

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

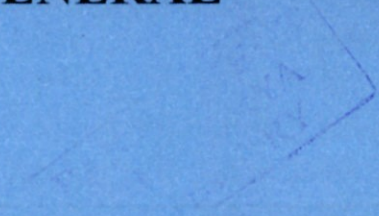
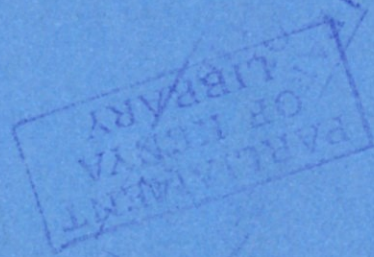
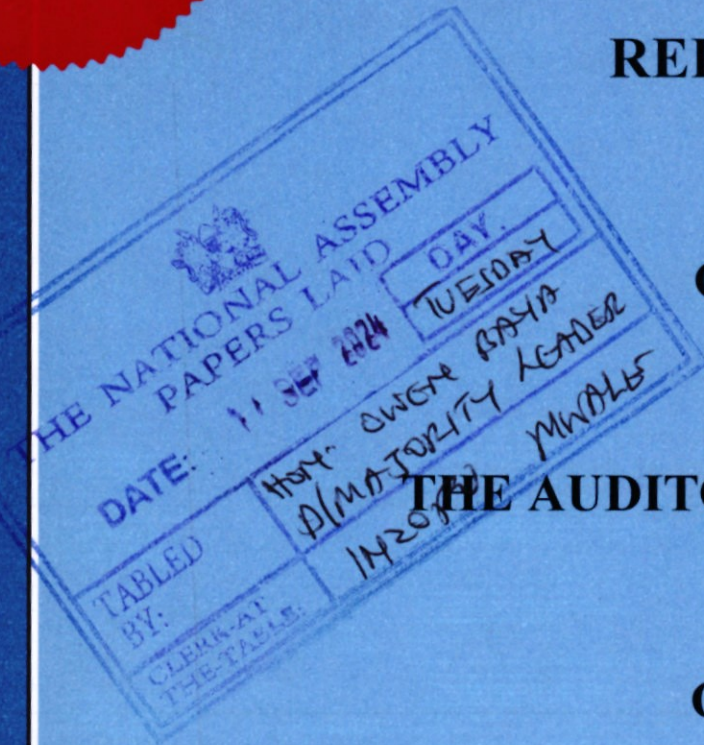
OF

**THE AUDITOR-GENERAL**

ON

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

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30684 - 00100, NAIROBI  
REGISTRY

17 MAY 2024

RECEIVED



---

**EMBAKASI CENTRAL CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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

Table of Content	Page
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report .....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xi
V. Statement of Governance .....	xiii
VI Environmental and Sustainability Reporting.....	xx
VII. Statement Of Management Responsibilities .....	xxiv
VIII. Report Of the Independent Auditors On The NGCDF- Embakasi Central Constituency .....	xxvi
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023.....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023.....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	7
XIV. Significant Accounting Policies .....	10
<u>XV.</u> Notes To the Financial Statements .....	16
XVI. Annexes .....	25

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

---

**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

## **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 Central 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)

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

---

**Fiduciary Management**

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

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

**(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Embakasi Central 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 Central Constituency NGCDF Headquarters**

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

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

Telephone: (254) 7-070-030  
E-mail: [cdfembakasicentral@ngcdf.go.ke](mailto:cdfembakasicentral@ngcdf.go.ke)  
Website: [www.cdfembakasicentral.go.ke](http://www.cdfembakasicentral.go.ke)

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

Family Bank A/c No. 061000032809  
Kayole Branch  
P.O.Box 74145-0020  
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-CDF Chairman's Report



