

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



**REPORT**

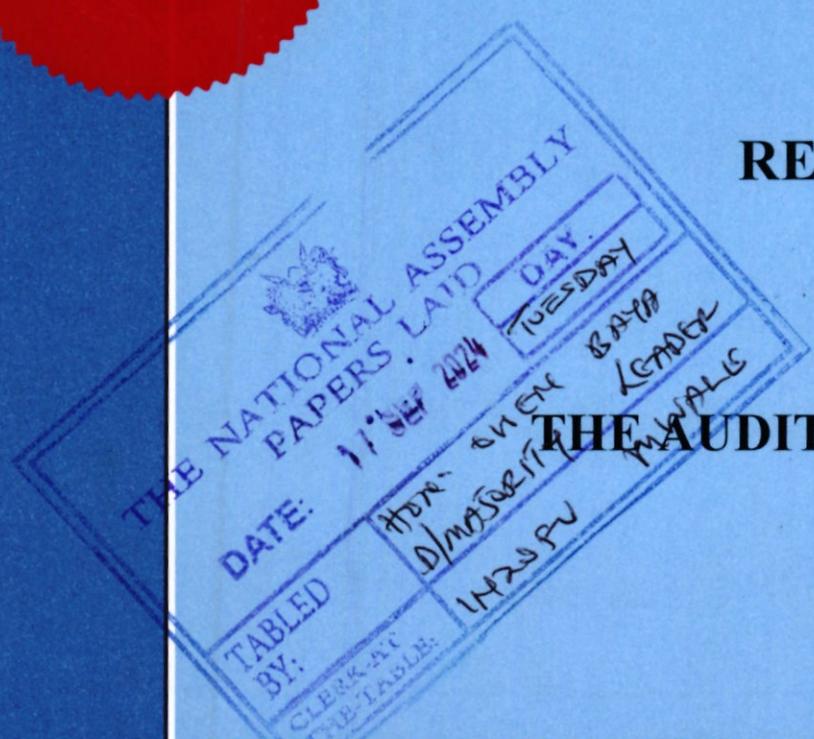
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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





---

**EMBAKASI EAST 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)



<b>Table of Content</b>	<b>Page</b>
I. Acronyms and glossary of terms.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report.....	viii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xii
V. Statement of Governance.....	xiv
VI. Environmental and Sustainability Reporting.....	xxviii
VII Statement Of Management Responsibilities .....	xxxiii
VIII. Report Of the Independent Auditors On The NGCDF- Embakasi East Constituency .....	xxxv
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 .....	4
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	6
XIV. Significant Accounting Policies .....	11
XV. Notes To the Financial Statements .....	17
XVI. Annexes .....	27

SENIOR FIELD OPERATIONS OFFICER  
EMBAKASI EAST  
30 SEP 2023  
NG - CDF  
P.O. BOX 2360 - 00515, NAIROBI

## **I. Acronyms and Abbreviations**

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

FY-Financial Year

GDP - Gross Domestic Product

HIV - Human Immunodeficiency Virus

ICT - Information Communication Technology

M&E - Monitoring and Evaluation

MP - Member of Parliament

MoDP - Ministry of Devolution and Planning

MTP - Medium Term Plan

PESTEL - Political, Economic, Social, Technological, Environmental and Legal

PMC - Projects Management Committee

SWOT - Strengths, Weaknesses Opportunities and Threats

## **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 EAST 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)

### **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	Victor Ouma
2.	Sub-County Accountant	Justus Mutua
3.	Chairman NGCDFC	Jane Akinyi
4.	Member NGCDFC	Josephine Owino

### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 2360-00515  
Greenspan mall  
Along old Donholm Road  
Nairobi, KENYA

### **(e) EMBAKASI EAST Constituency NGCDF Contacts**

Telephone: (254)0707484910  
E-mail: vouma@ngcdf.go.ke  
Website: www.embakasi-east-ngcdf.go.ke

**(f) EMBAKASI EAST Constituency NGCDF Bankers**

Equity Bank A/C No 0820264117294

Donholm Branch

P.O Box 5328-20100

Nairobi Kenya

**(g) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(h) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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



**Jane Akinyi –Chairperson Embakasi East  
NG-CDFC**

I am pleased to present Embakasi East –NCDF annual report and financial statements for the financial year 2022/23. The people of Embakasi East constituency are determined to participate effectively in domesticating objectives of government in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

#### **Financial year budget**

In the financial year 2022/23 the NG-CDF Embakasi East Constituency was allocated Kshs **145,087,603** and we have received half the allocation for the financial year **2022/203** and the utilization was 39%. The challenges were brought in by the change of office of the president and hence the government requested for a time to look for avenues to fund the ministries.

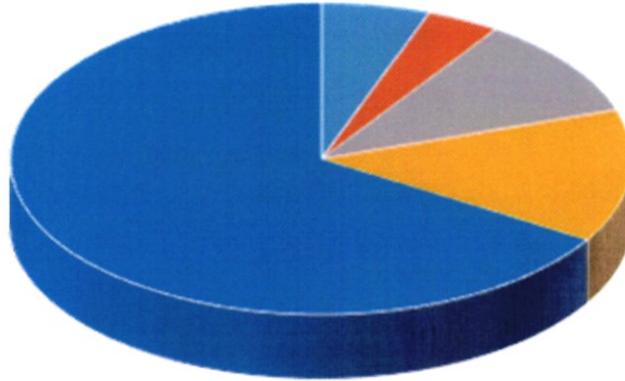
#### ***Table 1.0 summary of budget performance***

##### **Key achievements**

We have therefore completed our allocations in time, and achieved the results as stipulated in the summary graph below:

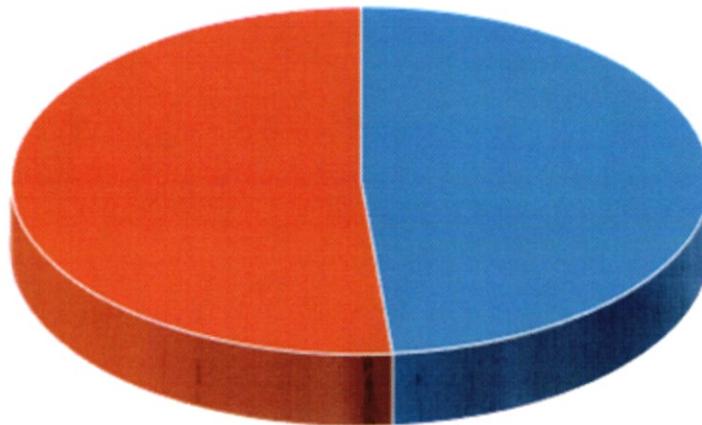
Compensation of Employees	81 %
Committee expenses	100 %
Use of goods and services	99 %
Transfers to Other Government Units	9 %
Other grants and transfers	70 %
Acquisition of Assets	0%
Other Payments	0%

### Key Achievements



- Compensation of Employees
- Committee expenses
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers

