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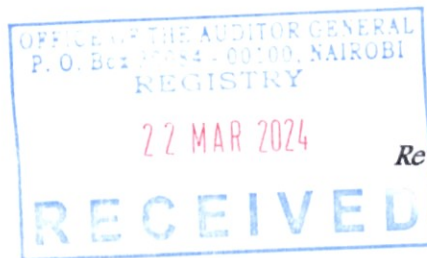
DATE: 17 SEP 2024 DAY: TUESDAY

REPORT BY: HON. OWEN BATA DIMAJORITY LEADER
CLERK AT THE TABLE: IY20PV MWALE

**REPORT
OF
THE AUDITOR-GENERAL
ON
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – EMBAKASI NORTH
CONSTITUENCY**

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





Revised Template 30th June 2023



EMBAKASI NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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1. Acronyms and Glossary of terms

Provide a list of all applicable acronyms and glossary of terms used in the annual report and financial statements e.g.

DA	District Accountant
CDF	Constituency Development Fund
IPSAS	International Public Sector Accounting Standards.
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
PFM	Public Finance Management
FY	Financial Year

2. 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 North 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 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	MALAKI OPIYO MAGERO
2.	Sub-County Accountant	ANTONY MBUGUA NGUNJIRI
3.	Chairman NGCDFC	EMMA NJERI KIMANI
4.	Member NGCDFC	PURITY WANJIKU NDIRANGU

(c) Fiduciary Oversight Arrangements

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

P.O. Box 66984-00200
Living Goods Building
Along Outering Road
Nairobi, Kenya

(e) Embakasi North Constituency NGCDF Contacts

Telephone: (254) 0721836530
E-mail: cdfebakasinorth@ngcdf.go.ke
Website: www.ngcdfboard.go.ke

(f) Embakasi North Constituency NGCDF Bankers

Equity Bank (Kenya) Limited
Kenyatta Avenue
P.O. Box 75104

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

3. NG-CDFC Persons Report



EMMA NJERI KIMANI CHAIRPERSON NGCDFC

I am Glad to present Embakasi North NG-CDF Annual Financial statements for the FY 2022/2023. We had an allocation of Ksh.145, 087,603.00 and by June 2023 we had only received Ksh. 87,000,000 representing 60% of the total allocation. Out of this funding we disbursed the total amount allocated for bursary ksh 50,780,661.05. on this respect our demand schedule/applicants surpassed our anticipated outlay thereby compelling us to seek for reallocation from emergency sector balances from previous years.(ksh. 6,630,371.00) .it is therefore evident that in the coming years our budget for bursary shall not fall short of maximum limit permissible by the NG CDF ACT. As we all know the funds disbursement to constituencies delayed considerably up to almost the last quarter of the FY 2022/23. This situation made it impossible for us to implement projects during the just concluded financial year but rather to focus on available funds that had been disbursed to us during the other financial years.

	Project name	Project cost	Financial year	Status
1	Ushirika wall Construction of 100M perimeter wall	1,400,000.00	2019/20	Complete
2	ACCs office Construction of ACCs office(composite offices)	11,200,000.00	2019/20	Complete
3	Social security programs Providing cover with NHIF for disadvantaged and elderly	3,900,000.00	2020/21	complete

*Embakasi North Constituency
National Government Constituencies Development Fund (NGCDF)
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	people			
4	Sports Paying for FKF subscription on behalf of 18 football teams in embakasi north constituency	570,000.00	2022/23	30% complete

From the background given it is clear that we didn't implement any construction projects approved in fy 2022/23 due to unavoidable circumstances. Another challenge and a serious impediment of project implementation is the protracted period of procurement process. This situation arises because insufficient personnel to handle procurement issues at the sub county as and when required.. We only have one supply chain office manning 6 constancies. This definitely slows the pace especially big projects that warrant several consultative sessions.

At the time of compiling this report we had received almost the full budget of fy 2022/23 with exception of our to flagship projects ie: James Gichuru Secondary school ksh 5,000,000.00 and tom mboya secondary school Ksh 5,000,000.00 both with budget of ksh 140,000,000.00 each.

It is our hope and target that come next financial year 2023/24 we shall move with a lot speed in project implementation.

The table below shows the constituency original budget versus what the board actually funded.

PROJECT	ORIGINAL BUDGET	ACTUAL DISBURSEMENT
Compensation of Employees	2333056	2333056
Committee expenses	4850000	4850000
Use of goods and services	5874828	5874828
Transfers to Other Government Units	58600000	58600000
Other grants and transfers	62129719	14042116
Acquisition of Assets	0	0
Oversight Committee Expenses	1300000	1300000
Other Payments	0	0
Unallocated Funds	10000000	0

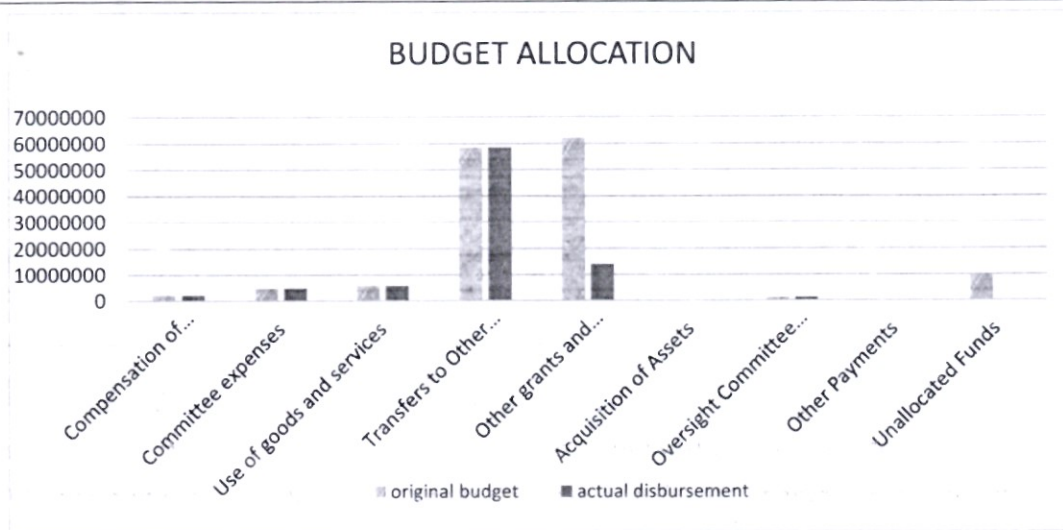


FIG 1: ORIGINAL BUDGET VERSUS ACTUAL FUNDING.