*FRANCIS MAINA,  
CHAIRPERSON, EMBAKASI CENTRAL NGCDF.*

#### *INTRODUCTION.*

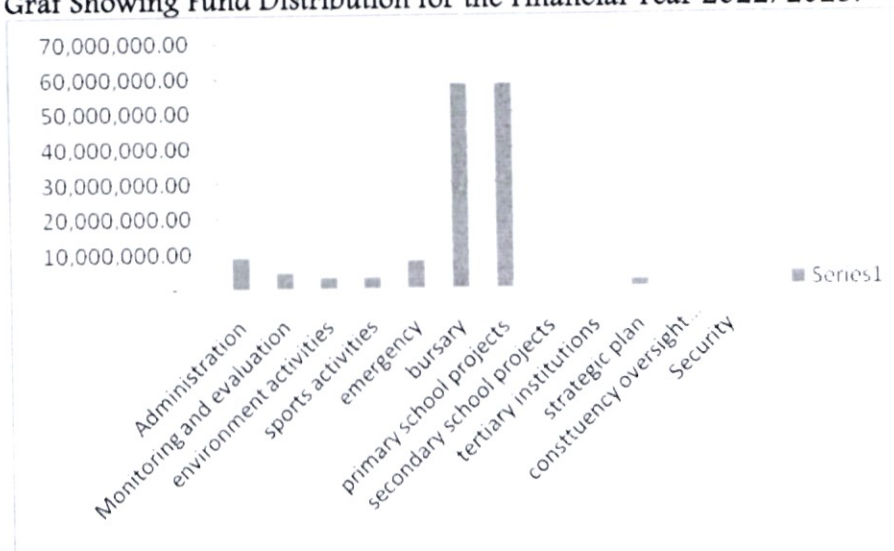
The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

Total allocation for Embakasi Central NG-CDF for financial year 2022/2023 was **kshs. 145,087,603**

On vote allocation, Embakasi Central NG-CDF allocated Kshs. **58,090,024.79** to bursary. This increase from last year's allocation to bursary vote was necessitated by the high demand for Embakasi Central constituency educates more needy students who would ordinarily miss the chance due to lack of school fees.

The Committee also allocated Primary School projects Kshs. **56,500,000** which helped improve the standards of the schools hence conducive learning environment.

**Graf Showing Fund Distribution for the Financial Year 2022/2023.**



**Key achievements:**

One of the key achievements was construction of 32No. 2-storey classrooms, 72 toilet cubicles, 4 Offices, Staffroom and a school hall at Komarock South primary school.

This school was implemented in three financial years; 2020/2021-2022/2023. It is worth noting that this project’s final implementation stages were in 2022/2023 /financial year. The school’s first enrolment was in August 2023. Of utmost importance is the impact that this school is likely to present considering the population in the constituency.

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

**Komarock South Primary School**



Construction of 32 No of new classroom at komarock south primary

The complete classes will increase number of school going students and decongest the nearby primary schools creating better and spacious learning environment resulting to improved performance.

**Implementation challenges:**

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

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

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

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

---

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

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

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



.....  
**Name Francis Maina  
CHAIRMAN NGCDF COMMITTEE**

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

**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 Central Constituency 2018-2022* plan are to:

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

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 22-23 -we increased number of classrooms by 32 classrooms at Komarock South Primary school.  13,000 students benefited from bursaries. 900 beneficiary in secondary schools and 400 beneficiaries in tertiary institutions
Security	To improve security within the Constituency	Create, promote and sustain community policing programs in the constituency; profile crime trends to determine the status of security in the constituency. and in consultation with stakeholders.	Prioritize locations for the police posts/ security installations; and establish more and sufficiently equipped and staffed security installations with sufficient manpower and mobility.	In FY 22/23- Embakasi central did not allocate any funds to security projects but was projected to be done in FY 2023/2024.
Environment	Ensure increased	protecting catchment areas to sustain natural water	Number of water tanks installed for clean water	In F/Y 2022/2023 Embakasi central installed 3 water tanks in Komarock

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

---

	access and connection to clean and safe water through,	sources; increase household water connection from 40% to 65% in improve the water supply	harvesting.	south primary school.
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports kits, equipment and trophies.	Number of youth groups benefitting from the sports kits, equipment and trophies is 37 teams around the constituency
Emergency	Develop an emergency response system that will be in operation during emergencies	Reduce loss of live and properties	Number of emergency cases solved	There was no case of emergency occurrence in 2022/2023 financial year.

## V. Statement of Governance

### Background

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

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

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

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

### Appointment of NGCDFC

The NGCDF Regulation 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

- one person nominated by the national government official in charge of the sub-county

or a designated representative, who shall be the chairperson of the selection panel;

□ the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and

□ Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

### **Process**

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

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



**Embakasi Central Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

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

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

S/N	Name	Nature of physical Impairment	Ward
1.	Francis Maina Mwangi	Right leg Hip Replacement	Embakasi Central Special intrests disabled group

**Nominee of the constituency Office**

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

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

S/N	Name	Gender	Ward
1.	Benard Mwaura	Female	Komarock

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

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

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

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

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

#### **Roles and functions of NG-CDFC**

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

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

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

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

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

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

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

the resolution is made. In Embakasi Central the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

**Training of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 12<sup>th</sup> -18<sup>th</sup> March 2023. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Embakasi Central.