### Allocations

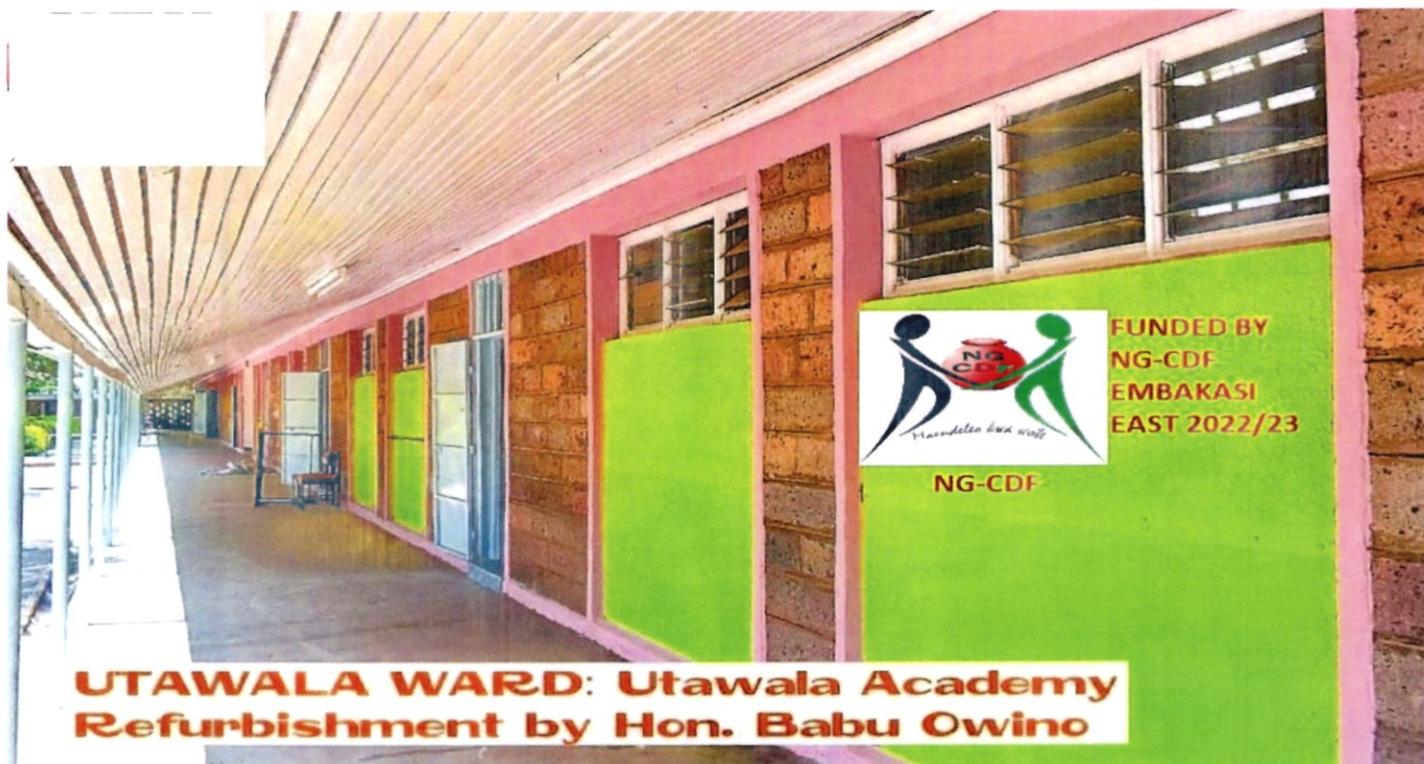


- 2021/2022
- 2022/2023
-



**MIHANGO SECONARY SCHOOL LAB 2021-2022.**





#### Utawala Academy-

The impact of this projects is that it has increased the number of intake of students from 700 students to 950 students since it was in a bad state there before. The school has helped the community since there was no public school nearby and the parents can enroll their pupils there.

#### Emerging issues

There were no emerging issues in the school.

#### Challenges.

There were no challenges in the school since the funding was complete and the project went smoothly.

*Akinyi*

.....

Name: Jane Akinyi  
CHAIRPERSON- NGCDF COMMITTEE

SENIOR FIELD OPERATIONS OFFICER  
EMBAKASI EAST  
30 SEP 2023  
NG - CDF  
P.O. BOX 2350 - 00100 NAIROBI

#### 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 East Constituency 2022-2027* plan are to:

Embakasi East NG-CDF Key result Areas, Strategic Objectives and Strategies 2023-2027 are

The strategic objectives and the strategies to be pursued will be at the core of the constituency's functions over the next 5 years. The strategic matrix is presented in the table below.

Key Result Area	Strategic Objective	Strategies
Improved Access to education services	1.1 To improve education/school infrastructure and facilities	Put up school infrastructures; Equipping of schools; Rehabilitation of school infrastructure
	1.2 To Increase support of the needy students	Financial support to bright and the needy students; Support schools activities
Youth Skills development	2.1 To enhance youth skill development	Support youth empowerment centers; Fund youth initiatives;
	2.2 To equip youth with working skills	Train youth on life support skills;
Peaceful and secure constituency	3.1 To enhance area security	Put up new security infrastructure; refurbish and equip chiefs' administration offices
Improved environment	4.1 To enhance environmental protection	Collaboration with environmental conservation stakeholders; Increase number of trees in the constituency
Accessible roads	5.1 To improve the condition of roads in the constituency	Roads upgrading through KURRA and county government
Institutional strengthening	7.1 To improve human working capacity	Staff and CDFCs training; Project management
Key Result Area	Strategic Objective	committees (PMCs) training; Provision of adequate office equipment and working tools
		To improve resource mobilization

**Progress on attainment of Strategic development objectives**

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

<b>s</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
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 2022/23 -we increased number of new schools-donholm sec school Gikambu primary school- The school had semi-permanent structures we added 5 permanent classrooms - Bursary beneficiaries at all levels were as per the attached schedules
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Embakasi East NG-CDF was able to construct utawala chiefs office in the financial year 2022-2023
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with tanks	Tanks supplied in different schools	10 Tanks were supplied in different schools and chiefs offices-mihango primary school, lower savanah chiefs office, maua primary school, utawala chiefs office and tassia police post each received 2 tanks
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme is 37 teams around the constituency- this helped the youths to be active.
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	No emergency occurrence in the constituency	There was no emergency occurrence in embakasi east in the financial year 2022/2023

## **V.Statement of Governance**

### **Appointment of National Government Constituency Development Fund Committee**

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
  - (a) the national government official responsible for co-ordination of national government functions;
  - (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
  - (c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
  - (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
  - (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
  - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
  - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

(11) 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.

### **Appointment of NG-CDFC**

In accordance with section 43 sub sections (1),(2) of the National Government Constituencies Development Fund act, Embakasi East NG-CDF advertised for the post of NGCDFC detailing the necessary requirements where several applicants showed interest for the same by forwarding their applications.

Vetting of the submitted application letters was done critically by a select committee which was created for the purpose. Successful applicants were thereafter contacted for an interview session which was scheduled at a later date.

The interviews were conducted and in accordance with section 43(3) of the NGCDF Act, the names of the successfully selected individuals were forwarded to the board together with the names forwarded by the DCC and the constituency manager.

The selected members were gazetted on 16<sup>th</sup> December 2022 in gazette notice number Vol. CXXIV— No. 276. Handing over from the previous committee was then smoothly done between the outgoing committee and the newly gazetted committee overseen by the Fund Account Manager and the Deputy County Commissioner. A comprehensive hand over report was then prepared by the Fund Account Manager on behalf of the outgoing committee.

The first meeting was held on 5<sup>th</sup> January 2023 which was chaired by the DCC and the members were able to choose their office bearers.

### **Removal of a committee member.**

(1) 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 practices;
- (f) Causing disharmony within the committee.
- (g) Physical or mental infirmity.

(2) A decision to remove a member under subsection (13) shall be 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 the resolution is made.

(3) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member. *In Embakasi east NG-CDF, There was no committee who was removed under the above reasons.*

**The NG-CDF Committee roles are as follows**

1. Participate in ward meetings, collect data on projects and Consider projects submitted from various wards in accordance with the Act, approve for funding those projects, make the project proposal to be submitted to the NG-CDF Board
2. Ensure timely and efficient disbursement of funds to projects.
3. Ensure efficient management of the Fund.
4. Co-ordinate the implementation of projects
5. Receive and address complaints that may arise within the constituency
6. Encourage best practices in the implementation of projects.
7. Employ NG-CDF Staff
8. Perform such other duties as the Board may deem necessary from time to time for the proper management of the Fund.