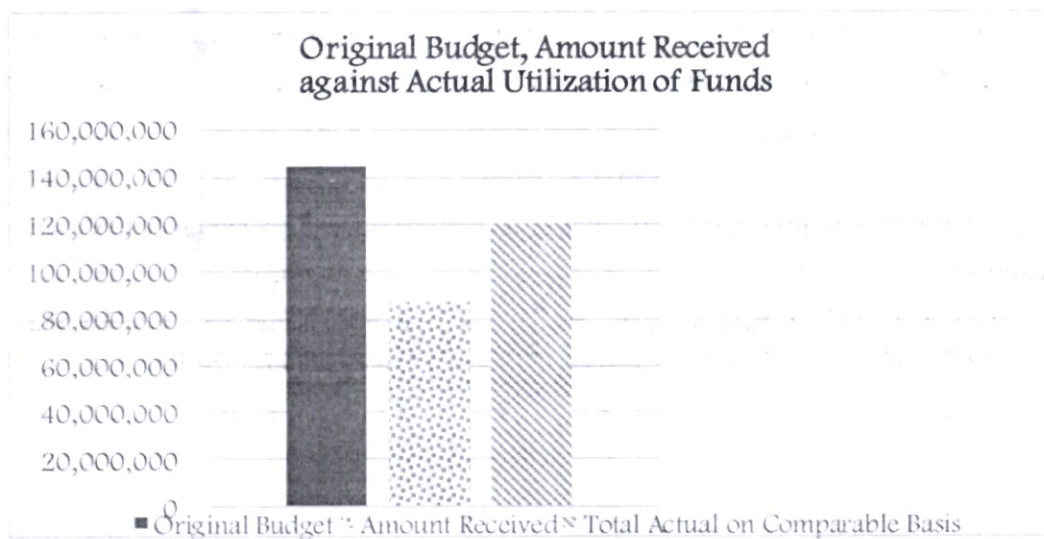


FIG 2: ORIGINAL BUDGET VERSUS ACTUAL UTILIZATION.

KEY PROJECTS UNDERTAKEN

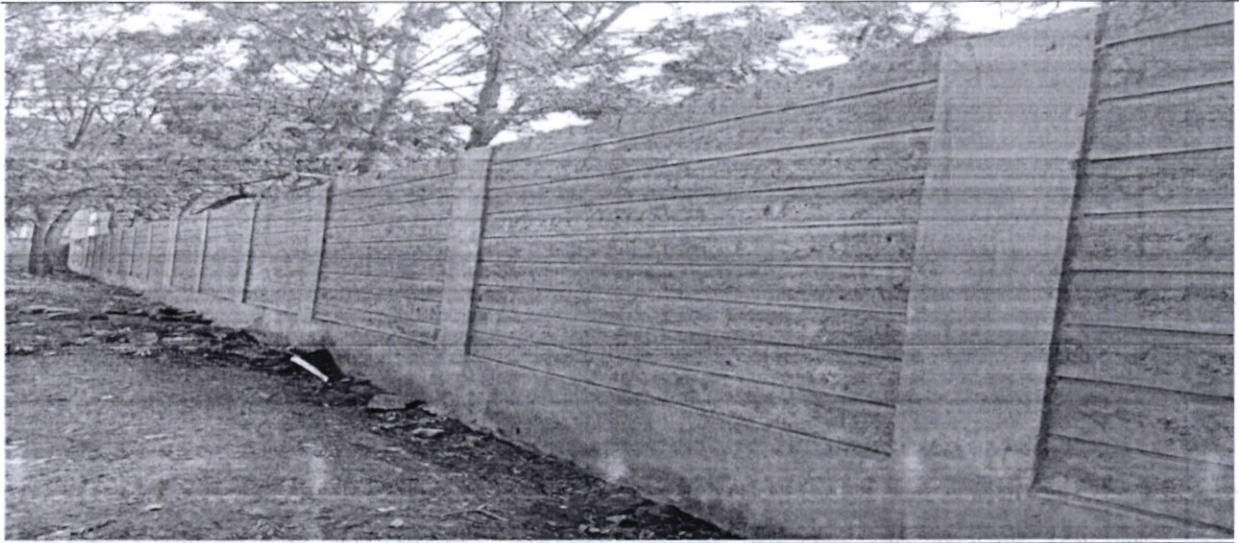


FIG 3: CONSTRUCTION OF PERIMETER WALL AT USHIRIKA PRIMARY SCHOOL

This project carried out will ensure security within the school and also promote a more conducive learning environment for the students and better working condition for the teachers of Ushirika primary school, Nairobi



FIG 4: CONSTRUCTION OF DANDORA PHASE 3 ACC OFFICE

This project was started in 2019 and completed in 2023 its meant to increase security services to the people of Dandora Phase 3 ,also will enhance business due to improved security over 1200 people from phase three ward will be benefitting from the same



FIG 5: ISSUANCE OF NHIF TO 652 BENEFICIARIES

The above number benefited from the program which enable them access medical services without pay for a whole year ,this will enable them to attend to other aspects of life having their health being taken care of,the project has costed 3,912,000 (three million nine hundred and twelve).



FIG 6: ISSUANCE OF SPORTS FUNDS TO FKF FOR LOCAL TEAMS

Our Ngcdf is helping the youth to nature their talents by participating in various tournerments both in the region and constituency,the above cheque was a payment of 570,000 to FKF to enable the teams to participate in league games,the payment made was for current year

Emerging issues

- The high university fees and the hard economic times has led to many students and parents to seek full sponsorships from the constituency bursary fund.
- In the 2022-2023 financial years the economic hardship led to inflation of construction materials, therefore making the initial budget of projects appear insufficient. This has led to Embakasi North NGCDF to review the bills of quanties to match the escalated building materials costs.

Challenges and solutions

- Main challenge that Embakasi North constituency faced was late fund disbursement that led to few projects to be implemented and others to stall while waiting funding.
- Although little funding was availed, the constituency committee agreed to give priority to the most important sectors such as bursary to ensure that students are retained in school and the ones joining secondary and tertiary institutions secure their chances on time.