**Number of meetings held**

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the Embakasi Central NGCDFC held fourteen meetings and two subcommittee meetings and the attendance was as follows

S/NO	NG-CDFC COMMITTEE MEMBERS	Nov 5th 202	Nov 3rd 202	Nov 9th 202	Oct 28 <sup>th</sup> 202	DEC 15th 202	Jan 4 <sup>th</sup> 202	Jan 18th 202	Jan 26th 2023	feb 27th 2023	Mar 14 <sup>th</sup> 2023	Apr 19 <sup>th</sup> 202	May 3 <sup>rd</sup> 202	MAY 7th 202	JUN E 20th 2023
1	Francis Maina Mwangi <b>chairman</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Nancy Njeri Kiragu <b>Secretary</b>					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Patrick Maina Muthoni					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Boas Ochieng					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Benard Mwaura	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Peter Mwangi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

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

**Ethics & conduct**

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

- Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless Institution required by law.
- Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- Leadership- NGCDFC members should promote leadership in the constituency.
- During the financial year 2022/2023 members of NGCDFC Embakasi Central adhered to the above ethical issues.

**Member’s remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary’s circular on members sitting and field allowances.

**Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and

shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Embakasi Central contravened conflict of interest policy.

### **Risk management**

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

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

## **VI. Environmental and Sustainability Reporting**

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

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

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

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

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

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**

- 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
- **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. To attain this level of sustainability, we allocated funds to cater for sports activities and thereby improve potential benefits envisaged in using sports as development strategy within the constituency.

## **3. Employee welfare**

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

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

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

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

Embakasi Central NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure.

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

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

Embakasi Central NGCDF 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.



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

---

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

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

**Public Awareness**

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

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



.....  
**Name Elias M Mate  
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 Central Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 Central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Embakasi Central Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

---

Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Embakasi Central Constituency financial statements were approved and signed by the Accounting Officer on 16<sup>h</sup> May 2024.

.....  


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

.....  


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

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI CENTRAL 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 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 Central Constituency set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2023, and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Embakasi Central 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. Unsupported Bursary Disbursements**

The financial statements reflect other grants and transfers amounting to Kshs.56,686,830 as disclosed in Note 8 to the financial statements. Included in these payments are Kshs.36,437,836 for bursaries to secondary schools and Kshs.14,487,250 for bursaries to tertiary institutions. However, bursaries' cheque dispatch register, details of successful applicants including student's registration numbers and evidence of receipts/ acknowledgement by the beneficiary institutions and evidence of vetting of bursary applications were not provided for audit. Further, there were disparities in the bursary disbursements amounts without minuted resolutions to justify the variances.

In the circumstances, the accuracy and completeness of bursary disbursements could not be confirmed.

#### **2. Failure to Return Project Management Committee Bank Balances on Completed Projects**

Included in Annex 5 to the financial statements is Project Management Committee (PMC) bank balances as at 30 June, 2023 of Kshs.1,082,362. However, review of cash book and bank statements revealed that no PMC had returned unutilized balances on completed projects during the year under review. Further, Management did not provide details of the account opened for holding third party monies as required by Section 7 of the National Government Constituency Development Fund, 2015, (Amended 2022).

In the circumstances, the accuracy and completeness of the PMC bank balances 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 Central 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 audit 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 reflect receipts budget of Kshs.154,476,197 and actual on comparable basis amounts of Kshs.96,737,830 respectively, resulting to under-funding of Kshs.57,738,367 or 37% of the budget. However, the Fund spent Kshs.70,554,416 against actual receipts of Kshs.96,737,830 resulting to an under-utilization of Kshs.26,183,414 or 27% of the actual receipts.

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

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

#### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 June, 2024

**Embakasi Central 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**

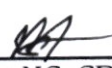
	Note	2022-2023	2021-2022
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	91,000,000	170,494,588
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	102,460	-
<b>TOTAL RECEIPTS</b>		<b>91,102,460</b>	<b>170,494,588</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,365,129	4,032,645
Committee expenses	5	2,584,500	1,677,785
Use of goods and services	6	6,845,457	9,271,171
Transfers to Other Government Units	7	-	64,735,237
Other grants and transfers	8	56,686,830	100,313,375
Acquisition of Assets	9	2,072,500	249,794
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>70,554,416</b>	<b>180,280,007</b>
<b>SURPLUS/DEFICIT</b>		<b>20,548,043</b>	<b>(9,785,419)</b>

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

The Constituency financial statements were approved by the NGCDFC on 16<sup>th</sup> May 2024 and signed by:

  
 Fund Account Manager

  
 National Sub-County Accountant

  
 Chairman NG-CDF Committee

Name: Elias Mate

Name: Justus Mutua  
 ICPAK M/No: 12228

Name: Francis Maina




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

**X. Statement Of Assets and Liabilities As At 30th June, 2023**

	Note	2022-2023 Kshs	2021-2022 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	27,908,506	5,737,830
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>27,908,506</b>	<b>5,737,830</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>27,908,506</b>	<b>5,737,830</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
<b>NET FINANCIAL SSETS</b>		<b>27,908,506</b>	<b>5,737,830</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	5,737,830	15,523,249
Prior year adjustments	16	1,622,633	
Surplus/Deficit for the year		20,548,043	(9,785,419)
<b>NET FINANCIAL POSITION</b>		<b>27,908,506</b>	<b>5,737,830</b>

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

The Constituency financial statements were approved by NG CDFC on 16<sup>th</sup> May 2024 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Elias Mate	Name: Justus Mutua ICPAK M/No: 12228	Name: Francis Maina

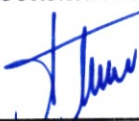
**Embakasi Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

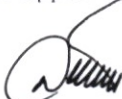
**XI. Statement of Cash Flows for the Year Ended 30th June 2023**

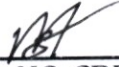
		2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	91,000,000	170,494,588
Other Receipts	3	102,460	-
		<b>91,102,460</b>	<b>170,494,588</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,365,129	4,032,645
Committee expenses	5	2,584,500	1,677,785
Use of goods and services	6	6,845,457	9,271,171
Transfers to Other Government Units	7	-	64,735,237
Other grants and transfers	8	56,686,830	100,313,375
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
		<b>68,481,916</b>	<b>180,030,213</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	1,622,633	-
<b>Net Adjustments</b>		<b>1,622,633</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>24,243,176</b>	<b>(9,535,625)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(2,072,500)	(249,794)
<b>Net cash flows from Investing Activities</b>		<b>(2,072,500)</b>	<b>(249,794)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>22,170,676</b>	<b>(9,785,419)</b>
Cash and cash equivalent at BEGINNING of the year	12A	5,737,830	15,523,249
Cash and cash equivalent at END of the year		27,908,506	5,737,830

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

The Constituency financial statements were approved by NG CDFC on 16<sup>th</sup> May 2024 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

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

---

**Name: Elias Mate**

**Name: Justus Mutua  
ICPAK M/No: 12228**

**Name: Francis Maina**

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

**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		b					
	a			2022/2023	2022/2023		
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
<b>Receipts</b>							
Transfers from NG-CDF Board	145,087,603	5,737,830	1,925,671	152,751,104	96,737,830	56,013,274	63%
Proceeds from Sale of Assets		-			-	-	0%
Other Receipts		1,725,092.63		1,725,092.63	-	1,725,092.63	0%
<b>TOTAL RECEIPTS</b>	<b>145,087,603</b>	<b>7,462,923</b>	<b>1,925,671</b>	<b>154,476,197</b>	<b>96,737,830</b>	<b>57,738,367</b>	<b>63%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,707,440	140,223		4,847,663	2,365,129	2,482,534	49%
Committee expenses	3,320,628	280,953		3,601,581	2,584,500	1,017,081	
Use of goods and services	5,029,816	1,360,221		6,390,037	6,845,457	(455,420)	107%
Transfers to Other Government Units	56,500,000	-		56,500,000	-	56,500,000	0%
Other grants and transfers	71,529,719	1,354,705		72,884,424	56,686,830	16,197,594	78%
Acquisition of Assets		2,075,129	1,925,671	4,000,800	2,072,500	1,928,300	52%
Oversight Committee Expenses	500,000			500,000		500,000	0%
Other Payments	3,500,000	80,000		3,580,000		3,580,000	0%
UNALLOCATED FUND		2,171,692		2,171,692		2,171,692	0%
<b>TOTAL</b>	<b>145,087,603</b>	<b>7,462,923</b>	<b>1,925,671</b>	<b>154,476,196</b>	<b>70,554,416</b>	<b>83,921,780.1</b> <b>2</b>	<b>46%</b>

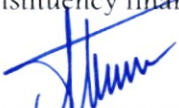
(a) Ksh 56,013,274 was an amount that had not been received from NGCDF Board as 30th June 2023.