**Induction, and training of NG-CDFC Members**

The training of the New NG-CDFC members is coordinated by the region office through the regional coordinator and the fund's manager. The facilitators are from different departments of the NG-CDF Board and other experts from other ministries.

**The objectives of training NG-CDF Committee are a**

1. To carry out training of all the NG-CDF committee members
2. To impart knowledge to the participants who in turn will execute the NG-CDF mandate on behalf of the board.
3. To ensure smooth running of the NG-CDF offices across the Nairobi Region.

**Expectations from NG-CDF Committee**

- To see changes in the constituencies i.e. transformation of operations at the constituencies.
- To exchange of ideas with members from other constituencies.
- To understand the roles of the NG-CDF Committee.
- To learn and understand the procurement process.
- To get a clarification on the legal status of NG-CDF.
- To find out how people living with Disability helped.
- Share best practices for bench-marking purposes.

**NO OF MEETINGS HELD**

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.

In the financial year, Embakasi East NGCDFC minutes held were 24 in number as per the regulations on the National Government Constituencies Development Fund Act

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

**Committee meetings attendance register 2022/2023**

No	Committee Member	6 <sup>th</sup> & 28 <sup>th</sup> July 2022	4 <sup>th</sup> & 29 <sup>th</sup> Aug 2022	7 <sup>th</sup> & 27 <sup>th</sup> Sept 2022	7 <sup>th</sup> & 28 <sup>th</sup> Oct 2022	4 <sup>th</sup> & 25 <sup>th</sup> Nov 2022	1 <sup>st</sup> & 28 <sup>th</sup> Dec 2022	3 <sup>rd</sup> & 27 <sup>th</sup> Jan 2023	1 <sup>st</sup> & 18 <sup>th</sup> Feb 2023	15 <sup>th</sup> & 29 <sup>th</sup> Mar 2023	5 <sup>th</sup> & 28 <sup>th</sup> Apr 2023	10 <sup>th</sup> & 30 <sup>th</sup> May 2023	1 <sup>st</sup> & 29 <sup>th</sup> Jun 2023
	Jane Akinyi ochieng	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Josphine owino	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Jacob Mwaura	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	victor ouma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Osborn Onyango	○	○	○	○	○	○	○	○	○	○	○	○
	Josphine C. wanjiku	○	○	○	○	○	○	○	○	○	○	○	○
	Caleb Ojuki Onyango	○	○	○	○	○	○	○	○	○	○	○	○
	Benjamin m. nyamwega	○	○	○	○	○	○	○	○	○	○	○	○
	Israel Mbuvi kamuti	○	○	○	○	○	○	○	○	○	○	○	○
	Mariago,Teti Akinyi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Note**

✓ Means one meeting in a month.

○ Means no meeting attended

**Ethics & Conduct**

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality - the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. 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.
- iii. Leadership - NGCDFC members should promote leadership in the constituency.



During the financial year 2022/2023 members of NGCDFC Embakasi East adhered to the stipulated ethical issues

**Members' 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 East contravened conflict of interest policy.

**Risk Management**

The below provides a summary of the range and types of risk the Embakasi East National Government Constituency Committee anticipates

**Risk Mapping**

No	Objective	Critical Success Factors	What could go wrong? (Risk Event)	Range of the Risk	Effect of the Risk
1	To ensure proper project implementation, Monitoring and Evaluation and effective management of the Constituency	Projects : equitable and fair distribution, transparent, reliable, sufficiently funded, well identified by the community, community involvement, relevant to the community, benefits a wide cross section of the community, with land ownership documents, suitable to People with Disability(PWD)	Low turnout in project identification forums by Constituents	Politicizing of project implementation by the constituents, illiteracy and unavailability of the community, lack of sensitization,	Delayed project implementation due to community wrangles, request for change of project activity, request for reallocation of funds

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

2	development funds		Failure to consider public participation input in developing project proposals	Lack of awareness of public participation Vested interest, white elephant project. Inadequate input by the public during public participation forum, presentation of large number of needs .vis-à-vis the available resources, by the public, Direction from executive Emergence	Projects not representing community needs, Duplication of projects, white elephants projects, skewed development, white-elephant projects, litigation, Inequitable distribution of projects within the constituency, Lack of project ownership, disruption of strategic plan, request for change of project activity, request for reallocation of funds
3		<b>People With Disability(PWD) Projects:</b> Available, accessible, disability friendly environment.	Projects that do not suit People with disability(PWD)	Ignorance on implementation of PWD act 2003, Lack of proper planning of the projects, Lack of enough public participation for eligible projects, Extra costs of projects associated with disabilities, on adherence of NCA guidelines, Lack of awareness .	Discrimination of PWD, Complaints from PWD, Increase illiteracy, Litigation
4			Implementation of projects that are not aligned to the Constituency Strategic Plan	strategic plan not reflecting constituency needs, disregard of the Strategic Plan, failure to monitor implementation of strategic plan, failure to align the annual Project Proposal with the constituency Strategic Plan and performance contracting, Strategic Plan not aligned to the Plan period, documentation of implementation matrix without timelines, cost estimates, Key performance indicators,	unmet strategic plan targets/objectives, uneven distribution of projects, poor service delivery
5			Delayed approval of project proposals, resubmissions and reallocations by the NG-CDF Board	Not fully constituted board, Delayed submission of project proposals to the board, failure to provide additional information requested,	Delayed implementation of projects, low absorption,

**Embakasi East Constituency**

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

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



6		Allocation of funds to projects without considering realistic cost estimate	Unavailability of technical officer to prepare the bill of quantity. Failure by NGCDFC to employ clerk of works who can assist on preparation of bill of quantity, perceived political gain through funding many projects.	Insufficient allocation of funds to project, over funding of the project which leads to misuse of funds, stalled project, Frequent variation of contract, unrealistic cost estimates which leads to unutilized funds in PMC accounts or incomplete project.
7		Thin/piece-meal allocation of funds to projects	biasness, perceived political gain, conflict of interest.	Substandard projects and stalled projects, public dissatisfaction
8		Non allocation of funds to ongoing projects	Failure to prioritize ongoing projects during funds allocation, Reallocation of funding from ongoing projects, Change of guard, Change in voting patterns, political transitions	Stalled projects . wastage of resources, Negative image on NGCDF.
9		Unavailability of ownership documents on public land	untimely subdivision and transfer of title deeds, land succession challenges	Delay in project implementation Difficulty in starting new projects
10		Inadequate public land for new projects	land grabbing, overpopulation, leaders with vested interests	Difficulty in starting new projects, overcrowding of existing facilities
11		Failure by the NGCDFC to implement project through PMC	Conflict of interest by NGCDFs and other stakeholders, perceived low Capacity of PMC to implement Complex Projects, Inadequate training of the PMCs	Violation of Section 36 of NG-CDF Act 2015 which recognize PMC as the project implementers, lack of sustainability and ownership of projects.
12		<b>Funds - available and adequate,accountable,voted,budgeted</b>	Delayed disbursement of funds by the NG-CDF Board	Delayed implementation of projects, delayed use of projects by the beneficiaries, overlap of projects implementations as per financial years, poor realization of performance targets