The constituency has endeavored to give priority to the very needy students to enable them cater for their school fees.



.....
**Name Emma Njeri Kimani
Chairperson NGCDF Committee**

4. 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 North Constituency 2022-2023** plan are to:

- a) To Improve access to quality education
- b) To Nurture youth talent and empower them
- c) To Promote Environmental sustainability in the constituency
- d) To Enhance Security in the constituency
- e) To Cater for any unforeseen occurrences in the constituency
- f) To Improve tracking of implementation of NG-CDF Programmes

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

6. **Patriotism** – we uphold the national pride of all Kenyans through our work
7. **Participation of the people**- We involve citizens in making decisions about programmes we fund
8. **Timeliness** – we adhere to prompt delivery of service
9. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
10. **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.

Our mission is to provide quality and equitable services to all our constituents members,

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:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2022/23 -we renovated 3 classrooms. The classrooms in primary schools increased from 4 to 5 while in secondary schools increased from 8 to 10. -Bursary beneficiaries at all levels were 8500 in secondary and 5100 in tertiary institutions as per the attached schedules.
Security	Equip , facilitate and enhance capacity of provisional administration and other security organs in order to improve service delivery	Develop and enhance provisional administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs offices increased from 1 to 2, 2 high masts added in the constituency
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources	Equip Schools with tanks	Tanks supplied in different schools	Supplied 38 tanks. 22 tanks were supplied to various primary schools, 13 in secondary schools while the 3 to the Do and Chiefs offices.
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 that benefited from the sports programme is 37 teams around the constituency
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Covid 19 assortments supplied in the constituency	

5. Governance Statement

Introduction

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

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

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

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

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

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

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

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

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

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

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette of 1952 Kenya Subsidiary Legislation, 2016

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

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

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

Embakasi North NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there was no phase out the existing committee.

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

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the

process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of JULY 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

In Embakasi North constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Edwin Gitau	chair
2	Ann Njoroge	secretary
3	Nelson Chege	member
4	Mary Wanyika	member

The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of October 2022.

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

S/N	Name	Category representation	Ward
1.	John Mwangi	Male (Adult)	Kariobangi north
2.	Onesmus Oduor	Male (Youth)	Dandora phase iii
3.	Jane Wambui	Female (Adult)	Dandora phase I
4.	Joy wanjiru	Female (Youth)	Dandora Phase iv

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Julius Mawathe	Physical – Left hand Amputated.	Kariobangi North

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Joseph mungai	Male representative	Dandora phase ii
2	Joyce Wangare	Female Representative	Dandora phase iii

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

S/N	Name	Gender	Ward
1.	Celestine Ndunge	Female	Dandora phase i

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

1. Chairperson position – Emma Kimani
2. Secretary position – Agrippar Oduor

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

The appointed committee members were gazetted through Gazetted volume number 254 on 29th November 2022. The committee held its first meeting on December 2022

Sno.	Name	Position
1	Emma Kimani	Chair person
2	Agrippar Oduor	secretary
3	Purity Ndirangu	member
4	Eros Mukami	member
5	Edwin Ndichu	D.c.c
6	Erick Ravoga	co-opted member

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National Government Constituencies Development Fund (NGCDF)
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7	John Wanjeru	member
8	Margret Werunga	member
9	Josiah Njeru	member
10	Malaki Magero	Ex official/FAM

Removal of NGCDFC Members

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

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Embakasi North constituency there was no removal of committee members in the financial year 2022/2023

Roles and functions of NG-CDFC

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.

- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Induction and training of members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 2nd -7th April 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Embakasi North.

No. of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC Embakasi North held twelve meetings through the year, as illustrated bellow;

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In Embakasi North Constituency We Had Meetings As Illustrated Here Below;

<i>Sno.</i>	<i>Name</i>	<i>15th July 2022</i>	<i>19th Aug 2022</i>	<i>16th Sept 2022</i>	<i>14th Oct 2022</i>	<i>18th Nov 2022</i>	<i>16th Dec 2022</i>	<i>20th Jan 2023</i>	<i>17th Feb 2023</i>	<i>17th Mar 2023</i>	<i>14th April 2023</i>	<i>19th May 2023</i>	<i>16th June 2023</i>
1	<i>Emma Kimani</i>	√	√	√	√	√	√	√	√	√	√	√	√
2	<i>Agrippar oduor</i>	√	√	√	√	√	√	√	√	√	√	√	√
3	<i>Purity ndirangu</i>	√	√	√	√	√	√	√	√	√	√	√	√
4	<i>Eros mukami</i>	√	√	√	√	√	√	√	√	√	√	√	√
5	<i>Edwin ndichu</i>	√	√	√	√	√	√	√	√	√	√	√	√
6	<i>Erick ravoga</i>	√	√	√	√	√	√	√	√	√	√	√	√
7	<i>John wanjeru</i>	√	√	√	√	√	√	√	√	√	√	√	√
8	<i>Margret werunga</i>	√	√	√	√	√	√	√	√	√	√	√	√
9	<i>Josiah njeru</i>	√	√	√	√	√	√	√	√	√	√	√	√
10	<i>Malaki magero</i>	√	√	√	√	√	√	√	√	√	√	√	√

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

6. Environmental and Sustainability Reporting

7. Embakasi North 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 NORTH NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

2. Environmental performance

a. Embakasi North NG-CDF has been planting trees annually and semi-annually throughout the year

b. Embakasi North NG-CDF has been sensitizing youth on drugs and impact in their lives

c. NG-CDF Embakasi North has been sponsoring sports activities in various wards by purchasing nets, uniforms, balls and paying league games to participate

3. Employee welfare

We invest in providing the best working environment for our employees. Embakasi North 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 North 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 North 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 North 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 North NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


.....
Name Malaki Opiyo Magero
Fund Account Manager.

