

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

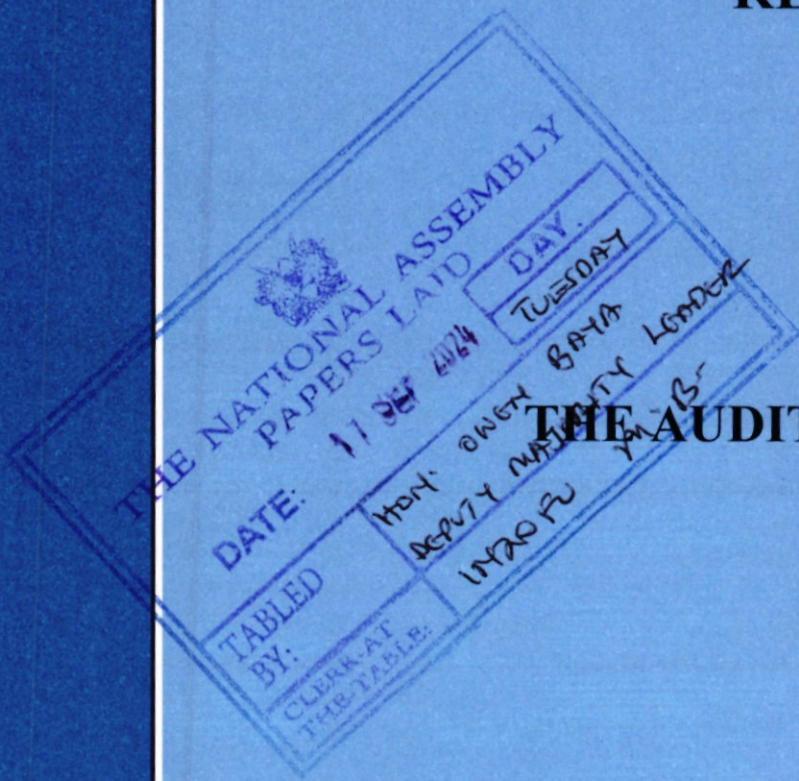
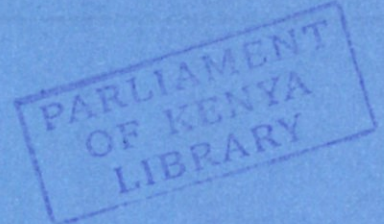
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**





EMBAKASI WEST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

***Embakasi West Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-project management committee

FY-Financial Year

PWD-Persons living with Disability

II. 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 2022. 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

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 West 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)

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Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Alfred N. Mwangi
2.	Sub-County Accountant	Justus Mutua
3.	Chairman NGCDFC	Samson Opiyo Owiti
4.	Member NG-CDFC	John Kinuthia

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Embakasi West 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.

(d) Embakasi West Constituency NGCDF Headquarters

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

(e) Embakasi West Constituency NGCDF Contacts

Telephone: (254) Embakasi West
mail: cdfembakasiwest@ngcdf.go.ke, embakasiwestcdf@gmail.com
E-Website: www.ngcdf.go.ke

(f) Embakasi West Constituency NGCDF Bankers

Equity Bank Limited
Buruburu branch
P.O.Box 75104
Nairobi

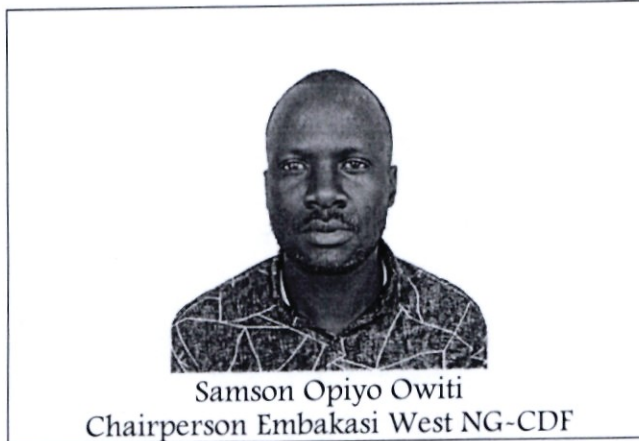
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



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:

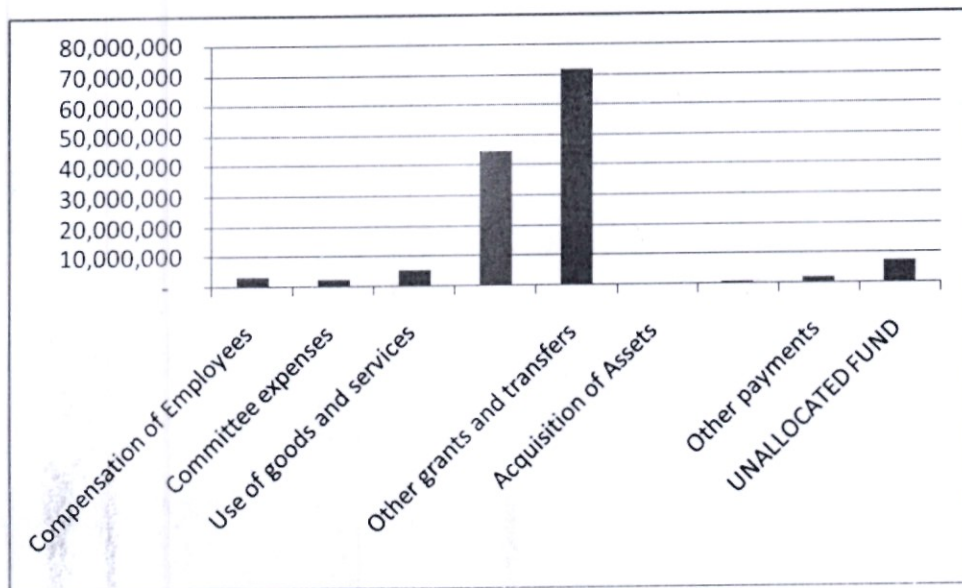
1. The Embakasi West NGCDF Five Year Strategic Plan (2018-2023) has continued to be implemented in a well-organized and coordinated manner, which follows clearly set performance indicators and time frame, under each of the eight strategic priorities namely: education, environment, health, water, security, 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 camp with all the necessary amenities.
6. Improvement of our health through implementation of NHIF for vulnerable families.

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

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Budget.