13			Use of Emergency fund for other purposes not of emergency in nature	Insufficient allocation of funds to a project, board disbursing funds specifically for emergency vote before disbursement of other funds, influencing government offices to issue letters to justify non-emergency projects as emergencies	Lack of funds to address genuine emergency cases that may arise within the constituency, Misuse of emergency fund, corruption
14			Misuse of Emergency funds	Use of Emergency fund for other purposes not within National government mandate, Low levels of integrity, vested interests in projects,	Loss of funds, corruption, overstepping NGCDF mandate, litigation
15			Irregular procurement process at the constituency level	Failure to implement a procurement plan, Failure to prepare bid documents, Failure to train PMC on procurement process, . Conflict of interest, Political pressure from stakeholders, Failure by the AIE holder to give the right information, . Low Capacity of FAMs on contract management, failure to involve competent technical experts, Variation of contracts without adhering to provisions of PPDA, Failure to disclose vital information to unsuccessful bidder as required under section 86(1), 87(3), of PPDA act 2015 and section 82 of the PPDA regulation 2020	Contract awarded to the unqualified contractor, Audit issues, Litigations, Poor workmanship, Loss of funds, incomplete projects, cost escalation due to delays in subsequent funding, disciplinary action, dismissal from employment or as a NGCDFC, Payment of provisional sum without supporting document, stalled projects, and irregular project activities. Award of contract for an amount more than the budget,
16			Failure to comply with PPRA circular on mandatory reporting requirement	Inadequate compliance training and/or poor compliance monitoring, ignorance	Weak accountability and transparency in procurement, litigations, offence as under section 176(m) of PPDA act 2015
17		NG CDFC Members and staff: Literate, High Integrity, Informed, Disciplined, self-driven, motivated, respected by the public, good team players, result oriented, participatory, self-driven.	Unqualified NG-CDFC staff	flawed recruitment process because of interest, nepotism, tribalism, political influence, poor remuneration	Poor services delivery, project delays, failure to meet statutory requirement, unable to attract/retain qualified and competent staff.

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

18		Inadequate managerial, technical and supervision skills among, NGCDFCs, PMCs and Staff	Lack of adequate training and capacity building, Low literacy levels, nepotism in appointment of PMCs, Lack of policy and regulations on appointment of PMC members	Poor services delivery, project delays in monitoring and evaluation, undue advantage technical officers
19		Failure to monitor/ effectively monitor implementation of projects by NGCDFC	Lack of M&E framework as required by the NGCDF Act 2015, Failure by NGCDFC to employ staff as per section 45 of NGCDF act 2015, Inadequate understanding by the NGCDFC on their roles in M&E, Inefficient use of M&E resources, Lack of M&E work plan, Inaccessibility, insecurity, inadequate resources, Inadequate capacity for NGCDFC, staff on M&E report writing, unavailability of technical officers during M&E exercise	Inability to conduct M&E for all projects in a year, Inadequate M&E reports, Ambiguous project monitoring & evaluation process, Unexpected project reports, poor workmanship, loss of funds, litigations, variations, Non implementation of M&E recommendation due to poor communication & follow up, Substandard projects, loss of funds, Inadequate project monitoring
20		Over staffing of NGCDFC Offices	Conflict of interest, political pressure, lack proper of employment structure at NGCDF,	Strained administration vote, poor remuneration, idle staff, overlapping job description and specification, high administration cost, inadequate office space and working tools,
21		Insufficient feedback systems from board to constituency	Delayed communication by the Board on decisions made for resubmissions and reallocations of projects	Delay on project implementation
22		NGCDF projects completed but not in use (White elephant project)	Lack of cooperation and coordination between NG-CDF and PMC, Inadequate framework for handover of completed NG-CDF projects)	Delayed use & Underutilization of NG-CDF project
23		Inadequate framework for handover of devolved projects previously undertaken by NG-CDF	Lack of cooperation and coordination between NG-CDF and PMC	Reputation damage, stalled projects, wastage of funds, litigations,

24		Misuse of sports /environment funds	Lack of policy on use of sports and environment, Inadequate guidance on implementation of sports and environment funds, lack of proper accountability document	Non-uniformity on advice given by the Board on use of environment and sports funds, implementation of sports/environment project by NGCDF, project unsustainability and ownership
25		Failure to brand/inappropriate branding of NGCDF funded projects	inadequate branding of NGCDF projects , Use of wrong NGCDF Colors, Logo & information	Low visibility/ Publicity of NGCDF Projects, Poor reputation, misuse of funds
26		Undefined mechanism of accounting and implementation for co-funded projects	Corruption, inadequate knowledge on records keeping	Loss of funds, poor reputation, lack of project ownership, sustainability and accountability
27	<b>Project Management Committee (PMC)-</b> Competent, knowledgeable, skilled and upholds integrity	Delay on implementation of project by NGCDF/PMCs after funds disbursement	Conflict of interest among the stakeholders, Delays by Technical Officers to provide advisory services, Lengthy procurement process, Delayed ground breaking ceremonies by MP, Unforeseen events such as floods, pandemics insecurity, Political control in awarding of works to certain politically correct person(s)	Loss of funds, cost escalations as a result of inflation, delayed project benefits
28		Poor reporting and records management by the PMCs.	Failure to train PMC on project implementation and record keeping, inadequate skills, illiteracy,	Audit issues, Slow project implementation, wastage of funds, litigations, reputation damage, loss of data, non accounted funds
29		Misappropriations of project funds by the PMCs	Failure to train PMC before commencement of the project, Conflict of interest, greed, Insufficient project funding, payment of materials & labour through cash	Poor workmanship, incomplete and stalled projects, unpaid project bills
30		Irregular change of Project Scope/Activities	Political pressure, Conflict of interest, self-interest, Inadequate M&E, Inadequate/faulty project identification process, Inadequate funding of project, Lack of proper consultation with technical officer	incomplete/stalled projects, poor reputation of NGCDF, Poor implementation of projects, financial losses, dissatisfied stakeholders,

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

31			Ghost' projects	Lack of integrity, Self-interest, corrupt practices, failure to monitor projects	Financial losses, Failure to fulfill NGCDF mandate, negative image reputation, litigation, disciplinary action
32		<b>Service Providers/ Merchants/Contractors;</b> Professional, Transparent, Honest, Integrity, reliable, timely, friendly, cooperative, efficient and effective, result oriented.	Fraudulent service providers/merchants and contractors	lack of integrity, vested interests, greed	Stalled' projects, lack of value for money, Litigation
33			Poor workmanship on projects by contractors	Failure to supervise the work by works officer, clerks of works and FAM, failure to monitor the work by the NGCDFC and the FAM, Political influence, vested interests, conflict of interest	Wastage of funds, stalled project, white elephant project, litigation.
34		<b>Technical Officers:</b> reliable, provide technical input for all projects -BQS, drawings, relevant certificates and adequate technical staff. Facilitation of technical officers	Unavailability of Technical officers to provide the requisite technical support as required	Insufficient staffing of technical department, inefficient officers and inadequate remuneration, Failure by NGCDFC to employ clerk of works who works hand in hand with Works officer	Delayed preparation and presentation of BQs by the technical officers, Unrealistic cost estimates for proposed projects, Delay in project implementation, low absorption of funds, Poor project monitoring and misleading reports
35			Preparation of BQs and drawings by technical departments without site visit for projects	Insufficient staffing of technical department, inefficient officers and inadequate remuneration.	Frequent variation of contract, unrealistic cost estimates which leads to unutilized funds in PMC accounts or incomplete project.
36		<b>Sub county treasury (and its staff):</b> Available, qualified, adequate, integrity, professionalism	Improper planning & coordination between NGCDF FAM & Sub County Treasury	Understaffing at the Treasury, Lack of team work among treasury staff, NGCDFC and NGCDFC staff, Poor planning by NGCDFC and the FAM, uncooperative Treasury staff.	Delays by the Sub county Treasury in facilitating disbursement of projects funds and bursary cheques, Slow project implementation, wastage of funds, slow rate of absorption, conflict between treasury staff and political stakeholders