8. 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 North 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 North 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 in charge of the NGCDF- Embakasi North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Embakasi North 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

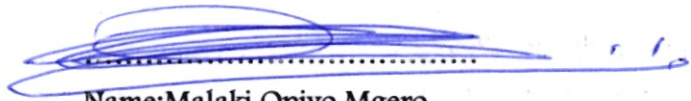
prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Embakasi North Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



.....
Name: Emma Njeri Kimani
Chairman – NGCDF Committee



.....
Name: Malaki Opiyo Mgero
Fund Account Manager

REPUBLIC OF KENYA

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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 NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi North Constituency set out on pages 1 to 59, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement

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

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

Basis for Qualified Opinion

1. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustments of Kshs.1,776,338 which relates to bank account balances as disclosed in Note 16 to the financial statements. However, the supporting journals to the adjustments were not provided for audit.

In the circumstances, the accuracy and completeness of the prior year adjustments balance of Kshs.1,776,338 could not be confirmed.

2. Unsupported Expenditure on Bursaries

The statement of receipts and payments reflects an amount of Kshs.67,407,000 in respect of other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes Kshs.62,870,000 relating to transfers to secondary schools and tertiary institutions for bursaries. However, the supporting list provided for review did not indicate students' admission numbers. Further, there was no evidence of vetting of the bursary applications by the Education Bursary Committee. In addition, the bursary beneficiaries could not be traced to an application form submitted for funding.

In the circumstances, the completeness and accuracy of other grants and transfers expenditure of Kshs.62,870,000 could not be confirmed.

3. Unsupported Expenditure of Social Security Programmes

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.39,760,000 as disclosed in Note 7 to the financial statements. Included in the amount is Kshs.3,912,000 relating to social security programmes, being payment for Embakasi North Constituency residents National Health Insurance Fund (NHIF). However, the list of the beneficiaries provided excluded their registration details, the selection criteria and acknowledgement from NHIF.

In the circumstances, the completeness of the social security programmes expenditure amount of Kshs.3,912,000 could not be confirmed.

4. Unsupported Expenditure on Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.7,298,039 in respect of committee expenses as disclosed in Notes 5 to the financial statements. The amount includes Kshs.6,335,269 which was not supported with minutes of meetings held, imprest requisitions warrants and approvals.

In the circumstances, the completeness and accuracy of expenditure amount of Kshs.6,335,269 on committee expenses could not be confirmed.

5. Inaccuracies in Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.70,632,760 as disclosed in Note 11A to the financial statements. Review of the bank reconciliation statements revealed un-presented cheques totalling to Kshs.20,787,707 out of which cheques amounting to Kshs.633,543 were stale and had not been reversed and replaced in the cashbook.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.70,632,760 could not be confirmed.

6. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflect Project Management Committee (PMC) bank balance totalling Kshs.57,889,262. However, the cashbooks, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit. Further, an amount of Kshs.2,162,855 in respect of completed projects had not been recredited to the Constituency Bank Account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.57,889,262 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Embakasi North Constituency Management in accordance with ISSAI 130 on the 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 a final receipts budget and actual on comparable basis of Kshs.345,248,254 and Kshs.190,571,772 respectively resulting to underfunding of Kshs.154,676,482 or 45% of the budget. However, the Fund spent an amount of Kshs.121,715,350 against actual receipts of Kshs.190,571,772 resulting to under-utilization of Kshs.68,856,422 or 36% of the total receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Implement Funded Projects

Review of project implementation status as at 30 June, 2023 revealed that six (6) projects budgeted for Kshs.46,500,000 had not been implemented by the Fund despite funds held in respective Project Management Committees (PMC) bank accounts.

In the circumstances, the public did not obtain benefits which would have accrued from the implementation of these projects.

2. Irregularities in the Procurement of Construction Works

The Fund entered into contract with a local contractor for the construction of a perimeter wall at a Ushirika Day Secondary School on 16 December, 2022 at a cost of Kshs.1,494,909, twelve (12) months after notification of award. This was contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which requires written contract to be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period.

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

3. Unsupported Construction Works

Review of contract records revealed that Management entered into contract with local contractors for construction of a perimeter wall at Ushirika Secondary School at a contract sum of Kshs.1,494,909, construction of a perimeter wall and renovation of 3 classrooms at Marura Primary School at a contract sum of Kshs.4,485,184 and renovation of three classrooms at Tom Mboya Primary School at a contract sum of Kshs.2,357,650. However, certificates of practical completion, final inspection minutes and handing over reports of the completed works for the projects were not provided for audit.

In the circumstances, value for money of Kshs.5,980,093 for the construction works at Ushirika Secondary School, Marura and Tom Mboya Primary Schools could not be confirmed.

4. Incomplete Asset Register

During the year under review, Management purchased a desktop computer at a cost of Kshs.114,750. However, the asset register was not updated to include the addition contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations which requires the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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 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 to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 June, 2024

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

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

	Note	<i>Insert Current FY</i>	<i>Insert Comparative FY*</i>
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	112,188,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	8,000	16,000
Total Receipts		87,008,000	112,204,879
Payments			
Compensation of Employees	4	3,769,634	3,572,830
Committee expenses	5	7,298,039	5,558,967
Use of Goods and Services	6	3,480,677	6,381,720
Transfers To Other Government Units	7	39,760,000	24,290,300
Other Grants and Transfers	8	67,407,000	62,911,548
Acquisition Of Assets	9	-	-
Other Payments	10	-	-
	11	-	-
Total Payments		121,715,350	102,715,365
Surplus/ (Deficit)		(34,707,350)	9,489,514

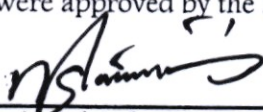
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on _____ 2023 and signed by:



Fund Account Manager

Name: Malaki Opiyo Magero



**National Sub-County
Accountant**

Name: Antony Mbugua
Ngunjiri
ICPAK M/No: 15171



Chairman NG-CDF Committee

Name: Emma Njeri Kimani

*Embakasi North Constituency
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Comparative FY means the financial year preceding the current financial year**


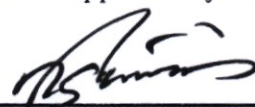
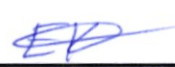
Embakasi North Constituency
National Government Constituencies Development Fund (NGCDF)
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11. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	70,632,760	103,563,772
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		70,632,760	103,563,772
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		70,632,760	103,563,772
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities			
Net Financial Assets		70,632,760	103,563,772
Represented By			
Fund Balance B/Fwd	15	103,563,772	94,074,258
Prior Year Adjustments	16	1,776,338	-
Surplus/(Deficit) for The Year		(34,707,350)	9,489,514
Net Financial Position		70,632,760	103,563,772