Embakasi West Constituency was allocated Ksh. 138,215,033.00 for the financial year 2022/2023 and the distribution was as indicated in the bar graph below:

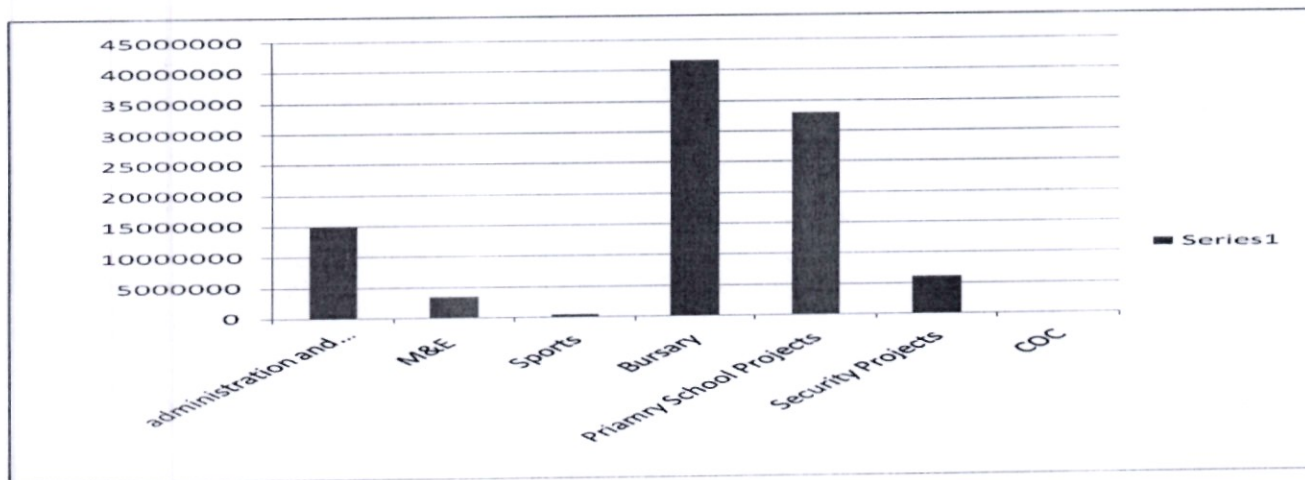


Graph 1: Budget Allocation 2022/2023

In the 2022/2023 Financial year Embakasi West NG-CDF received a total of Kshs 156,357,724.00 which include Kshs. 69,357,724.00 for previous years balance , a total of **Kshs. 156,357,724**

Utilization

Out of the above Kshs 91,054,531.00 (54%) was utilized as illustrated in the graph below recurrent



Graph 2.Utilization of funds 2022/2023

KEY ACHIEVEMENTS

Some of the most notable projects in 2022/2023 financial year are as follows;



Fig 3:Construction of 20 door ablution block at Uhuru Estate Primary School

Uhuru Estate primary school is located in Uhuru/kariobangi south ward. The ablution block is complete and in use. This project is the pride of the Embakasi West constituency because it serves upto 800 students within the school. The project is a clear indication of the milestones Embakasi West NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

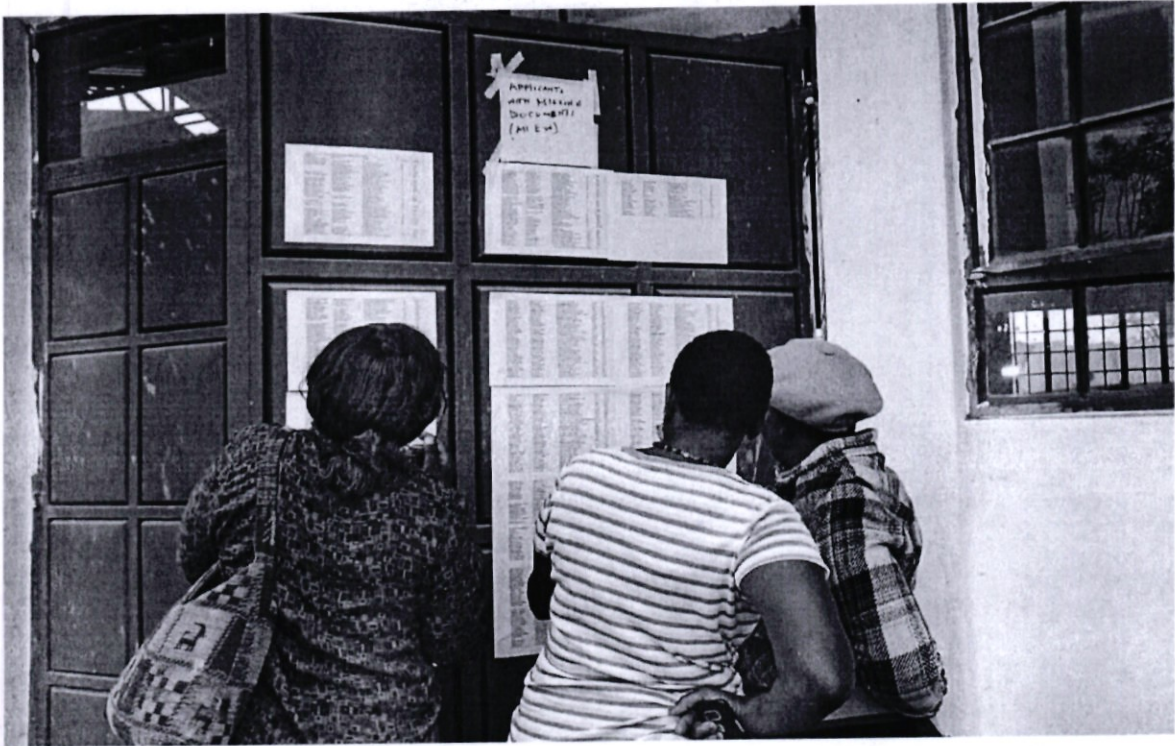


Fig 4: Payment of bursary for needy students

Embakasi West NG-CDF in the financial year 2022/2023, issued bursary to needy students amounting to Kshs. 41,660,000.00

