584,119. Examination of	Not responded	Not 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)
7.0	<p>constituents.</p> <p>Note 7 to the financial statement reflects a balance of Kshs.54,421,336 which includes Kshs.17,549,218 under Bursary Tertiary, out of which of Kshs.15,137,000 was paid to various tertiary institutions for various training programs. However, acknowledgment of receipt of the monies and confirmation of the beneficiaries attendance of the training and they gained the required skills, were not availed for audit verification. Further Kshs.5,637,218 was paid to private institutions as bursaries for training various courses which could not be located.</p>	<p>Not responded</p>	<p>Not Resolved</p>	

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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)
	records revealed Kshs.1,424,000 was incurred but was not supported by any payment voucher, contrary to Section 104(1) of the Public Finance Management Regulations 2015. In the circumstances, the validity of the expenditure of Kshs.1,424,000 for the year ended 30 June, 2020 could not be confirmed.			
4.0	Note 6 to the financial statement in respect of Transfers to Other Government units reflects a balance of Kshs.19,500,000 which includes Transfers to primary schools of Kshs.16,500,000. An examination of payment vouchers reveals the money was transferred to Kwa Njenga Primary PMC bank account and according to the Approved Project Code list, the Kshs.16,500,000 was meant to convert class to computer lab, purchase a 52-seater bus and rehabilitate the school field within the year ended 30 June, 2020. Report of the Auditor-General on National Government Constituencies	Not responded	Not 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>Development Fund - Embakasi South Constituency for the year ended 30 June, 2020 3 However, audit inspection carried out on 22 January, 2021 revealed that the project work had not been done and Kshs.15,400,000 had already been utilized leaving a balance of Kshs.1,100,000 which could not be traced in the PMC Account. In the circumstances, the validity of the expenditure of Kshs.16,500,000 for the year ended 30 June, 2020 could not be ascertained.</p>			
5.0	<p>Note 4 to the financial statement reflects a balance of Kshs.3,695, 480 in respect of compensation of employees. However, audit verification on 22 January ,2020 revealed that only three (3) employees were working in the constituent office despite the office paying fourteen (14) members every month, eleven (11) employees were not accounted for and employment contracts were not availed for the</p>	Not responded	Not 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)
6.0	<p>audit verification. Consequently, the validity of the payment of Kshs.3,695,480 as compensation of employees for the year ended 30 June, 2020 could not be confirmed</p> <p>The summary statements of Appropriation: Recurrent and Developments combined reflects an approved budgeted of Kshs.231,537,578, however, the actual expenditure was Kshs.89,123,255 or 42% of the total budget, resulting into under expenditure of Kshs.124,414,322 however, no clear explanation has been provided for under absorption. The management has not adhered to the budget contrary to values and principles of public service as provided for under Article 232 (1 - c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services. Consequently, the under absorption may have impacted negatively on service delivery to the</p>	<p>Not responded</p>	<p>Not Resolved</p>	