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 _____ 2023 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Malaki Opiyo Magero	Name: Antony Mbugua Ngunjiri ICPAK M/No: 15171	Name: Emma Njeri Kimani

Comparative FY means the financial year preceding the current financial year**

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

12. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	112,188,879
Other Receipts	3	8,000	16,000
Total Receipts		87,008,000	112,204,879
Payments			
Compensation Of Employees	4	3,769,634	3,572,830
Committee Expenses	5	7,298,039	5,558,967
Use Of Goods and Services	6	3,480,677	6,381,720
Transfers To Other Government Units	7	39,760,000	24,290,300
Other Grants and Transfers	8	67,407,000	62,911,548
Other Payments	10	-	-
Total Payments		121,715,350	102,715,365
Total Receipts Less Total Payments			
Adjusted For:		-	-
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	1,776,338	-
Increase/(Decrease) In Accounts Payable	18	1,776,338	-
Net Cash Flow from Operating Activities		(32,931,013)	9,489,514
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalents		(32,931,013)	9,489,514
Cash & Cash Equivalent At Start Of The Year	11	103,563,772	94,074,258
Cash & Cash Equivalent At End Of The Year	11	70,632,760	103,563,772

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

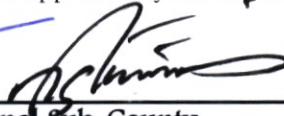
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:

*MALAKI OPIYO
MAGERO*

Fund Account Manager

Name: Malaki Opiyo Magero



**National Sub-County
Accountant**

**Name: Antony Mbugua
Ngunjiri
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Emma Njeri Kimani

Comparative FY means the financial year preceding the current financial year**

13. Summary Statement of Appropriation for The Year Ended 30th June 2023


Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	145,087,603	103,563,772	96,588,879	345,240,254	190,563,772	154,676,482	55.2%
Proceeds From Sale of Assets	-			-	-	-	0.0%
Other Receipts	-	8,000		8,000	8,000	-	100.0%
Totals	145,087,603	103,571,772	96,588,879	345,248,254	190,571,772	154,676,482	55.2%
Payments							
Compensation Of Employees	2,333,056	923,513		3,256,569	3,769,634	(513,065)	115.8%
Committee Expenses	6,150,000	1,764,590		6,614,590	7,298,039	(683,449)	110.3%
Use Of Goods and Services	5,874,828	3,703,458		9,578,286	3,480,677	6,097,609	36.3%
Transfers To Other Government Units	58,600,000	52,294,295	80,500,000	191,394,295	39,760,000	151,634,295	20.8%
Other Grants and Transfers	62,129,719	44,822,916	14,088,878	121,041,513	67,407,000	53,634,513	55.6%
Acquisition Of Assets	-			-	-	-	0.0%
Other Payments	-		2,000,000	2,000,000	-	2,000,000	0.0%
Funds Pending Approval**	10,000,000	63,000		10,063,000		10,063,000	0.0%
Totals	145,087,603	103,571,772	96,588,878	345,248,253	121,715,350	223,532,903	35.2%

Explanatory Notes.


- (a) The AIA of Ksh. 55,000 represents the funds that were raised through sale of Tender but not yet approved by the Board
- (b) The underutilization is as a result of late disbursement of funds from the Board and the Project that are pending approval by the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	223,532,903
Less undisbursed funds receivable from the Board as at 30 th June 2023	154,676,482
	68,856,421
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	1,776,338
Cash and Cash Equivalents at the end of the 30 th June 2023	70,632,759

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 _____ 2023 and signed by:

MALAKI O. MAGERO


Fund Account Manager
 Name: Malaki Opiyo Magero


 National Sub-County Accountant

Name: Antony Mbugua Ngunjiri
 ICPAK M/No: 15171


 Chairman NG-CDF Committee

Name: Emma Njeri Kimani

14. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,333,056	923,513		3,256,569	3,769,634	(513,065)
1.2 Committee allowances	1,650,000	843,048		2,493,048	2,410,270	82,778
1.3 Use of goods and services	4,722,200	3,046,577		7,768,777	2,580,777	5,188,000
	8,705,256	4,813,138	-	13,518,394	8,760,681	4,757,714
2.0 Monitoring and evaluation						-
2.1 Capacity building	300,000	55,999		355,999	175,000	180,999
2.2 Committee allowances	3,200,000	921,542		4,121,542	4,887,769	(766,227)
2.3 Use of goods and services	852,628	600,882		1,453,510	724,901	728,609
TOTAL	4,352,628	1,578,423	-	5,931,051	5,787,670	143,381
3.0 Emergency						
3.1 Primary Schools	7,636,190			7,636,190	-	7,636,190
3.2 Secondary schools						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilized fund		10,109,837	55,000	10,164,837		10,164,837
TOTAL	7,636,190	10,109,837	55,000	17,801,027	-	17,801,027
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	35,480,661	7,529,812		43,010,473	41,930,000	1,080,473
4.3 Tertiary Institutions	15,000,000	11,815,078		26,815,078	20,995,000	5,820,078
4.4 Universities						
4.5 Social Security		5,010,000		5,010,000	3,912,000	1,098,000
4.6 Special Needs	300,000			300,000	-	300,000
TOTAL	50,780,661	24,354,890	-	75,135,551	66,837,000	8,298,551
5.0 Sports						
5.1 Constituency sports Tournaments	1,407,174			1,407,174	570,000	837,174
5.2 Regional Sports Tournament	520,000			520,000		520,000
TOTAL	1,927,174			1,927,174	570,000	1,357,174

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.0 Environment		7,466,808		7,466,808	-	7,466,808
6.1 Dandora Phase 3 ACC Office	223,212			223,212	-	223,212
6.2 Dandora One Primary School	223,212			223,212	-	223,212
6.3 Kariobangi North Primary School	223,212			223,212	-	223,212
6.4 Marura Primary School	223,212			223,212	-	223,212
6.5 Ronald Ngala Primary School	223,212			223,212	-	223,212
6.6 Tom Mboya Primary School	223,212			223,212	-	223,212
6.7 Ushirika Primary School	223,212			223,212	-	223,212
6.8 Wango Primary School	223,212			223,212	-	223,212
Total	1,785,694	7,466,808	-	9,252,502	-	9,252,502
7.0 Primary School Projects						
7.1 Marura Primary School	11,600,000.00	4,500,000		16,100,000	4,500,000	11,600,000
7.2 Tom Mboya Primary School	11,000,000	11,932,429		22,932,429	4,800,000	18,132,429
7.3 Kariobangi North Primary School		212,066		212,066		212,066
7.4 Ushirika Primary School				-		-
7.5 Dandora One Primary School	11,600,000	3,049,800		14,649,800		14,649,800