37			Failure to maintain and update Government required books of accounts by sub-county treasury	Incompetent sub-county treasury staff. Inadequate sub-county treasury staff	Inaccurate accounting records and reports. Late preparation of financial reports by the Sub county Treasury for submission to the board . Delayed or non-retrieval of documents and/or information from the sub-county treasury, overdue imprest
38			Failure to deduct and remit statutory deductions	Negligence, Lack of awareness of statutory deductions laws, Inadequate NGCDF staff, Incompetent NGCDF staff, Political interference, Inadequate administration funds,	Penalties, Litigation, negative image, failure of staff to access essential services, demotivated staff
39			<b>High level of reconciling items in bank reconciliations for constituencies</b>	<b>Lack of structures and measures for cheque disbursement to beneficiary institutions/ individuals; lack of regular checks to on the books of accounts; Failure by Sub County Treasury to reconcile items on time. Delay by beneficiary institutions to present cheques at banks, Understaffing of treasury department, Poor system of internal control, failure to maintain duplicate books of accounts by the FAM</b>	<b>Inaccurate and late reporting,</b>
40		<b>Fund Account Managers (FAM):</b> Reliable, available, Integrity, Objectivity.	Non implementation of recommendations from technical officer( Risk officers , Auditor, Works officer, FAM, procurement officer, Sub-county accountant, clerk of works)	Conflict of interest, ignorance, lack of personal responsibility	Wastage of time and resources

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

41			Misappropriation/over commitment of administration & recurrent vote	Failure to implement a procurement plan. Inappropriate use of NG-CDFC Assets. Exceeding 24 NGCDFC meetings in a financial year. Equipment breakdown. Theft of assets and office equipment. Poor and unreliable internet connectivity in NGCDF offices. Obsolete machines and equipment. Overstaffing, using rented offices instead of constructing, under budgeting at proposal stage, penalties due to non-remittance statutory deductions, over commitment of administration & recurrent vote of 6%, reliance on administrative cost by constituency office	High administrative cost e.g. high security, transport cost, Insufficient funds for admin operations, funding admin activities from other vote heads, disciplinary action against the FAM, non-implementation of some of the admin activities
42			Failure to set aside gratuity for NGCDFC employees	Inadequate mechanism on how to set aside. Lack of budgetary allocation by NGCDF. Failure to take personal responsibility. Budgetary Constraints because huge number of employees.	Litigations, demotivated staff, unbudgeted payment
43			Failure by FAM to maintain financial and accounting records	Lack of personal initiative, ignorance, Lack of accounting knowledge and understanding	Inaccurate and late reporting, Late preparation of financial reports
44		<b>Political Stakeholders;</b> Political good will, noninterference, integrity, Development conscious, Cooperative, reasonable, dedicated, not biased	Conflict of interest among key stakeholders( NGCDFC, PMC, FAM, Technical officers, Political stakeholder, Procurement officer)	Inadequate training, flawed recruitment process.	Corruption, incompetent NG-CDFC staff, public complaints, Poor project implementation, wastage of funds, litigations, reputation damage, unqualified service providers, poor workmanship, Costly projects, wastage of funds, Audit queries as a result of not following the proper procedure
45		<b>Security;</b> Projects sites and roads should be safe for monitoring for all involved in supervision and site workers.	Exposure to insecurity incidences in the Constituency	Community disputes, Constituency borders volatile,	loss of life, loss of property, delayed projects, hinders proper project implementation and monitoring

**Embakasi East Constituency**

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

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

46		Bursaries:- Available, adequate, well vetted,transparency,accountable,within the guideline	Inadequate allocation of bursary fund to match beneficiary needs	Lack of proper guidance on bursary vetting and award, Large number of applicants, Inadequate bursary funds, conflict of interest	Needy students dropping out of school, high number of bursary related complaints
47			Needy and deserving cases missing out on bursary/Social security fund	Alteration of bursary/Social security fund beneficiary list, Bursary funds Social security fund not reaching intended beneficiary, Erroneous bursary cheques, Misuse of bursary funds Social security fund, uneven distribution of bursary,Unreliable system of allocating bursary/Social security fund, Bursary/Social security fund allocation not transparent, political mileage, nepotism, tribalism,	School drop outs, Image reputation, high illiteracy rate,lack of health for the old/needy within the constituency
48			Failure to account for allocated/ disbursed bursary	Inadequate modalities on accounting, lack of follow up, lack of commitment	Misuse of bursary, negative publicity,
49		Office and Equipment: Should be adequate, modern, well maintained & secure.	Inadequate safeguarding of constituency assets	Failure to set aside budget for insurance cost, Budgetary constraints because of high cost of premiums, Failure to take personal responsibility,Lack of commitment by the NG-CDFC, Ignorance of potential risks by the NG-CDFC, Constituency Office claiming ownership of NGCDF Assets, Unauthorized sharing of NGCDF Assets by Constituency Office, Lack of properly maintained assets register, Unauthorized use of vehicle by members for personal use	Loss of Assets and Recoveries, Litigation,
50			Inadequate office work station and uncondusive working environment	lack of adequate office space, failure to construct NGCDF office, Inadequate funds, faulty equipment, overstaffing,	Slow performance, long queues in offices, increased complaints from constituents
51			Vandalism of NG-CDFC offices and projects	Political rivalry, Noninvolvement of stakeholders, wrong project sites, Biased development and distribution of resources	Stalled projects, Litigation, loss of funds, lack of public participation at constituency

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

Embakasi East 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 East NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Embakasi East 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**

Embakasi East Environment Sustainability guidelines have been developed to:

Ensure that the Embakasi East NGCDF establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken at the Constituency levels.

Ensure that the Constituencies continue to priorities and improve environmental sustainability projects.

Encourage Community participation in identification, protection and conservation of environment.

Improve on planning and utilisation of allocation for environmental sustainability funds in all constituencies

Ensure proper mechanisms of monitoring and reporting of the environmental activities

In this, Embakasi East NG-CDF has prioritized in supplying of water tanks and water harvesting in the constituency i.e. Schools, chief's offices, youth groups of which there is conservation of clean water and the youth around the constituency can benefit through car wash and other activities.

In Embakasi East, we have undertaken in construction of chiefs offices, e.g. Utwala chiefs office, Tasia police post, Embakasi police station- with these security projects, there is enough security in the constituency which helps in the control of drug use and abuse.

Embakasi east has more than 30 sports teams which are supported by the constituency through tournaments, this helps the youth to be active and is so doing, and they are sensitized on environment conservation.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Embakasi East 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 East 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 East 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 East 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.

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



## **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 East 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 East 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 East 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.

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

---

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

**Approval of the financial statements**

The NGCDF- Embakasi East Constituency financial statements were approved and signed by the Accounting Officer on 30/09/ 2023.

*Akiyi*

.....  
Name: Jane Akinyi

Chairman – NGCDF Committee

*Victor Ouma*

.....  
Name: Victor Ouma

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

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Embakasi East Constituency set out on pages 1 to

---

*Report of the Auditor-General on National Government Constituencies Development Fund – Embakasi East Constituency for the year ended 30 June, 2023*

33, which comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, the statement of cash flows, 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 effects of the matter described in the Basis for Qualified Opinion section of my report the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Embakasi East 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**

#### **Unsupported Transfers to Other Government Units**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfer to other Government units amount of Kshs.10,895,712 which constitutes of amounts of Kshs.4,925,000 and Kshs.5,970,712 transferred to primary and secondary schools respectively. However, the respective projects were not supported by the project implementation status report as at 30 June, 2023.

In the circumstances, the accuracy and completeness of the transfers to other Government amount balances totaling Kshs.10,895,712 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 East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

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

The summary statement of appropriation reflects total receipts budget and actuals on comparable basis of Kshs.244,229,127 and Kshs.99,500,023 respectively, resulting to an under-funding of Kshs.144,729,104 or 59% of the budget. Similarly, the Fund spent a balance of Kshs.82,760,034 against actual receipts of Kshs.99,500,023 resulting under-utilization of Kshs.16,739,989 or 16% of the amount received. 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.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-Compliance with the National Government Constituencies Development Fund Regulations, 2016 of Bursaries**

The statement of receipts and payments reflects other grants and transfers amounting to Kshs52,557,000 as disclosed in Note 8 to the financial statements out of which balances of Kshs.41,467,000 and Kshs.8,055,000 relate to bursaries to secondary schools and tertiary institutions, respectively. However, Management did not constitute the sub-committee known as the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee in contravention of Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests.