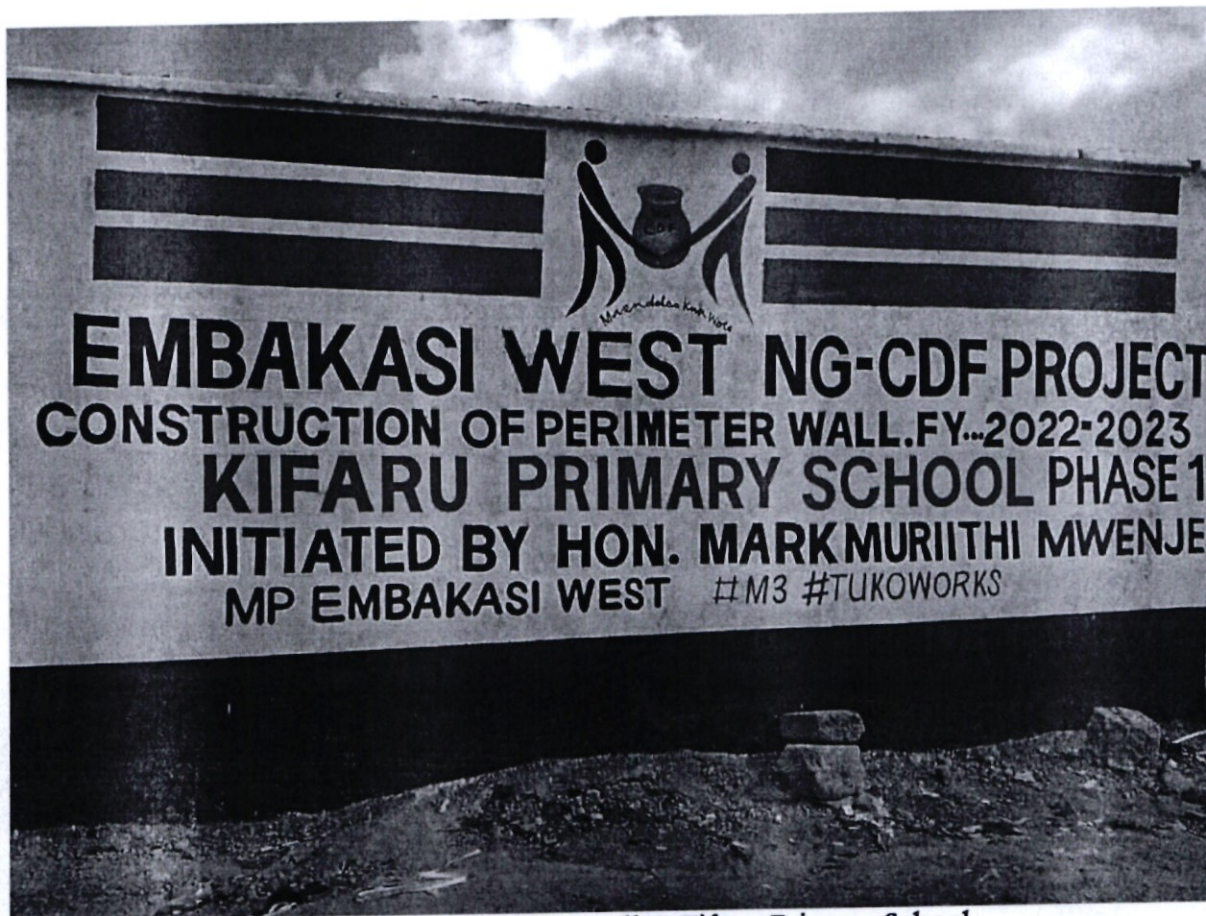


Fig 3:Construction of 230Meters perimeter wall at Kifaru Primary School

Implementation challenges

The major challenge experienced by Embakasi West NGCDF in its implementation of its work plan for the FY 2022/2023 is as follows;

1. Delayed disbursement of funds from the board (Most of the funds was released in the 4th quarter making it impossible to implement projects within intended time)
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 NG-CDFC has however been seeking alternative technical department with capacity to deliver timely tender documents
3. Being an election year, the delay in gazetting new committee so as start implementing projects

Sign 

Samson Opiyo Owiti
CHAIRMAN NG-CDF COMMITTEE

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IV. Statement Of Performance Against Predetermined Objectives for FY2022/23

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 West Constituency 2023-2028* Strategic plan are to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To Provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To Reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To Create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To Enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation in subsequent planning and budgeting.
- vii. To Provide a framework for continuous monitoring and systematic evaluation of development projects.

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

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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 2023.

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 *2018-2023* 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;

Improve the quality of community facilities and public spaces in regard to disability access

Increase participation in community based environmental activities

Promote tree planting and environment protection

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

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- 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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, - number of bursary beneficiaries at all levels 	In FY 22/23 Embakasi West NG-CDF improved the classroom conditions from 31 to 49 by building 6 classrooms in secondary schools and renovating the existing 12 classrooms in primary schools. construction of 530 Meters perimeter wall in primary schools in kifarua and tumaini primary schools. I multipurpose hall in Peter Kibukosya Secondary School .

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				We also issued bursary cheques amounting to Kshs. 41,660,000.00 and secondary and tertiary institutions.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service Number of usable physical infrastructure built in locations, sub locations and police stations	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	In FY 22/23 Embakasi West NG-CDF has increased number of police posts from 6 to 7 by constructing a police station at Mowlem ward.
Environment	To improve public facilities by developing sanitation facilities	Ablution blocks in Public Schools	Number of students benefiting	Increased toilets blocks from 3 to 5 by constructing one each at Uhuru Estate Primary School and Tumaini 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 they were engaged in boxing, football and basket tournament. 20 teams benefited from uniforms and sports kits

V. Statement of Governance

Embakasi West NG-CDFC gazetted 2020 tenure came to an end upon the election of a new member of parliament on in August 2023. However the committee continued to function until the gazettelement of a new committee.

Appointment of NGCDFC Members

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

Kenya Subsidiary Legislation, 2016 1951

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

A member of a Constituency Committee who is appointed

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

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

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

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

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

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the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

Panel selection the members

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

The selection process:

The advertisement was placed on all public notice boards, chiefs offices, churches and mosques in the month of October 2022.

The applications were received and short listing done by the selection panel in the month of December 2022. The interviews and final committee selected in the month of October 2022 as follows.

	CATEGORY	NOMINEE
1.	Men's Representative	Samson Opiyo Owiti
2.	Women's Representative	Esther Kamene Mutio
3.	Male Youth Representative	John Kinuthia Kihui
4.	Female Youth Representative	Everlyne Wanjiku Karanja
5.	Persons Living With Disability	Wilson S. M. Kingola
6.	Co-opted Member	Margret Wanjiku Watunu

Removal of NG-CDF Committee

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

- a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;

- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

During the financial year 2022-2023 Embakasi West did not remove any of its NG-CDFc member.

Roles and Functions of NGCDF Committee

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

Induction and Training of NGCDF Committee Members

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

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

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5. Cross cutting issues

In Embakasi West constituency, in the FY 2022/2023 we inducted and trained ten number of members in sai rock and Mombasa north coast beach hotel in the months of March and April 2023.