(b) The funds received relating to the financial year 2022/2023 was appropriated to bursary therefore most infrastructure projects were not initiated as at 30<sup>th</sup> June 2023.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	83,921,780
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	56,013,274
	27,908,506
Increase/ (decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	27,908,506

The Constituency financial statements were approved by NG CDFC on 16<sup>th</sup> May 2024 and signed by:

  
Fund Account Manager

Name: Elias Mate

  
National Sub-County Accountant

Name: Justus Mutua  
ICPAK M/No: 12228

  
Chairman NG-CDF Committee

Name: Francis Maina

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

XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	2023-06-30		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,707,440	140,223	-	4,847,663	2,365,129	2,482,534	49
1.2 Committee allowances	1,618,000	134,738	-	1,752,738	2,064,500	(311,762)	118
1.3 Use of goods and services	2,379,816	516,328	-	2,896,144	3,251,198	(355,054)	112
<b>Total</b>	<b>8,705,256</b>	<b>791,289</b>	<b>-</b>	<b>9,496,545</b>	<b>7,680,827</b>	<b>1,815,718</b>	<b>81</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,900,000	247,766	-	2,147,766	2,145,800	1,966	100
2.2 Committee allowances	1,702,628	146,215	-	1,848,843	520,000	1,328,843	28
2.3 Use of goods and services	750,000	596,127	-	1,346,127	1,448,460	(102,333)	108
<b>Total</b>	<b>4,352,628</b>	<b>990,108</b>	<b>-</b>	<b>5,342,736</b>	<b>4,114,260</b>	<b>1,228,476</b>	<b>77</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	-	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
3.5 Unutilised	7,636,190	91,417		7,727,607	-	7,727,607	-



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

<b>Total</b>	7,636,190	91,417		7,727,607	-	7,727,607	-
<b>4.0 Bursary and Social Security</b>				-			-
4.1 Secondary Schools	40,000,000	307,438	-	40,307,438	36,437,836	3,869,602	90
4.2 Tertiary Institutions	17,500,000	145,915	-	17,645,915	14,487,250	3,158,665	82
4.3 Social Security	-	-	-	-		-	-
4.4 Special Needs	590,025	-	-	590,025	-	590,025	-
<b>Total</b>	<b>58,090,025</b>	<b>453,353</b>	<b>-</b>	<b>58,543,378</b>	<b>50,925,086</b>	<b>7,618,292</b>	<b>87</b>
<b>5.0 Sports</b>				-		-	-
5.1	2,901,752	8,555	-	2,910,307	2,866,500	43,807	98
<b>Total</b>	<b>2,901,752</b>	<b>8,555</b>	<b>-</b>	<b>2,910,307</b>	<b>2,866,500</b>	<b>43,807</b>	<b>98</b>
							-
<b>6.0 Environment</b>							-
	2,901,752	298,988		3,200,740	2,895,244	305,496	90
				-	-	-	-
<b>Total</b>	<b>2,901,752</b>	<b>298,988</b>	<b>-</b>	<b>3,200,740</b>	<b>2,895,244</b>	<b>305,496</b>	<b>90</b>
<b>7.0 Primary Schools Projects</b>							-
Komarock South Primary School	20,000,000	-		20,000,000		20,000,000	-
Thawabu Primary School	18,250,000	-	-	18,250,000	-	18,250,000	-
Kayole North Primary School	18,250,000	-		18,250,000		18,250,000	-
<b>Total</b>	<b>56,500,000</b>	<b>-</b>	<b>-</b>	<b>56,500,000</b>	<b>-</b>	<b>56,500,000</b>	<b>-</b>
<b>8.0 Secondary Schools Projects</b>							-
				-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.0 Tertiary institutions Projects</b>							-
				-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<b>10.0 Security Projects</b>				-		-	-
10.1 Kayole chiefs camp		1,017		1,017		1,017	-
10.2 Deputy county commissioners office		501,375		501,375		501,375	-
		-	-	-	-	-	-
<b>Total</b>	-	<b>502,392</b>	-	<b>502,392</b>	-	<b>502,392</b>	-
<b>11.0 Acquisition of assets</b>				-		-	-
11.1 NG-CDF OFFICE	-	2,075,129	1,925,671	4,000,800	2,072,500	1,928,300	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,075,129</b>	<b>1,925,671</b>	<b>4,000,800</b>	<b>2,072,500</b>	<b>1,928,300</b>	-
<b>12.0 Oversight Committee Expenses (itemize)</b>	500,000	-	-	500,000	-	500,000	-
<b>13.0 Other payments</b>				-		-	-
13.1 strategic plan	3,500,000	80,000.00		3,580,000	0	3,580,000.00	-
				-		-	-
<b>Total</b>	<b>3,500,000</b>	<b>80,000</b>	-	<b>3,580,000</b>	-	<b>3,580,000</b>	-
<b>14.0 unallocated fund</b>							-
Unapproved projects	-	142,185		142,185		142,185	-
AIA	-	-		-		-	-
PMC savings	-	102,460.00		102,460		102,460	-
Other payments		1,927,047.00		1,927,047		1,927,047	
<b>Total</b>	-	<b>2,171,692</b>	-	<b>2,171,692</b>	-	<b>2,171,692</b>	-
	<b>145,087,603</b>	<b>7,462,923</b>	<b>1,925,671</b>	<b>154,476,197</b>	<b>70,554,416</b>	<b>83,921,780</b>	<b>46</b>

#### **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 Central Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

##### **4. 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.

*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 30 June 2022 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2023 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 30<sup>th</sup> June 2023.