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

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

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

## **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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

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

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

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

## Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

*Report of the Auditor-General on National Government Constituencies Development Fund – Embakasi East Constituency for the year ended 30 June, 2023*

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

  
FCPA Nancy Gathungu CBS  
AUDITOR-GENERAL

**Nairobi**

**23 May, 2024**

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	87,000,000	160,241,496
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	3,000	2,000
<b>Total Receipts</b>		<b>87,003,000</b>	<b>160,243,496</b>
<b>Payments</b>			
Compensation Of Employees	4	4,469,790	3,283,292
Committee expenses	5	5,614,000	2,528,100
Use Of Goods and Services	6	5,773,532	6,784,068
Transfers To Other Government Units	7	10,895,712	54,000,000
Other Grants and Transfers	8	52,557,000	91,809,957
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	3,450,000	-
<b>Total Payments</b>		<b>82,760,034</b>	<b>158,405,417</b>
<b>Surplus/(Deficit)</b>		<b>4,242,966</b>	<b>1,838,079</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 30/09 2023 and signed by:

  
Fund Account Manager

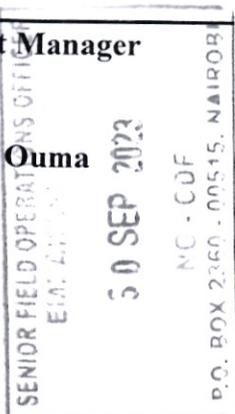
Name: Victor Ouma

  
National Sub-County  
Accountant

Name: Justus Mutua  
ICPAK M/No: 12228

  
Chairman NG-CDF  
Committee

Name: Jane Akinyi



Embakasi East 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	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	16,739,989	12,497,023
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>16,739,989</b>	<b>12,497,023</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>16,739,989</b>	<b>12,497,023</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>16,739,989</b>	<b>12,497,023</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	12,497,023	10,658,943
Prior year adjustments	16	-	-
Surplus/Deficit for the year		4,242,966	1,838,079
<b>NET FINANCIAL POSITION</b>		<b>16,739,989</b>	<b>12,497,023</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 30/09 2023 and signed by:

  
Fund Account Manager

Name: Victor Ouma

  
National Sub-Country  
Accountant

Name: Justus Mutitu  
CPAK M/N: 12228

  
Chairman NG-CDF  
Committee

Name: Jane Akinyi



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

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

	Notes	2022-2023 Kshs	2021-2022 Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	160,241,496
Other Receipts	3	3,000	2,000
<b>Total Receipts</b>		<b>87,003,000</b>	<b>160,243,496</b>
<b>Payments</b>			
Compensation Of Employees	4	4,469,700	3,183,292
Committee Expenses	5	5,614,000	2,528,100
Use Of Goods and Services	6	5,773,532	6,784,068
Transfers To Other Government Units	7	10,895,712	54,000,000
Other Grants and Transfers	8	52,557,000	91,809,957
Oversight Committee Expenses	10	-	-
Other Payments	11	3,450,000	-
<b>Total Payments</b>		<b>82,760,034</b>	<b>158,405,417</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>4,242,966</b>	<b>1,838,079</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>4,242,966</b>	<b>1,838,079</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	12	<b>12,497,023</b>	<b>10,658,943</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	12	<b>16,739,989</b>	<b>12,497,023</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 30/09 2023 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Victor Ouma

Name: Justus Mutua  
ICPAK M/No: 12228

Name: Jane Akinyi



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

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

Receipts/Payments	Original Budget		Adjustments		Final Budget e=a+b	Actual on comparable basis d	Budget utilization difference e=d-c	% of Utilization f=d/e %
	a	2022-2023	b	2022-2023				
<b>Receipts</b>			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
Transfers From NGCDF Board	Kshs	145,087,603	Kshs	Kshs	Kshs	Kshs	Kshs	
Proceeds From Sale of Assets		-						
Other Receipts		-	3,000	-	3,000	3,000	-	100
<b>Totals</b>		145,087,603	41,577,584	57,563,940	244,229,127	99,497,023	144,729,104	41
<b>Payments</b>								
Compensation Of Employees		4,893,873	651,528	-	5,545,401	4,469,790	1,075,611	81
Committee Expenses		5,016,000	598,400	-	5,614,400	5,614,000	400	100
Use Of Goods and Services		3,148,011	4,126,150	-	7,274,161	5,773,532	1,500,629	79
Transfers To Other Government Units		22,045,713	35,283,247	57,563,740	114,892,700	10,895,712	103,996,988	9
Other Grants and Transfers		74,376,486	815,888	-	75,192,374	52,557,000	22,635,574	70
Acquisition of Assets		-	52,570	-	52,570	-	52,570	-
Oversight Committee Expenses		1,450,876	-	-	1,450,876	-	1,450,876	-
Other Payments		3,500,000	-	-	3,500,000	3,450,000	50,000	99
Funds Pending Approval**		30,656,644	50,000	-	30,706,644	-	30,706,644	-
<b>Totals</b>		145,087,603	41,577,783	57,563,740	244,229,126	82,760,034	161,469,092	34

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

Explanatory Notes.

- (a) Opening Balance (C/Bk) and AIA-kshs 3,000 was sale of tenders
- (b) Transfer to Transfers to Other Government Units had underutilization of 9%-this was caused by late disbursement of funds as the country was recovering from the effects of change of government due to elections.
- (c) Other grants and transfers- had underutilization of 70%-this was caused by late disbursement of funds as the country was recovering from the effects of change of government due to elections
- There was no over expenditure during the financial year 2022/2023

**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	161,469,092
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	144,729,104
	16,739,989
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	16,739,989

The Constituency financial statements were approved by NG CDFC on 20/09/23 and signed by:

Fund Account Manager:  Name: Victor Ouma  
 National Sub County Accountant:  Name: Justus Mutua  
 Chairman NG CDF Constituency:  Name: Jane Akinyi  
 ICPAK M/No: 12228