Number of meetings held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Embakasi West Constituency held a total of 15 (3 with the previous committee and 12 with the new committee) meetings in the financial year 2022-2023. This is as tabulated here below.

Sno.	Name	07/1 2/20 22	12/1 2/20 22	04/0 1/20 23	13/0 1/20 23	13/0 2/20 23	14/0 3/20 23	07/0 3/20 23- Burs ary Sub	14/ 03/ 202 3- Bur sary Sub	12/ 04/ 202 3	19/ 05/ 202 3	22/ 06/ 202 3
1	Samson Opiyo	√	√	√	√	√	√			√	√	√
2	Margaret Watungu	√	√	√	√	√	√	√	√	√	√	√
3	Esther Kamene	√	√	√	√	√	√	√	√	√	√	√
4	Tamina Minage	√	√	√	√	√	√	√	√	√	√	√
5	John Kinuthia	√	√	√	√	√	√			√	√	√
6	John Mwangi	√	√	√	√	√	√			√	√	√
7	Wilson Kingola	√	√	√	√	√	√	√	√	√	√	√
8	Evelyn karanja	√	√	√	√	√	√	√	√	√	√	√

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9	Alfred mwangi	√	√	√	√	√	√	√	√	√	√	√
10	Jacob Mwaura	√	√	√	√	√	√			√	√	√

Policy on Conflict of Interest

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

Members Remuneration

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

Ethics and Conduct

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

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

During the financial year 2022/2023 members of NGCDFC Embakasi West observed to the above ethical issues.

Risk Management

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

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The risk mitigation policies that NGCDFC Embakasi West has applied include the following: Executing audit findings and recommendations, observance and compliance with NGCDF act 2015 and additional laws and guidelines to ensure smooth operations. The constituency has also ensured projects are well implemented and overall fund utilization. The NGCDFC staff are also required to ensure adherence to statutory requirements such as deductions and timely remittance, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

Embakasi West NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, 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 west NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

Embakasi West NG-CDF has committed to support the education sector by allocating Ksh. 3,000,00.00 towards Special institutions, Ksh. 40,000,000.00 toward secondary, and Ksh. 16,500,000.00 towards tertiary institutions infrastructural development in the 2022-2023 financial year. The constituency has committed also to retain needy students in their respective institutions of learning and allocated Ksh. 5,000,000.00 towards the bursary kitty to facilitate school fees payment for such students.

- 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.

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In Embakasi West constituency strategic plan 2023-2028, security takes precedence as a key objective that should be attained for the benefit of the constituents. Therefore, Ksh. 6,000,000.00 was allocated towards construction of new police station to ensure adequate structures to accommodate security personnel's, so as to enhance security and reduce crime level within the constituency.

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

In the 2022-2023 financial year Embakasi West constituency allocated Ksh. 4,900,000.00 towards the environment kitty. This shows that the constituency is in support of environmental conservation and has made the sector part of its development agenda. Construction of toilet block at Unity Primary School.

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.

Despite the limited funding in the 2022-2023 financial year, Embakasi West constituency allocated Ksh. 2,764,300.00 towards the sports sector. Tournaments were held and 20 teams benefited with sports gear i.e., footballs, sports uniforms, and trophies. The constituency also came and supported the teams and offered professional counselling to the youth. This is an indicator that the constituency does not lag behind in terms of community integration, youth motivation, and talent recognition and promotion.

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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Due to the limited funding received in the 2022-2023 financial year, the Embakasi west constituency could not engage in tree planting activities.
- The sports allocated funds were used in organizing tournaments in the constituency where local youths participated. The constituency fully sponsored the activities and motivated the teams by giving them quality sportswear and gears. The tournaments were gender inclusive because female teams also participated and also benefited with the sponsorship.

3. Sensitization of youth/ community on the impact of drugs

We invest in providing the best working environment for our employees. Embakasi West 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 are based on performance appraisal.

Employees are encouraged and supported to continually build on their skills and knowledge. Embakasi West Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

NG-CDF sponsorship on sporting activities

Embakasi west 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 honouring all contracts and settling payments promptly.

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NG-CDF has put in efforts to ensure:

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

4. Employee welfare

We invest in providing the best working environment for our employees. Embakasi West 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 West constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

5. Market place practices-

EMBAKASI WEST 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:

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

6. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

The NG CDFC during bursary programme, engaged the community through the community leaders 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.

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



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

VII. 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 West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. 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 West 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi West Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Embakasi West Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

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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 West Constituency financial statements were approved and signed by the Accounting Officer on 15th September, 2023.

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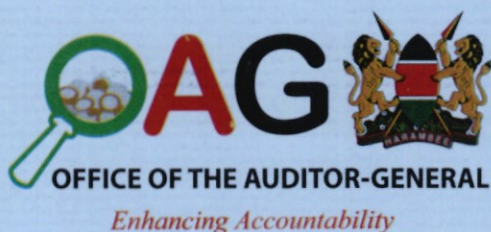
Name: Samson Opiyo Owiti
Chairman – NGCDF Committee

..... 

Name: Alfred N. Mwangi
Fund Account Manager

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 the 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 controls, 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 West Constituency set out on pages 1 to

42, which comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, statement of cash flows, the summary statement of appropriation for the year then ended, and significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Embakasi West Constituency as at 30 June, 2023, 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 National Government Constituencies Development Fund Act, 2015, (Amended 2022).

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.78,410,451 as disclosed in Note 12A to the financial statements. However, Management did not maintain deposits account for holding third party monies which were not disclosed in the financial statements. Further, review of bank reconciliation statements revealed receipts in bank not recorded in the cash book totalling, Kshs.638,896 explained to be unreceipted cheques from closed project bank accounts.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.78,410,451 could not be confirmed.

2. Unsupported Project Management Committee Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.47,587,746. However, the cashbooks, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit. Further, Annex 5 to the financial statements reflects Nil balances in respect of two (2) PMC accounts which were also not supported.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.47,587,746 could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.48,060,000 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.26,680,000, Kshs.13,620,000 and Kshs.1,360,000 disbursed to secondary schools, tertiary institutions and special schools respectively both

totalling Kshs.41,660,000. However, no acknowledged letters from beneficiaries were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.41,660,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.182,011,170 and Kshs.169,464,984 respectively resulting to an under-funding of Kshs.12,546,188 or 7% of the budget. However, the Fund spent Kshs.91,054,531 against actual receipts of Kshs.169,464,982 resulting to an under-utilization of Kshs.78,410,451 or 46% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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

Unresolved Prior Year Matters

Various prior year audit issues raised under the Report on Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources remained unresolved as at 30 June, 2023. However, Management has not given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury.