**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.



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

XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO B140805		1,142,500
AIE NO B140868		32,263,209
AIE NO B105425		68,000,000
AIE NO B105973		10,000,000
AIE NO B132477		16,000,000
AIE NO B128791		26,000,000
AIE NO B154391		17,088,879
AIE NO.B185041	7,000,000	
AIE NO.B206245	5,000,000	
AIE NO.B206226	21,000,000	
AIE NO.B206326	12,000,000	
AIE NO.B205712	12,000,000	
AIE NO.B205972	18,000,000	
AIE NO.B207790	16,000,000	
<b>TOTAL</b>	<b>91,000,000</b>	<b>170,494,598</b>

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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

*Notes To the Financial Statements (Continued)*

**3. Other Receipts**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	102,459.63	-
<b>Total</b>	<b>102,459.63</b>	<b>-</b>

**4. Compensation Of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,295,329	3,044,820
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	949,425
Employer Contributions Compulsory national social security schemes	69,800	38,400
<b>Total</b>	<b>2,365,129</b>	<b>4,032,645</b>

**5. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	520,000	624,000
Other committee expenses	2,064,500	1,053,785
<b>Total</b>	<b>2,584,500</b>	<b>1,677,785</b>

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

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	350,238	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	480,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,145,800	3,787,087
Hospitality supplies and services	-	100,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	3,992,500	3,700,000
Fuel , oil & lubricants	-	-
Other operating expenses	-	864,900
Bank Charges	356,919	339,184
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>Total</b>	<b>6,845,457</b>	<b>9,271,171</b>

7. Transfer To Other Government Units

<b>Description</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	-	64,735,237
Transfers To Secondary Schools (See Attached List)	-	-
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	-	<b>64,735,237</b>

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

***Notes To The Financial Statements (Continued)***

**8. Other Grants and Other transfers**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	36,437,836	-
Bursary – tertiary institutions (see attached list)	14,487,250	55,288,800
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	29,948,625
Sports projects (see attached list)	2,866,500	2,736,400
Environment projects (see attached list)	2,895,244	2,738,760
Emergency projects (see attached list)	-	9,600,790
Roads projects (see attached list)	-	-
<b>Total</b>	<b>56,686,830</b>	<b>100,313,375</b>

**9. Acquisition Of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	249,794
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	2,072,500	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>2,072,500</b>	<b>249,794</b>

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

*Notes To the Financial Statements (Continued)*

10. Oversight Committee Expenses

	2022-2023	2021/2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

11. Other Payments

	2022-2023	2021/2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Family Bank -A/c No. 061000032809</i>	27,908,506	5,737,830
<b>Total</b>	27,908,506	5,737,830
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

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

*Notes To the Financial Statements (Continued)*

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>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<b>Total</b>		-	-	-

14. Retention and Gratuity

<b>14 A. Retention</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

<b>14 B. Gratuity</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

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

*Notes To the Financial Statements (Continued)*

**15. Fund Balance B/F**

	(1 <sup>st</sup> July 2023-1)	(1 <sup>st</sup> July 2023-2)
	Kshs	Kshs
Bank accounts	5,737,830	15,523,249
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	5,737,830	15,523,249

**16. Prior Year Adjustments**

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>Reversal of bursary cheques</i> )	-	1,622,633	1,622,633
<b>Total</b>	-	1,622,633	1,622,633

**\*\*** *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 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

*Notes To the Financial Statements (Continued)*

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

---

18. Changes In Accounts Payable – Deposits and Retentions

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> 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	-	-
Net changes in accounts payables D-A	-	-



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

*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>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	2,786,948	444,636
Use of goods and services	561,661	1,641,175
Amounts due to other Government entities (see attached list)	56,500,000	-
Amounts due to other grants and other transfers (see attached list)	16,197,594	1,354,705
Acquisition of assets	1,928,300	4,000,800
Oversight Committee Expenses	500,000	-
Other Payments ( <i>specify</i> )	3,580,000	80,000
Funds pending approval	1,867,278	142,185
<b>Total</b>	<b>83,921,780</b>	<b>7,663,501</b>