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.6 Kariobangi North Primary		2,100,000		2,100,000		2,100,000
7.7 James Gishuru Primary School	600,000		37,000,000	37,600,000		37,600,000
7.8 Ronald Ngala Primary School	11,600,000		25,000,000	36,600,000		36,600,000
7.9 Ushirika Primary School	600,000		11,000,000	11,600,000		11,600,000
7.10 Wango Primary School	11,600,000		7,500,000	19,100,000		19,100,000
Total	58,600,000	21,794,295	80,500,000	160,894,295	9,300,000	151,594,295
8.0 Secondary Schools Projects (List all the Projects)						
8. 1 Our Lady of Fatima Sec. School		8,000,000		8,000,000	8,000,000	-
8.2 Tom Mboya Sec School		20,000,000		20,000,000	20,000,000	-
8.3 Kariobangi Girls Sec School		1,000,000		1,000,000	1,000,000	-
8.4 Ushirika Secondary School		1,500,000		1,500,000	1,460,000	40,000
Total	-	30,500,000	-	30,500,000	30,460,000	40,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
10.0 Security Projects						
10.1 Kwa Mbao AP Line		500,000	5,000,000	5,500,000		5,500,000
10.2 Kinyago Police Station		901,381	496,928	1,398,309		1,398,309
10.3 Kariobangi North Polic Station			26,950	26,950		26,950
10.4 Dandora Phase 1 Security High Mast			2,000,000	2,000,000		2,000,000
10.5 Dandora Phase 2 Two- No. Security Flood Light High Mast			4,000,000	4,000,000		4,000,000
10.6 Dandora Phase 3 One No. Securty Flood Light		1,490,000	510,000	2,000,000		2,000,000
10.7 Dandora Phase 4 One No. Flood Light			2,000,000	2,000,000		2,000,000
Total		2,891,381	14,033,878	16,925,259	-	16,925,259
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan			2,000,000.00	2,000,000	-	2,000,000
TOTAL			2,000,000.00	2,000,000	-	2,000,000
12.2 Un Allocated Funds		39,000		39,000		39,000
12.3 Un Approved Projects						
12.4 James Gichuru Sec School	5,000,000			5,000,000		5,000,000
12.5 Tom Mboya Sec School	5,000,000			5,000,000		5,000,000
12.6 Ronald Ngala TTI				-		-
12.7 Dandora Phase 3 Youth Empowerment Sector				-		-
12.8 Dandora P 4 Administration Police Post				-		-
12.9 AIA		24,000		24,000		24,000
Total	10,000,000	63,000	-	10,063,000	-	10,063,000
Grand Total	145,087,603	103,571,772.30	96,588,878	345,248,253	121,715,350	223,532,903

Embakasi North Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Innovation Hub						
12.2						
Funds pending approval**						
Total						

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12

15. 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 North 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.

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 30th June 2022 for the period 1st July 2022 to 30th 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 30th June 2023.

14. Prior Period 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.

16. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B140522		13,000,000
AIE NO. B140870		5,188,879
AIE NO. B105697		34,000,000
AIE NO. B105751		30,000,000
AIE NO. B132480		6,000,000
AIE NO. B128793		12,000,000
AIE NO. B154392	7,000,000	
AIE NO. B185043	6,000,000	
AIE NO. B185326	15,000,000	
AIE NO. B185588	5,000,000	
AIE NO. B185871	12,000,000	
AIE NO. B206328	15,000,000	
AIE NO. B207792	15,000,000	
AIE NO. B205974	12,000,000	
TOTAL	87,000,000	112,188,879

2. Proceeds From Sale of Assets

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

3. Other Receipts

	2022/2023	2021/2022
	Kshs	Kshs
Interest Received	-	-

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Rent	-	-
Receipts from sale of tender documents	8000	16000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere*		
Total	8,000	16,000

**(Indicate any writebacks included in other receipts if applicable)*

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,407,114	2,202,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	2,323,100	1,306,030
Employer Contributions Compulsory national social security schemes	39,420	64,800
Total	3,769,634	3,572,830

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	962,770	1,631,952
Other committee expenses	6,335,269	3,927,015
Total	7,298,039	5,558,967

Notes To the Financial Statements (Continued)

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	60,517	1,692,929
Communication, supplies and services	-	170,000
Domestic travel and subsistence	-	150,000
Printing, advertising and information supplies & services	-	581,000
Rentals of produced assets	660,000	660,000
Training expenses	2,035,260	2,015,701
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	707,101	1,066,970
Fuel, oil & lubricants	-	-
Other operating expenses	-	-
Bank Charges	17,800	45,120
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	3,480,677	6,381,720

7. Transfer To Other Government Units

Description	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	9,300,000	2,790,300
Transfers To Secondary Schools (See Attached List)	30,460,000	21,500,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	39,760,000	24,290,300

Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Bursary – secondary schools (see attached list)	41,930,000	46,465,000
Bursary – tertiary institutions (see attached list)	20,995,000	12,960,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	3,912,000	-
Security projects (see attached list)	-	-
Sports projects (see attached list)	570,000	3,486,548
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	-	-
Roads projects (see attached list)	-	-
Total	67,407,000	62,911,548

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles 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	-	-
Total	-	-

10. Other Payments

	<i>2022-2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Total	-	-

Notes To The Financial Statements (Continued)

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)	70,632,760	103,563,772
<i>Name Of Bank, Account No. (Main account)</i>	-	-
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	70,632,760	103,563,772
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<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	-	-	-
Total		-	-	-

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

Notes to the Financial Statement Continued

13. Deposits and retention

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

Deposits and Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

14. Gratuity

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

(Provide details of any dormant gratuity account)