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. Failure to Return Unutilized Funds

Note 18.4 reflects Project Management Committees (PMC) balances totalling Kshs.47,587,746 as disclosed in Annex 5 to the financial statements. However, review of schedules and Project Implementation Status reports revealed twenty (20) completed project with un-utilized bank balances of Kshs.2,505,223 which had not been transferred to the Fund bank account. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

In the circumstances, Management was in breach of law.

2. Irregular Branding of Projects

Physical inspection of implemented projects carried out in March, 2024 revealed that projects at Dr Mwenje Secondary School, Kifaru Primary School, Peter Kibukosya Primary School and Mowlem Police Post were branded using the names of the area Member of Parliament. This was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which states that funds provided shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

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

3. Lack of Constituency Bursary Committee

Note 8 to the financial statements reflects bursaries to secondary schools, tertiary institutions and special schools amounting to Kshs.41,660,000. However, Management did not provide evidence of formation of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee to vet bursary applicants. This was contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests.

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

4. Unutilized Funds for Construction of Classrooms

During the year under review an amount of Kshs.18,000,000 was disbursed to Uhuru Estate and Busara primary schools project management committees for the construction of four (4) classrooms in each school. However, physical inspection done in March, 2024 revealed that the construction had not commenced. No explanation was provided for the delays in commencing the construction.

In the circumstances, value for money on the disbursement of Kshs. 18,000,000 disbursed for the construction of classrooms 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 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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related 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 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 which 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 on whether, in all material respects, 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, 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 controls 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 controls would not necessarily disclose all matters in the internal controls which 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 which 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 controls 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 which 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 controls.
- 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 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 which 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 sustain 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 which 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

*Embakasi West Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	156,357,724	161,088,879
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		156,357,724	161,088,879
PAYMENTS			
Compensation of employees	4	2,573,904	2,468,293
Committee expenses	5	2,755,400	3,323,425
Use of goods and services	6	4,545,227	5,877,615
Transfers to Other Government Units	7	33,000,000	70,056,486
Other grants and transfers	8	48,060,000	100,706,200
Acquisition of Assets	9	-	771,790
Oversight Committee Expenses	10	120,000	-
Other Payments	11	-	1,169,257
TOTAL PAYMENTS		91,054,531	184,373,066
SURPLUS/DEFICIT		65,303,193	(23,284,187)


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

The Constituency financial statements were approved by the NGCDFC on 15th September, 2023 and signed by:



Fund Account Manager

Name: Alfred N. Mwangi



National Sub-County
Accountant

Name: Justus Mutua
ICPAK M/No: 12228



Chairman NG-CDF Committee

Name: Samson Opiyo Owiti

Embakasi West Constituency
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X. Statement of Assets and Liabilities As At 30th June, 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	78,410,451	13,101,098.35
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		78,410,451	13,101,098
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		78,410,451	13,101,098
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		78,410,451	13,101,098
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	13,101,098	36,385,285
Prior year adjustments	16	6,160	-
Surplus/Defict for the year		65,303,193	(23,284,187)
NET FINANCIAL POSITION		78,410,451	13,101,098

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


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*Embakasi West Constituency
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XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers from NGCDF Board	1	156,357,724	161,088,879
Other Receipts	3	-	-
		156,357,724	161,088,879
Payments for operating activities			
Compensation of Employees	4	2,573,904	2,468,293
Committee expenses	5	2,755,400	3,323,425
Use of goods and services	6	4,545,227	5,877,615
Transfers to Other Government Units	7	33,000,000	70,056,486
Other grants and transfers	8	48,060,000	100,706,200
Oversight Committee Expenses	10	120,000	-
Other Payments	11	-	1,169,257
		91,054,531	183,601,276
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	6,160	-
Net Adjustments		6,160	-
Net cash flow from operating activities		65,309,353	(22,512,397)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(771,790)
Net cash flows from Investing Activities		-	(771,790)
NET INCREASE IN CASH AND CASH EQUIVALENT		65,309,353	(23,284,187)
Cash and cash equivalent at BEGINNING of the year	12	13,101,098	36,385,285
Cash and cash equivalent at END of the year		78,410,451	13,101,098

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


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National Government Constituencies Development Fund (NGCDF)
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The Constituency financial statements were approved by NG CDFC on 15th September, 2023 and signed by:




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**National Sub-County
Accountant**

Name: Justus Mutua
ICPAK M/No: 12228



Chairman NG-CDF Committee

Name: Samson Opiyo Owiti

Embakasi West Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	138,215,033	13,107,258	30,688,879	182,011,170	169,464,982	12,546,188	93.1%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	#DIV/0!
TOTAL RECEIPTS	138,215,033	13,107,258	30,688,879	182,011,170	169,464,982	12,546,188	93.1%
PAYMENTS							
Compensation of Employees	3,493,140	1,331,460	-	4,824,600	2,573,904	2,250,696	53.3%
Committee expenses	2,421,000	1,520,000	596,672	4,537,672	2,755,400	1,782,272	60.7%
Use of goods and services	5,628,409	1,563,591	-	7,192,001	4,545,227	2,646,774	63.2%
Transfers to Other Government Units	44,771,994	-	11,900,000	56,671,994	33,000,000	23,671,994	58.2%
Other grants and transfers	71,400,490	8,692,207	18,192,207	98,284,904	48,060,000	50,224,904	48.9%
Acquisition of Assets	-	-	-	-	-	-	#DIV/0!
Oversight Committee Expenses	1,000,000	-	-	1,000,000	120,000	880,000	12.0%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0.0%
Unapproved Funds	7,500,000	-	-	7,500,000	-	7,500,000	0.0%
TOTAL	138,215,033	13,107,258	30,688,879	182,011,171	91,054,531	90,956,640	50.0%

(a) On receipts the total receipts Kshs 30,688,879
Funds of Ksh. 16,688,879 relating to financial year 2020/2021 and Kshs. 14,000,000 FOR Financial year 2021/2022 for financial year 2021/2022 that not been received as at 30th June 2023

(b) On payments

- i. On Compensation to employees the underutilized funds relate to employees salaries and allowance because they related to work from February 2023