**XII. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,893,873	651,528	-	5,545,401	4,469,790	1,075,611
1.2 Committee allowances	3,560,000	17,940	-	3,577,940	3,577,540	400
1.3 Use of goods and services	800,506	930,701	-	1,731,207	1,682,083	49,124
<b>Sub-total</b>	<b>9,254,379</b>	<b>1,600,169</b>	<b>-</b>	<b>10,854,548</b>	<b>9,729,413</b>	<b>1,125,135</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	1,997,505	50,000	-	2,047,505	596,000	1,451,505
2.2 Committee allowances	1,456,000	580,460	-	2,036,460	2,036,460	-
2.3 Use of goods and services	350,000	3,145,449	-	3,495,449	3,495,449	0
<b>Sub-total</b>	<b>3,803,505</b>	<b>3,775,909</b>	<b>-</b>	<b>7,579,414</b>	<b>6,127,909</b>	<b>1,451,505</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
<b>Sub-total</b>	<b>7,636,190</b>	<b>367,672</b>	<b>-</b>	<b>8,003,862</b>	<b>-</b>	<b>8,003,862</b>
<b>4.0 Bursary and Social Security</b>						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools	50,000,000	-	-	50,000,000	41,467,000	8,533,000
4.2 Secondary Schools	10,936,793	-	-	10,936,793	8,055,000	2,881,793
4.3 Tertiary Institutions	-	-	-	-	-	-
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
<b>Sub-total</b>	<b>60,936,793</b>	-	-	<b>60,936,793</b>	<b>49,522,000</b>	<b>11,414,793</b>
<b>5.0 Sports</b>						
5.1	2,901,752	33,376	100,000	3,035,128	3,035,000	128
<b>Sub-total</b>	<b>2,901,752</b>	<b>33,376</b>	<b>100,000</b>	<b>3,035,128</b>	<b>3,035,000</b>	<b>128</b>
<b>6.0 Environment</b>						
6.1 Mihango Primary School	580,350	-	-	580,350	-	580,350
6.2 Lower Savannah Chiefs Office	580,350	-	-	580,350	-	580,350
6.3 Maua Primary School	580,350	-	-	580,350	-	580,350
6.4 Utawala Chiefs Office	580,350	-	-	580,350	-	580,350
6.5 Tassia Police Post	580,350	-	-	580,350	-	580,350
<b>Sub-total</b>	<b>2,901,752</b>	-	-	<b>2,901,752</b>	-	<b>2,901,752</b>
<b>7.0 Primary Schools Projects</b> (List all the Projects)						
7.1 ELDEVALE PRIMARY SCHOOL	14,500,000	3,600,803	-	18,100,803	200,000	17,900,803
7.2 GIKAMBU PRIMARY SCHOOL	1,575,000	-	-	1,575,000	-	1,575,000
7.3 Embakasi primary school	-	-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		8,300,000		8,300,000		8,300,000
7.4 Mutia Primary School	-	4,790,000		4,790,000	4,725,000	65,000
7.5 Donholm primary school	-	8,300,000		8,300,000	-	8,300,000
7.6 Tassia primary school			30,374,861	30,374,861		30,374,861
<b>Sub-total</b>	<b>16,075,000</b>	<b>24,990,803</b>	<b>30,374,861</b>	<b>71,440,664</b>	<b>4,925,000</b>	<b>66,515,664</b>
<b>8.0 Secondary Schools Projects</b> <b>(List all the Projects)</b>						
8.1 Donholm sec school	5,970,713		27,188,879	33,159,592	5,970,712	27,188,880
8.2 Utawala Secondary School		<b>17,444</b>		17,444	-	17,444
8.3 Mihango secondary school		<b>10,275,000</b>	-	10,275,000	-	10,275,000
<b>Sub-total</b>	<b>5,970,713</b>	<b>10,292,444</b>	<b>27,188,879</b>	<b>43,452,036</b>	<b>5,970,712</b>	<b>37,481,324</b>
<b>9.0 Tertiary institutions Projects</b> <b>(List all the Projects)</b>						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						
10.1 Embakasi ward Security high Mast.		103,758		103,758		103,758
10.2 Lower savannah Security high Mast.		3,568		3,568		3,568
10.3 Upper savannah Security high Mast.		103,757		103,757		103,757

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
10.4 Mihango ward Security high Mast.		103,757		103,757	-	103,757
<b>Sub-total</b>	-	<b>314,840</b>	-	<b>314,840</b>	-	<b>314,840</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment	-	52,570	-	52,570	-	52,570
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
<b>Sub-total</b>	-	<b>52,570</b>	-	<b>52,570</b>	-	<b>52,570</b>
<b>12.0 Oversight Committee Expenses (itemize )</b>						
12.1 Committee Expenses	300,000	-	-	300,000	-	300,000
12.2 Travel Costs	240,000	-	-	240,000	-	240,000
12.3 Accommodation - Domestic Travel	300,000	-	-	300,000	-	300,000
12.4 Daily Subsistence Allowance	165,000	-	-	165,000	-	165,000
12.5 Education, Vacation and Prof. Dev.	240,876	-	-	240,876	-	240,876
12.6 Refined Fuels and Lubricants for Transport	200,000	-	-	200,000	-	200,000
<b>Sub-total</b>	<b>1,450,876</b>	-	-	<b>1,450,876</b>	-	<b>1,450,876</b>
<b>13.0 Others</b>						
13.1 Strategic Plan	3,500,000	-	-	3,500,000	3,450,000	30,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
13.2 Innovation Hub						
<b>Sub-total</b>	3,500,000	-	-	3,500,000	3,450,000	50,000
Funds pending approval**	30,656,644	50,000	-	50,000	-	50,000
<b>Total</b>	<b>145,087,603</b>	<b>41,577,783</b>	<b>57,563,740</b>	<b>244,229,126</b>	<b>82,760,034</b>	<b>161,469,092</b>

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



### **XIII. 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 East 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 xx June 2023 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 East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**XIV. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO B140869	-	28,063,879
AIE NO B105426	-	43,000,000
AIE NO B105750	-	24,000,000
AIE NO B128792	-	12,000,000
AIE NO B132479	-	5,000,000
AIE NO B140800	-	24,000,000
AIE NO B155936	-	19,725,000
AIE NO A888972	-	1,852,617
AIE NO B185042	7,000,000	-
AIE NO B185585	21,000,000	-
AIE NO B185870	5,000,000	-
AIE NO B206327	12,000,000	-
AIE NO B205713	12,000,000	-
AIE NO B205973	15,000,000	-
AIE NO B207791	15,000,000	-
<b>TOTAL</b>	<b>87,000,000</b>	<b>160,241,496</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>

**3. Other Receipts**

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	3,000	2,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>3,000</b>	<b>2,000</b>

*Embakasi East 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)*

**4. Compensation of Employees**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,603,140	3,249,692
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,767,930	-
Employer Contributions Compulsory national social security schemes	98,720	33,600
<b>Total</b>	<b>4,469,790</b>	<b>3,283,292</b>

**5. Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,146,000	1,328,000
Other committee expenses	4,468,000	1,200,100
<b>Total</b>	<b>5,614,000</b>	<b>2,528,100</b>

*Embakasi East 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**

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	197,685	761,242
Communication, supplies and services	286,000	162,000
Domestic travel and subsistence	150,000	50,000
Printing, advertising and information supplies & services	-	135,000
Office rent	1,405,320	997,890
Rentals of produced assets	-	-
Training expenses	2,073,002	1,580,065
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	50,000
Office and general supplies and services	1,661,625	2,968,520
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank Charges	-	79,351
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
	-	-
<b>Total</b>	<b>5,773,632</b>	<b>6,784,068</b>

*Notes to the Financial Statements (Continued)*

**7. Transfer to Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	4,925,000	42,000,000
Transfers To Secondary Schools (See Attached List)	5,970,712	12,000,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>10,895,712</b>	<b>54,000,000</b>

**8. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	41,467,000	57,795,000
Bursary – tertiary institutions (see attached list)	8,055,000	19,347,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	-
Sports projects (see attached list)	3,035,000	5,400,024
Environment projects (see attached list)	-	1,000,000
Emergency projects (see attached list)	-	8,866,243
Roads projects (see attached list)	-	-
<b>Total</b>	<b>52,557,000</b>	<b>92,408,267</b>

*Embakasi East 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)*

**9. Acquisition of Assets**

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
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>	-	-

**10. Oversight Committee Expenses**

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
	-	-

**11. Other Payments**

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	3,450,000	-
ICT Hub	-	-
	<b>3,450,000</b>	-

**12. Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank Donh: Im-0820261417294</i>	<b>16,739,989</b>	<b>12,497,023</b>
	-	-
<b>Total</b>	<b>16,739,989</b>	<b>12,497,023</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (Specify)	-	-
<b>Total</b>	-	-

**13. Outstanding Imprests**

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

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

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

*Notes to the Financial Statement Continued*

**14. Retention and Gratuity**

<b>14 A. Retention</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<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>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	1,767,930	-
Gratuity held during the year (B)		-
Gratuity paid during the Year (C)	1,767,930	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C		-

**15. Fund Balance B/F**

	<b>(1<sup>st</sup> July 2023-1)</b>	<b>(1<sup>st</sup> July 2022-2)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	12,497,023	10,658,943
Cash in hand	-	-
Imprest	-	-
Total	12,497,023	10,658,943
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	12,497,023	10,658,943