15. Fund Balance B/F

	(1 st July 2023-1)	(1 st July 2022-2)
	Kshs	Kshs
Bank accounts	103,563,772	94,074,258
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	103,563,772	94,074,258

[Provide short appropriate explanations as necessary]

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	1,776,338	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Gratuity	-	-	-
Others (<i>specify</i>)	1,776,338	-	-
Total	1,776,338	-	-

****** 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

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

18. Changes In Accounts Payable – Deposits and Retentions

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

Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

Aging Analysis for Pending Accounts Payables

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021/2022
	Kshs	Kshs
NGCDFC Staff	-	347,200
Others (<i>specify</i>)	-	-
Total	-	347,200

Aging Analysis for staff Payables

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

Other important disclosures (continued)
19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021/2022
	Kshs	Kshs
Compensation of employees	(513,065)	923,513
Committee expense	616,551	
Use of goods and services	6,097,609	5,468,048
Amounts due to other Government entities (see attached list)	151,634,295	132,794,295
Amounts due to other grants and other transfers (see attached list)	53,634,513	58,911,794
Acquisition of assets		
Other Payments (specify)	2,000,000	2,000,000
Funds pending approval	10,063,000	55,000
Total	223,532,903	200,152,650

19.4: PMC account balances (See Annex 5)

	2022-2023	2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	57,889,261.75	109,813,911
Total	57,889,261.75	109,813,911

19.5 Related Party Transactions

	2022-2023	2021/2022
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	-	-
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	-	-
Total	-	-

17. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Staff Salary	(513,065)	923,513	Closing balance for salary
Committee Expenses				
ADM Comm Expenses	Committee allowances	82,778	843,048	Balances brought forward as committee allowance
M& E Committee Expenses	Monitoring and Evaluation expenses	(766,227)	921,542	Balances brought forward for monitoring and evaluation expenditure
Sub-Total		(683,449)		
Use of goods & services				
ADM- Goods and Services	Other committee expenses, Traveling costs, Hospitality cost	6,488,000		
M&E Goods and Services	Ngcdfc monitoring Expenses	728,609	600,882	Balances brought forward for monitoring expenditure
M&E Capacity Building	Traing expenses	180,999	55,999	Balances brought forward for training expenses
Sub-Total		7,397,608		
Amounts due to other Government entities				
7.1 Marura Primary School	Construction of perimeter wall, Supply of water tanks, Tank base and gutters	11,600,000	4,500,000	Balances brought forward for construction of perimeter wall

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
7.2 Tom Mboya Primary School	Construction of 4 no classrooms, supply of water tanks, Tank base and gutters	11,000,000	7,132,629	
7.20 Tom mboya primary school			4,800,000	Balances brought forward for construction
7.3 Kariobangi North Primary School	Supply of water tanks, tank base and gutters		212,066	Balances brought forward for supply of tank
7.4 Ushirika Primary School		0.00		
7.5 Dandora One Primary School	Construction of classrooms, supply of water tanks tank base and gutters	11,600,000	3,049,800	Balances for construction of classrooms
7.6 Kariobangi North Primary	Supply of water tanks, Tank base and gutters		2,100,000	Balances for construction of classes
7.7 James Gishuru Primary School	Supply of desks, water tanks, tank base and gutters	600,000.00		Balances for supply of desks
7.8 Ronald Ngala Primary School	Construction of twin laboratory, supply of desks	11,600,000.00		Balances for construction of laboratory
7.9 Ushirika Primary School	Supply of desks	600,000.00		Balances for supply of desks
7.10 Wangu Primary School	Construction of twin laboratory, supply of desks	11,600,000.00		Balances for construction of laboratory
7.20 Kariobangi North Girls			1,000,000	Balances for construction of classes
7.30 Our Lady of Fatima Primary			8,000,000	Balances for construction of classes
8.4 Ushirika Secondary School	Completion of a		1,500,000	Balances for construction of

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	perimeter wall	40,000		perimeter wall
Sub-Total		71,134,295		
Sub-Total				
Amounts due to other grants and other transfers				
10.0 Security Projects				
10.1 Kwa Mbaao AP Line	Completion of perimeter wall		500,000	Balances left for completion of wall
10.2 Kinyago Police Station	Supply of water tanks,tank base and gutters		1,398,309	Balances left for construction of police post
10.3 Kariobangi North Polic Station	Completion of perimeter wall		26,950	Balances for completion of the wall
10.4 Dandora Phase 1 Security High Mast	Installation of security lights		2,000,000	Balances left for installation of security lights
10.5 Dandora Phase 2 Two- No. Security Flood Light High Mast	Installation of security lights		4,000,000	Balances left for installation of security lights
10.6 Dandora Phase 3 One No. Security Flood Light	Installation of security lights		2,000,000	Balances left for installation of security lights
10.7 Dandora Phase 4 One No. Flood Light	Installation of security lights		2,000,000	Balances left for installation of security lights
Environment	Supply of water tanks,tank base and gutters	9,252,502		Balances for purchase of water tanks and gutters
Emergency	Unforeseen occurrence	17,801,027		Balances for any unforeseen occurrence
Sports	Constituency sports tournaments	1,357,174		Balances for sports activities
Bursary	Closing balances for tertiary bursary	8,298,551		
Sub-Total		48,634,513		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Sub-Total				
Acquisition of assets				
Others (specify)				
Strategic Plan	Strategic plan cost	2,000,000		
Sub-Total		2,000,000		
Funds pending approval				
14.1 Unapproved projects	Sale of tenders	39,000		
14.2 James Gichuru Sec School	Construction of one storey building with administration block	5,000,000	37,000,000	Balances for construction of twin building
14.3 Tom Mboya Sec School	Construction of one storey building with administration block	5,000,000	25,000,000	Balances for construction of storey building
14.4 Ronald Ngala TTI	Construction of technical training institute		11,000,000	Balances for construction of training institute
14.5 Dandora Phase 3 Youth Empowerment Sector	Construction of youth empowerment structure		7,500,000	Balances for construction of youth structure
14.6 Dandora P 4 Administration Police Post	Construction of Administration	5,000,000		Balances for construction of administration block

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
14.7 AIA	block			
14.8 PMC savings	Sale of tender	16,000		
Sub-Total		95,555,000		
Grand Total		223,524,903		

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,188,065	-	-	1,188,065
ICT Equipment, Software and Other ICT Assets	1,135,000	-	-	1,135,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	2,323,065	-	-	2,323,065