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

---

19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	1,082,372	7,554,161.21
Total	<b>1,082,372</b>	<b>7,554,161.21</b>

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

---

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					

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

---

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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	salary an gratuity	2,786,948	444,636	Staff were employed in january 2023
Use of goods & services	adm expenses	561,661	1,641,175	late disbursement of funds
Amounts due to other Government entities			-	late disbursement of funds
Komarock South Primary School	construction of kitchen	20,000,000	-	late disbursement of funds
Thawabu Primary School	construction of 8 classrooms	18,250,000	-	late disbursement of funds
Kayole North Primary School	construction of 8 classrooms	18,250,000		late disbursement of funds
Sub-Total		56,500,000	2,085,811	
Amounts due to other grants and other transfers				
BURSARY	bursary	7,618,292	453,353	late disbursement of funds
EMERGENCY	emerging issues	7,727,607	91,417	late disbursement of funds
SPORTS	sports scvititie	43,807	8,555	late disbursement of funds
ENVIRONMENT		305,496	298,988	late disbursement of funds
KAYOLE P. STATION	rehabilitation	1,017	1,017	late disbursement of funds
DCC OFFICE	solar mast	501,375	501,375	late disbursement of funds
Sub-Total		16,197,594	3440516	late disbursement of funds

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Acquisition of assets	furniture	1,928,300	4000800	late disbursement of funds
Oversight Committee Expenses(itemize)	transport and allowances	500,000	0	late disbursement of funds
Others ( <i>strategic plan</i> )	strategic plam	3,580,000	80000	late disbursement of funds
Funds pending approval		1,867,278	142185	Pending approval.
GRAND TOTAL		83,921,780	142,185	

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

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

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022-2023
Land	58,000,000	-	-	58,000,000
Buildings and structures	32,153,237	2,072,500	-	34,225,737
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	999,200	-	-	999,200
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>91,152,437</b>	<b>2,072,500</b>	<b>--</b>	<b>93,224,937</b>

*Embakasi Central Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*  
 Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
KOMAROCK PRIMARY SCHOOL PERIMETER	FAMILY BANK	061000038040	554	554
EMBAKASI SUB COUNTY HIGH MAST	FAMILY BANK	061000039538	83,317	-
KAYOLE NORTH PRIMARY SCHOOL ACC B	FAMILY BANK	061000034091	-	99,242.21
KAYOLE POLICE STATION HIGH MAST	FAMILY BANK	061000039536	81,757	-
KOMAROCK CHIEFS OFFICE HIGH MAST	FAMILY BANK	061000039537	78,630	-
BONDENI PRIMARY SCHOOL	FAMILY BANK	061000038976	810,445	812,848
KOMAROCK SOUTH PRIMARY SCHOOL	EQUITY	0650280366750	27,669	6,641,517
<b>Total</b>			<b>1,082,372</b>	<b>7,554,161.21</b>



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

**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:
1.	<p>Note 17.2 to the financial statements under pending staff payables reflects a nil comparative balance, while the financial statements for the year ended 30 June, 2021 reflects a balance of Kshs.420,814. The variance of Kshs 420,814 has not been explained.</p> <p>Further, Note 17.3 to the financial statements, on unutilised funds, reflects comparative balances of Kshs.1,280,742 and Kshs.31,611,297 under use of goods and services and amounts due to other grants and other transfers. These balances were at variance with closing amounts of Kshs.2,143,472 and Kshs.30,748,567 as at 30 June, 2021 respectively. The variance is Kshs 862,730 between the two items has not been explained.</p> <p>In addition, the statement of receipts and payments reflects acquisition of assets amount of</p>	<p>The variance of Kshs 420,814 has been amended in the financial statement as per the attached copy of amended financial statements</p> <p>Its true that un-utilised funds, reflects comparative balances of Kshs.1,280,742 and Kshs.31,611,297 under use of goods and services and amounts due to other grants and other transfers. The financial statement has been amended to give the true figures as Kshs.2,143,472 and Kshs.30,748,567 as at 30 June, 2021 as per the attached copy of the amended financial statements.</p>	resolved	