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- ii. On committee expenses the 10% under utilization is because the committee was gazetted in November 2022 which creates a gap between July and November 2022
- iii. On use of goods and services, 47.8% under utilization was as a result of late disbursement from the NGCDF.
- iv. On transfer to other Government Units, and grants and transfers under utilization is because of late disbursement from the NGCDF Board and reallocation still pending approval from the Board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	90,956,641
Less undisbursed funds receivable from the Board as at 30th June 2023	12,546,188
	78,410,452
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2022/2023	78,410,452

The Constituency financial statements were approved by NG CDFC on 15th September, 2023 and signed by:


 Fund Account Manager

Name: Alfred N. Mwangi


 National Sub-County Accountant

Name: Justus Mutua
ICPAK M/No: 12228


 Chairman NG-CDF Committee

Name: Samson Opiyo Owiti

*Embakasi West Constituency
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XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,493,140	1,331,460		4,824,600	2,573,904	2,250,696
1.2 Committee allowances	1,158,000	960,000		2,118,000	939,000	1,179,000
1.3 Use of goods and services	2,970,981	1,370,000		4,340,981	2,885,997	1,454,984
Total	7,622,121	3,661,460	-	11,283,581	6,398,901	4,884,680
2.0 Monitoring and evaluation						-
2.1 Capacity building	2,150,000			2,150,000	1,520,300	629,700
2.2 Committee allowances	1,263,000	560,000	596,672	2,419,672	1,816,400	603,272
2.3 Use of goods and services	507,429	193,591		701,020	138,930	562,090
Total	3,920,429	753,591	596,672	5,270,692	3,475,630	1,795,062
3.0 Emergency						
3.1 Primary Schools				-		-
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilised	7,636,190	7,192,207	7,192,207	22,020,604		22,020,604
Total	7,636,190	7,192,207	7,192,207	22,020,604	-	22,020,604
4.0 Bursary and Social Security						
4.1 Secondary Schools	40,000,000		11,000,000	51,000,000	26,680,000	24,320,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Tertiary Institutions	16,500,000			16,500,000	13,620,000	2,880,000
4.3 Social Security	1,500,000	1,500,000		3,000,000		3,000,000
4.4 Special Needs	3,000,000			3,000,000	1,360,000	1,640,000
Total	61,000,000	1,500,000	11,000,000	73,500,000	41,660,000	31,840,000
5.0 Sports				-		-
5	2,764,300			2,764,300	400,000	2,364,300
Total	2,764,300			2,764,300	400,000	2,364,300
6.0 Environment						
				-		-
Total	-	-	-	-	-	-
7.0 Primary Schools Projects						
Kariobangi South Primary School			11,900,000	11,900,000		11,900,000
Umoja 1 Primary School	7,200,000			7,200,000		7,200,000
Umoja 1 Primary School				-		-
Unity Primary School	4,900,000			4,900,000		4,900,000
Supaloaf Primary School	11,771,994			11,771,994		11,771,994
Uhuru Estate Primary School				-	9,000,000	(9,000,000)
Busara Primary School				-	9,000,000	(9,000,000)
Peter Kibukosya Primary School				-	10,000,000	(10,000,000)
Kifaru Primary School				-	5,000,000	(5,000,000)
				-		-

Embakasi West Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	23,871,994	-	11,900,000	35,771,994	33,000,000	2,771,994
8.0 Secondary Schools Projects						-
Uhuru Secondary School	13,000,000			13,000,000		13,000,000
Peter Kibukosya Secondary School	7,900,000			7,900,000		7,900,000
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
Total	20,900,000	-	-	20,900,000	-	20,900,000
9.0 Tertiary institutions Projects						-
						-
Total	-			-	-	-
10.0 Security Projects						-
Mowlem Police Station				-	6,000,000	(6,000,000)
				-		-
Total	-	-	-	-	6,000,000	(6,000,000)
11.0 Acquisition of assets						-
						-

**Embakasi West Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	-	-	-	-	-	-
12.0 Oversight Committee Expenses (itemize)						
Travel Costs (Airlines, Bus, Railway, Mileage Allowances, etc.)	100,000			100,000		100,000
Accommodation - Domestic Travel	300,000			300,000		300,000
COC Members Allowance	600,000			600,000	120,000	480,000
Total	1,000,000			1,000,000	120,000	880,000
13.0 Other payments						
Strategic Plan	2,000,000			2,000,000		
Total	2,000,000			2,000,000		2,000,000
14.0 unallocated fund						
Unapproved projects	7,500,000			7,500,000		7,500,000
AIA						
PMC savings						
Total	7,500,000			7,500,000		7,500,000
	138,215,033	13,107,258	30,688,879	182,011,171	91,054,531	90,956,640

(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)

XIV. 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 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.

Significant Accounting Policies continued

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.

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.

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National Government Constituencies Development Fund (NGCDF)
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Significant Accounting Policies continued

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 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.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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

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 xx June 20xx for the period 1st July 202x to 30th June 202x 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.

Significant Accounting Policies Continued

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 202x.

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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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
B140872		33,000,000
B105428		44,000,000
B105753		22,000,000
B132482		5,000,000
B128795		12,000,000
B154394		12,000,000
B154287		19,000,000
B155803		9,088,879
A888957		5,000,000
B185045	7,000,000	
B185306	69,357,724	
B185327	6,000,000	
B185587	15,000,000	
B185873	5,000,000	
B200330	12,000,000	
B205716	12,000,000	
B205976	15,000,000	
B207794	15,000,000	
TOTAL	156,357,724	161,088,879

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
Total		

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Notes To the Financial Statements (Continued)

3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents		
Hire of plant/equipment/facilities		
Other Receipts Not Classified Elsewhere (Reversed Cheques)		
Total		

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	984,508	1,561,214
Personal allowances paid as part of salary		
House allowance	252,500	297,000
Transport allowance	116,000	228,000
Leave allowance		20,000
NHIF	30,600	54,000
Gratuity-contractual employees	947,776	294,279
GRATUITY PROVISION	213,240	
Employer Contributions Compulsory national social security schemes	29,280	13,800
TOTAL	2,573,904	2,468,293

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	2,575,400	2,988,930
Other committee expenses	180,000	334,495
Total	2,755,400	3,323,425

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Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes To the Financial Statements (Continued)

6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	28,200	850,812
Office rent	462,560	278,400
Communication, supplies and services	232,055	155,070
Domestic travel and subsistence	1,525,130	666,180
Printing, advertising and information supplies & services	-	467,264
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	291,240	2,617,680
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,983,785	842,209
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank Charges	7,337	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	14,920	-
TOTAL	4,545,227	5,877,615