#### 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 (specify)	-	-	-
<b>Total</b>	-	-	-

\*\* 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	-	-

#### 18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	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 East 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>	-	-

**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>	-	-

**19.3: Unutilized Fund (See Annex 3)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	1,075,611	651,528
Committee expense	-	-
Use of goods and services	49,752	123,463
Amounts due to other Government entities (see attached list)	107,027,347	68,468,824
Amounts due to other grants and other transfers (see attached list)	22,635,375	717,578
Acquisition of assets	52,570	52,570
Oversight Committee Expenses	1,450,876	-
Other Payments ( <i>specify</i> )	50,000	-
Funds pending approval	50,000	47,000
<b>Total</b>	<b>132,391,531</b>	<b>70,060,963</b>

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

---

18.4: 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)	9,873,019	39,779,283
Total	9,873,019	39,779,283

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

**XV. 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	
<b>Construction of buildings</b>					
1.	-	-	-	-	No pending payments
2.	-	-	-	-	No pending payments
3.	-	-	-	-	No pending payments
Sub-Total	-	-	-	-	No pending payments
<b>Construction of civil works</b>					
4.	-	-	-	-	No pending payments
5.	-	-	-	-	No pending payments
6.	-	-	-	-	No pending payments
Sub-Total	-	-	-	-	No pending payments
<b>Supply of goods</b>					
7.	-	-	-	-	No pending payments
8.	-	-	-	-	No pending payments
9.	-	-	-	-	No pending payments
Sub-Total	-	-	-	-	No pending payments
<b>Supply of services</b>					
10.	-	-	-	-	No pending payments
Sub-Total	-	-	-	-	No pending payments
<b>Grand Total</b>	-	-	-	-	No pending payments

**Embakasi East 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
<b>NG-CDFC Staff</b>				
1.	-	-	-	No staff pending payments
2.	-	-	-	No staff pending payments
3.	-	-	-	No staff pending payments
<b>Sub-Total</b>	-	-	-	No staff pending payments
<b>Grand Total</b>	-	-	-	No staff pending payments

**Embakasi East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023  
Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
<b>Compensation of employees</b>	Payment of staff salaries	1,075,611	651,528	fully funded
<b>Committee expenses</b>	Payment of committee expense/allowances	-	-	fully funded
<b>Use of goods &amp; services</b>	Purchase of office supplies	49,752	123,463	fully funded
<b>Amounts due to other Government entities</b>			24,965,000	
TASSIA PRIMARY SCHOOL	Construction of one storey building tuition block Phase 1 with 12 Classrooms, 2 flush toilets for Boys & Girls	25,882,520		At procurement stage
ELDEVALE PRIMARY SCHOOL	Re-roofing of 24 No of classrooms, fixing of IT5 box profile roofing sheets, fixing of rainwater goods and fascio board, fixing of new window panes and glazing and replacing of chipboard ceiling.	19,401,003		At procurement stage
GIKAMBU PRIMARY SCHOOL	Construction of 1 classroom to completion	1,575,000		fully funded
Embakasi primary school	Purchase of 1 school bus	8,300,000		At procurement stage
Maua Primary School	constructions	65,000		fully funded
Donholm primary school	Purchase of 1 school bus	8,300,000		At procurement stage
Donholm sec school	Construction of a new administration block	28,486,381		Ongoing.
Utawala Secondary School	Balance on renovation of classrooms	17,444		fully funded
Mihango secondary school	Construction of 12 new storied classrooms	15,000,000		At procurement stage
<b>Sub-Total</b>		<b>108,152,710</b>	<b>25,739,991</b>	
<b>Amounts due to other grants and other transfers</b>				
EMERGENCY	Emergency Occurrences	8,003,862	369,362	no emergency
BURSARY SEC	Bursary To Needy Students	8,533,000	-	fully funded
BURSARY TERTIARY	Bursary To Needy Students	2,881,793	-	fully funded
SOCIAL SECURITY	NHIF to elderly	-	-	not allocated funds



*Embakasi East 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**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,246,085	-	-	697,430
ICT Equipment, Software and Other ICT Assets	273,000	-	-	273,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	2,340,479	-	-	2,340,479
Intangible assets	-	-	-	-
<b>Total</b>	<b>3,859,564</b>	-	-	<b>3,310,909</b>

**Embakasi East 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 Current FY	Bank Balance Previous FY
Embakasi DCI Police Post	Equity	0820279829224	426,055	426,055
Embakasi East Primary School Desks Pmc	Equity	0820279644399	289	289
Maua Primary School Project	Equity	1790278928152	3,081	8,281
Mihango Primary School Project	Equity	0820278988469	1,466	1,447
Mihango Sec School Laboratory Pmc	Equity	0820280981064	84,864	2,188,960
Embakasi Primary School-Pmc	Equity	0820280199450	28,959	714,883
Edelvale Pny Re-Roofing 12 Classes Pmc	Equity	0820280987080	4,377	349,377
Embakasi Garrison Pmc	Equity	0820280850644	225,469	225,469
Utawala Secondary School Bus Pmc	Equity	0820280560592	22,250	2,250
Mihango Secondary School Bus Pmc	Equity	0820280208850	615	615
Donholm Sec School Tuition Block Pmc	Equity	0820280998871	6,580,360	5,009,648
Mihango Sec School Toilet Block Pmc	Equity	0820280981088	227,816	4,279,550
<b>DONHOLM PRIMARY SCHOOL PMC</b>	Equity	0820282788352	185,343	4,500,000
<b>UTAWALA ACADEMY PMC</b>	Equity	1790282775346	1,956,809	16,000,000
<b>GIKABU MWANGAZA PRIMARY SCH PMC</b>	Equity	0820282733357	52,807	6,000,000
<b>Embakasi East water TANKS PMC</b>	Equity	0820280204422	72,460	72,460
<b>Total</b>			<b>9,873,019</b>	<b>39,779,283</b>

**Embakasi East 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 (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF-EMBAKASI EAST/2021-2022(2) dated 13 <sup>TH</sup> April 2023	Summary of Statement of Appropriation for the Year ended 30th June 2022, in page 4 of the financial statements contain some unnecessary notes that should be removed.	It's true that the Summary of Statement of Appropriation for the Year ended 30th June 2022 had some unnecessary notes and has been removed as per the attached copy of amended financial statements.	Resolved	Resolved
OAG/NRO/NGCDF-EMBAKASI EAST/2021-2022(2) dated 13 <sup>TH</sup> April 2023	The summary statement of appropriation reflects final receipts budget and actual on comparable basis totaling to Kshs.228, 466,380 and Kshs.170, 902,439 respectively, resulting to an underfunding amounting to Kshs.57, 563,941 or 25% of the budget. Similarly, the statement reflects final expenditure budget and actual comparable basis totaling to Kshs.228,466,379 and Kshs.158,405,417 respectively, resulting to an under expenditure of Kshs.70,060,962 or 31% of the budget.	The under expenditure was caused due to Late disbursement of funds from CDF BOARD- 2. In the financial year 2021/2022, as an election year, there were many challenges in funding and implementing the project The management will re-look at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Embakasi East.	Resolved	Resolved
OAG/NRO/NGCDF-EMBAKASI EAST/2021-2022(2) dated 13 <sup>TH</sup> April 2023	Failure to Submit Monthly Bank Reconciliation Statements to the Office of the Auditor General	As per the advice given by the office of the Auditor General-Embakasi east NG-CDF will be submitting the reconciliations by 10 <sup>th</sup> of the subsequent month	Resolved	Resolved

**30 SEP 2023**  
**SENIOR FIELD OPERATIONS OFFICER**  
 NG - CDF  
 EMBAKASI EAST

**Victor Ouma**  
 Name  
 Fund Account Manager.