*Embakasi Central Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Kshs.249,794 which as disclosed under Note 8 to the financial statements relates to construction of buildings. However, the transaction was not reflected under Annex 4 – summary of fixed asset register.			
2	<p>Note 17.2 to the financial statements under pending staff payables reflects a nil comparative balance, while the financial statements for the year ended 30 June, 2021 reflects a balance of Kshs.420,814. The variance of Kshs 420,814 has not been explained.</p> <p>Further, Note 17.3 to the financial statements, on unutilised funds, reflects comparative balances of Kshs.1,280,742 and Kshs.31,611,297 under use of goods and services and amounts due to other grants and other transfers. These balances were at variance with closing amounts of Kshs.2,143,472 and Kshs.30,748,567 as at 30 June, 2021 respectively. The variance is Kshs 862,730 between the two items has not been explained.</p>	<p>The variance of Kshs 420,814 has been amended in the financial statement as per the attached copy of amended financial statements</p> <p>Its true that un-utilised funds, reflects comparative balances of Kshs.1,280,742 and Kshs.31,611,297 under use of goods and services and amounts due to other grants and other transfers.</p> <p>The financial statement has been amended to give the true figures as Kshs.2,143,472 and Kshs.30,748,567 as at 30 June, 2021 as per the attached copy of the amended financial statements.</p>	resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	In addition, the statement of receipts and payments reflects acquisition of assets amount of Kshs.249,794 which as disclosed under Note 8 to the financial statements relates to construction of buildings. However, the transaction was not reflected under Annex 4 – summary of fixed asset register.			
3	The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.10,948,956 as disclosed in Note 5 to the financial statements, out of which an amount of Kshs. 829,500 was not supported by payment vouchers and any other documentation as at <b>Appendix I</b> .	<ul style="list-style-type: none"> <li>Attached please find the copies of the above payment vouchers amounting to kshs 829,500</li> </ul>	resolved	
4	The statement of receipts and payments reflects transfers from National Government Constituency Development Fund Board amounting to Kshs.170,494,588 as disclosed in Note 1 to the financial statements. Review of the supporting schedule provided	<ul style="list-style-type: none"> <li>Attached please find the copies of the above authority to incur expenditure documents amounting to kshs33,405,709.30</li> </ul>	resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	for audit indicated that transfers amounting to Kshs.33,405,709.30 were not supported by the authority to incur expenditure documents as at <b>Appendix II.</b>			
5	<p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.5,737,830 as disclosed in Note 10A to the financial statements. However, the bank balance of Kshs.13,790,598 in the bank reconciliation statement was not supported by the bank certificate. The cash book was also not officially closed and signed as at 30 June, 2022, and the board of survey report on the balances was also not provided.</p> <p>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.7,966,308. The unpresented cheques include cheques dated between 26 June, 2019 and 22 December, 2021 amounting to</p>	<ul style="list-style-type: none"> <li>Attached please find the bank certificate and the board of survey reports</li> </ul>	resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Kshs.4,402,047 that had gone stale. Out of this amount, cheques totaling to Kshs.2,755,000 were in respect of bursary payments. The Management did not provide details on when the cheques were cleared and the status of the stale cheques, an indication that bursary might not have been issued to needy students and the vetting process may be flawed.</p> <p>Further, review of the bank reconciliation statement as at 30 June, 2022 revealed transfer from PMC accounts worth Kshs.102,460 after the completion of projects and amounts transferred back to the Constituency Account. However, the PMC bank closure letters were not attached for audit review as per <b>Appendix III</b>. The bank reconciliation statement also includes an amount of Kshs.339,184 recorded as payments in bank statement not yet recorded in cash book. Out of the above stated amount, an entry of Kshs.317,746 had a description of bal b/f, whose nature was not explained.</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	In addition, the bank reconciliating statement as at 30 June, 2022 includes an amount of Kshs.16,000 recorded as receipts in cash book not yet recorded in bank statement. However, the transaction was not dated and could not be traced to the cash book.			
6	During the financial year 2021/2022 the management of the Embakasi Central constituency Fund did not submit monthly bank reconciliation statements for audit contrary to Section 90(1) of the Public Finance Management Act, 2012.	<ul style="list-style-type: none"> <li>Attached please find a copy of the monthly bank reconciliation for the financial year 2021/2022</li> </ul>	resolved	
7	The Project Management Committee unutilized fund balances totalling to Kshs.7,454,919 as at 30 June, 2022 as reflected at Annex 5, were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015. Consequently, the cash and cash equivalents balance of Kshs.5,737,830 reflected in the statement of assets and liabilities	NG-CDF operations deals with projects whereby development funds are transferred to schools or security projects, since the projects are budgeted for, the works are still ongoing and there is no way the funds can be transferred back to the NG-CDF main account	resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	may be understated by the amount of unutilized funds of Kshs.7,454,919 not returned to the Constituency fund account.			



.....  
Name Elias Mate  
Fund Account Manager.