7. Transfer To Other Government Units

Description	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Transfers to Primary Schools	33,000,000	58,056,486
Transfers to Secondary Schools	-	12,000,000
Transfers to Tertiary Institutions	-	-
TOTAL	33,000,000	70,056,486

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Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Bursary - Secondary (see attached list)	26,680,000	44,650,000
Bursary -Tertiary (see attached list)	13,620,000	39,410,000
Bursary- Special Schools	1,360,000	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	1,500,000
Security Projects (see attached list)	6,000,000	10,000,000
Sports Projects (see attached list)	400,000	5,146,200
Environment Projects (see attached list)	-	-
Emergency Projects (see attached list)	-	-
Roads Projects	-	-
TOTAL	48,060,000	100,706,200

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	399,990
Purchase of ICT Equipment, Software and Other ICT Assets	-	371,800
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	-	771,790

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
COC Members allowance	120,000	-
Other COC expenses	-	-
TOTAL	120,000	-

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11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic Plan	-	-
ICT Hubs	-	-
TOTAL	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank - Buruburu Branch, 0950261868298, Kshs</i>	78,410,452	13,101,098
Total	78,410,452	13,101,098
12 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

13. 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>
		Kshs	Kshs	Kshs

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

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Notes to the Financial Statement Continued

14. Retention

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Retention as at 1 st July (A)		
Retention held during the year (B)		
Retention paid during the Year (C)		
Closing Retention as at 30 th June D= A+B-C		

14B Gratuity

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Gratuity as at 1 st July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 th June D= A+B-C		

15. Fund Balance B/F

	Kshs (1/7/2022)	Kshs (1/7/2021)
Bank accounts	13,101,098	36,385,285
Cash in hand		
Imprest		
TOTAL	13,101,098	36,385,285

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	13,101,098	6,160	13,107,258
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	13,101,098	6,160	13,107,258
Bank accounts balances	13,101,098	6,160	13,107,258

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Net changes in accounts Receivables D - A		

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C		

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Net changes in accounts payables D-A		
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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
Total		

19.2: Pending Staff Payables (See Annex 2)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NGCDFC Staff		
Others (<i>specify</i>)		
Total		

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of Employees	2,250,696	1,586,372
Committee expenses	1,782,272	
Use of goods and services	2,646,774	3,495
Transfers to Other Government Units	23,671,994	45,900,000
Other grants and transfers	50,224,904	34,230,693
Acquisition of Assets	-	829,433
Oversight Committee Expenses	880,000	
Other Payments	2,000,000	-
Unapproved Funds	7,500,000	
TOTAL	90,956,640	82,549,993

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18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	47,587,746	61,270,617
Total	47,587,746	61,270,617

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
	a	b	c	d=a-c	
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.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	gratuity % Employees salaries		1,586,372	gratuity paid
Compensation of employees		2,250,696		
Use of goods & services		4,429,046		
Amounts due to other Government entities				
Primary School				
Nairobi River primary school 4 Classrooms	Construction of 4 Classrooms		8,900,000	Additional funds needed
Kifaru Primary School perimeter wall	Premeter wall		5,000,000	complete
Busara Primary School 4 Classrooms			9,000,000	Additional funds needed
Uhuru Estate Primary School 4 Classrooms			9,000,000	Additional funds needed
Umoja 1 Primary School 8 Classrooms PWD Center Equipment	procurement of PWD Center Equipment		4,000,000	procuremnet process
Peter Kibukoasya Primary School Multi purpose hall			10,000,000	
Unity Primary School	Toilet Block	2,771,994		BOQs being developed
Secondary Schools				
Uhuru Secondary School	Construction of a lab	13,000,000		BOQs being developed

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Peter Kibukosya Secondary School	Perimeter wall	7,900,000		BOQs being developed
	Sub-Total	30,351,736		
Amounts due to other grants and other transfers				
Bursary				
4.1 Secondary Schools	fee for needy students	24,320,000	1,500,000	work in progress
4.2 Tertiary Institutions	fee for needy students	2,880,000		
4.3 Social Security	NHIF	3,000,000		
4.4 Special Needs	fee for needy students	1,640,000		
3.0 Emergency	For unforseen events	22,020,604		
5.0 Sports	sport	2,364,300		
6.0 Environment		-		
Security Projects				
Mowllem Police Station	Construction of police station	(6,000,000)	6,000,000.	Complete
KCC Police Post	Construction of police station		16,000,000	reallocated
KCC Police Post				reallocated - Bursary 2021 - 2022

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Tena Plice Post	Construction of police station			re allocated to K. South Primary Furniture
Acquisition of assets				
Oversight Committee Expenses (itemize)				
Travel Costs (Airlines, Bus, Railway, Mileage Allowances, etc.)		100,000		
Accommodation - Domestic Travel		300,000		
COC Members Allowance		480,000		
Others (specify)				
Strategic Plan		2,000,000		
Funds pending approval		7,500,000		
Grand Total		90,956,640	82,549,993	

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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) At Year End
Land				0
Buildings and structures				0
Transport equipment				0
Office equipment, furniture and fittings	1,424,555			1,424,555.00
ICT Equipment, Software and Other ICT Assets	917,300			917,300.00
Other Machinery and Equipment				0
				0
Heritage and cultural assets				0
Intangible assets				0
Total				2,341,855

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Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance Current 2022-2023	Bank Balance Previous 2021-2022
UMOJA 11 CHIEF'S CAMP QUARTERS NGCDF PROJECT	EQUITY	0950272961209	12	1,175
SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT	EQUITY	0950272949182	24,243	23,243
Kwa maji police post	EQUITY	0950277385887	1,601	1,601
Mowlem Super Loaf Class Block(phase 1)	EQUITY	0950278891117	827	827
Umoja 1 Primary Asbestos PMS	EQUITY	0950278890893	96,406	288,653
Kariobangi South Primary School Ablution Block PMC	EQUITY	0950279832329	55,677	55,677
Umoja 1 primary School Music centre	EQUITY	0950279886725	68,109	68,508
Peter Kibukosya Secondary School 6 classroom block PMC	EQUITY	0950279836853	2,475	2,475
Supa Loaf Primary School Ablution Block PMC	EQUITY	0950280554661	209,370	209,370
Dr. Mwenje Secondary School Laboratory PMC	EQUITY	0950280258814	66,769	632,576
Kariobangi South Primary School-Dr. Mwenje Secondary School Access Road	EQUITY	0950280761294	5,929	5,927
Peter Kibukosya Secondary School Furniture PMC	EQUITY	0950280836323	11,450	11,450
Umoja 1 Primary School classrooms Block PMC	EQUITY	0950280956397	1,184,029.00	3,154,521
Supa loaf Primary School classrooms Block PMC Phase III	EQUITY	0950280856312	373,680	373,680
PMC for Community Hall and Police Post-Uhuru	EQUITY	0950281303690	1,864,955	1,864,955
Nairobi river Primisry School Clasrrom PMC	EQUITY	0950280861712	-	-
uhuru Primary School Ablution block PMC	EQUITY	0950282476617	235,686	4,200,000

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PMC	Bank's	Account number	Bank Balance Current 2022-2023	Bank Balance Previous 2021-2022
uhuru Primary School Classroom Block PMC	EQUITY	0950282476595	9,000,000	
Busara Primary School Furniture PMC	EQUITY	0950282487563	900	2,500,000
Tumaini Primary School Ablution block PMC	EQUITY	0950282702817	528,043	4,200,000
Tumaini Primary School renovations PMC	EQUITY	0950282702885	992,447	9,000,000
Tumaini Primary School perimeter wall phase II PMC	EQUITY	09502882789377	865,138	5,000,000
KIFARU Primary School Perimeter wall PMC	EQUITY	0950282699806	5,000,000	
Dr Mwenje Secondary School Classroom Block PMC	EQUITY	0950280837622	12,000,000	12,000,000
Busara Primary School Classroom Block PMC	EQUITY	0950283026172	9,000,000	12,000,000
Mowlem Pollice PMC	EQUITY	0950284081310	6,000,000	-
Buruburu 1 Primary School Classroom block pmc		09502280846332		10,269,655
Unity Primary Perimeter wall PMC		0950279578694		649548
TOTAL			47,587,746	61,270,617

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.13,101,098 as disclosed in Note 10A to the financial statements. The bank reconciliation statements in support of the cash and cash equivalents balance revealed payments in cash book not recorded in bank statement (unpresented cheques) totaling to Kshs.5,344,621 which date back to 25 February, 2022. The Management did not provide details on when the cheques were cleared and the status of the stale cheques.	The cheques have were reversed in the April 2023 (see Cash Book Extract)	Resolved	
2	Further, the bank reconciliation statement reflects a payment in bank	The cheques was issued in error by the bank. However iy was reversed in the August 2022 (see Bank Statement for	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)
	statements not yet recorded in the cash book, described as Chianda High School overpayment of Kshs.45,000. The basis for the over payment was not provided	August 2022)		
3	Examination of the summary statement of appropriation revealed a final expenditure budget of Kshs.297,530,768 against actual expenditure of Kshs.184,373,066 resulting in budget under-utilization of Kshs.113,157,702 equivalent to 38% of the approved budget amount. In addition, the Fund budgeted to receive Kshs.297,530,768 from the CDF Board out of which the Board remitted Kshs.197,474,164 resulting in a deficit of Kshs.100,056,604 equivalent to 34% of the budget. As a result, the Fund did not implement planned and approved projects in	The Under utilization is as a result of late disbursement from th NG-CDF board. The funds have since been released and all projects are being implemented.	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)
	accordance with the approved programme thereby denying residents of Embakasi West Constituency services.			
4	The management has not provided evidence of formation of the Education bursary, Mock examinations and Continuous assessment tests committee whose core mandate is vetting of applicants	The management is in the previous years has been vetting the bursary applicants as whole NG-CDFc committee. However we have since formed a bursary subcommittee to undertake the vetting process	resolved	
5	An examination of a sample of the application forms revealed that all the forms had no evidence of vetting by Education bursary, Mock examinations and Continuous assessment tests Committee. The chairman or the secretary of the vetting committee did not sign the application form as proof of approval or rejection of the	Forms are all signed and vetted All forms have been signed by Chair and secretary of the committee		

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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>application.</p> <p>It could not be ascertained how much the successful applicants were awarded since it was not indicated on the application form.</p> <p>The minutes of the vetting committee and the details of the successful applicants was not provided for audit review.</p>			
6	<p>The total bursaries of Kshs. 84,060,000.00 and social security programme expenditure of Kshs. 1,500,000.00, all totalling to Kshs. 85,560,000.00 formed 53% of funds allocated. This is contrary to the law of 35%</p>	<p>All bursary issued in excess of the 35% ceiling was funds accruing from previous financial years as a result of delayed disbursement. See vote book extracts</p>	resolved	
7	<p>Inspection of projects implemented by Embakasi West Constituency carried out on 14 March, 2023 revealed various instances of</p>	<p>The projects have since been procured for and the contractor in on sight</p>	resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>non-compliance with the law in branding of projects implemented at Umoja 1 Primary School, Mowlem Supa Loaf Primary School and Unity Primary School. The projects were branded with the Name of the area Member of Parliament contrary to the law. It was also noted that the desks and chairs supplied to Busara Primary School were branded with the name of the area Member of Parliament.</p>			
8	<p>Failure to Submit Monthly Bank Reconciliation Statements for Audit</p> <p>During the financial year 2021/2022 the Fund Management did not submit monthly bank reconciliation statements for audit contrary to Section 90(1) of the Public Finance Management Act, 2012.</p>	<p>The management will endeavour to reporting its monthly reconciliations to the office of Auditor General</p>	resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Management was in breach of the law.			
9	<p>Unutilized Project Management Committee Funds</p> <p>During the financial year 2021/2022, the National Government Constituencies Development Fund Board approved projects in primary and secondary schools valued at Kshs.70,056,486 for implementation during the financial year. However, review of 16 PMCs accounts in relation to prior years' projects revealed that a total of PMC balance of Kshs.14,628,732. have been completed and projects in use.</p> <p>No explanation has been provided as to why the amounts have not been refunded back to the Constituency Account despite</p>	<p>The management is in the process of closing all inactive PMC accounts. See bank statement for August 2023</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the project implementation status provided indicating that the projects are complete and in use contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 Management was in breach of the law.</p>			
9	<p>Irregular Branding of Projects</p> <p>Inspection of projects implemented by Embakasi West Constituency carried out on 14 March, 2023 revealed that the projects implemented at Umoja 1 Primary School, Mowlem Supa Loaf Primary School and Unity Primary School were branded with the name of the area Member of Parliament. Similarly, the desks and chairs supplied to Busara Primary School were branded with the name of the area Member of Parliament contrary to Section 25(3) of</p>	<p>All irregular branding have been removed as per required by the law</p>	<p>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)
	the National Government Constituencies Development Fund Act, 2015.			

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 Name

Fund Account Manager.