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
DANDORA POLICE STATION	0320272078714	EQUITY BANK KARIOBANGI	1,915	1,915
JAMES GICHURU PRIMARY	0320272107231	EQUITY BANK KARIOBANGI	8,500,778	9,457,151
RONALD NGALA PRIMARY	0320278520099	EQUITY BANK KARIOBANGI	400,415	12,579,999
KARIOBANGI NORTH PRIMARY	0320272052722	EQUITY BANK KARIOBANGI	5,642,169	6,221,753
WANGU PRIMARY	0320278508367	EQUITY BANK KARIOBANGI	346	12,179,930
SHARP CORNER AP LINE	0320279644487	EQUITY BANK KARIOBANGI	10,029	10,029
DANDORA PHASE 3 D.OS OFFICE	0320279620468	EQUITY BANK KARIOBANGI	456815	868,720
CANAAN ADMINISTRATION POLICE LINE	0320279602597	EQUITY BANK KARIOBANGI	2,762	2,762
KARIOBANGI POLICE STATION	0320279645756	EQUITY BANK KARIOBANGI	21,395	21,395
TOM MBOYA PRIMARY	0320264695245	EQUITY BANK KARIOBANGI	616,875.05	11,791,931
DANDORA SECONDARY	0320272078524	EQUITY BANK KARIOBANGI	8,015,375.7	8,313,629
DANDORA PRIMARY	0320272107034	EQUITY BANK KARIOBANGI	3,900,179	16,079,763
USHIRIKA PRIMARY	0320278509122	EQUITY BANK KARIOBANGI	1,511,104	2,690,689
DANDORA GIRLS SECONDARY	0320272199689	EQUITY BANK KARIOBANGI	145,840	502,213
DANDORA II CHIEF OFFICE	0320278452239	EQUITY BANK KARIOBANGI	2,018	147,486
KARIOBANGI NORTH CHIEF OFFICE	0320278499841	EQUITY BANK	835	146,303

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
		KARIOBANGI		
USHIRIKA SECONDARY	0320262271020	EQUITY BANK KARIOBANGI	610,621	966,994
MARURA PRIMARY	0320277981244	EQUITY BANK KARIOBANGI	1,378,526	12,219,331
EMBAKASI NORTH SPORTS	0320279572490	EQUITY BANK KARIOBANGI	1,414	1,414
DANDORA 1 CHIEFS OFFICE	0320278451937	EQUITY BANK KARIOBANGI	37,322	182,790
KARIOBANGI NORTH GIRLS SECONDARY	0320279280950	EQUITY BANK KARIOBANGI	6,622,474	6,978,847
DANDORA 4 CHIEF OFFICE	0320278622458	EQUITY BANK KARIOBANGI	5,027	150,495
OURLADY OF FATIMA SECONDARY	0320282118114	EQUITY BANK KARIOBANGI	5027	8,298,373
TOM MBOYA SECONDARY	0320283785265	EQUITY BANK KARIOBANGI	20,000,000	-
Grand Total			57,889,261.75	109,813,911

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		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>Inaccuracies in the Financial Statements</p> <p>The statement of receipts and payments and Note 4 to the financial statements reflect compensation of employees amount of Kshs.3,572,830 while analysis of the payment vouchers revealed a total amount of Kshs.3,230,460. The variance of Kshs.342,370 was not explained or supported. Similarly, Note 7 to the financial statements reflects expenditure under sports projects totalling to Kshs.3,486,548 while analysis of the payment vouchers reflected a total amount of Kshs.3,700,000, resulting to an unexplained variance of Kshs.213,452.</p> <p>In the circumstances, the accuracy of the Fund's financial statements could not be confirmed.</p>	Vouchers had been submitted at the subcounty office but were misplaced during audit but was later were provided	resolved	resolved
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>Irregular Allowances</p> <p>The statement of receipts and payments and Note 5 to the financial statements reflect</p>	All the details were provided at the treasury but unfortunately they were misplaced during the other audit exercises. The committee	resolved	resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm		
	<p>expenditure totaling to Kshs.11,940,687 under use of goods and services which includes committee allowance amount of Kshs. 1,631,952.Out of which the Fund paid allowances totaling to Kshs.1,328,000 to Committee members, bursary clerks and training. However, the expenditure was not supported with the relevant payment documents.</p> <p>In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.1,328,000 paid to committee members could not be confirmed.</p>	couldn't qualify for other imprest withdrawal. That was the case.		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	Unsupported allowances	There was misplacement of vouchers at the subcounty office	In process	In current financial year feb 2024
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>Irregularities in the Bursary Disbursements</p> <p>The statement of receipts and payments reflects other grants and transfers balance of Kshs.62,911,548 and as disclosed under Note 7 to the financial statements. Included in the balance is an amount of Kshs.46,465,000 transferred to secondary schools and Kshs.12,960,000 transferred to tertiary institutions as bursaries for needy students.</p>	<p>Unsupported payments</p> <p>i. Kshs.605,000.00 was primarily spent on bursary. The attachment and documents related to the item were submitted at the treasury.</p>	resolved	resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm
	<p>An examination of the supporting documents provided for audit revealed the following anomalies;</p>	<p>ii. Failure to disclose admission numbers</p> <p>Our norm was not to disclose admission numbers in the list submitted at the treasury but we normally disclose when cheques are being sent to schools. see appendix</p> <p>iii. Multiple allocation of bursaries</p> <p>More than once allocation due to special cases. The committee made decision to allocate more funds to specific students.</p> <p>iv. Failure to provide bursary allocation criteria</p> <p>In most cases, the committee allocates bursary to almost 95%</p>

Reference No. on the external audit Report	Issue / Observations from Auditor		Management comm	
		of the applicants. To meet the objective, we normally budget 35 % (maximum) of the total budget from the fund available. Beneficiaries get a minimum of Kshs. 5,000.00. The criteria is that: <ul style="list-style-type: none"> • You must be a voter of Embakasi North Constituency • You must show that you are needy We have a dispatch register .see appendix		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	Unsupported Payments The financial statements reflect Kshs.59,425,000 as total bursary awarded to secondary schools. However, award as per the payment vouchers	Unsupported payments v. Kshs.605,000.00 was primarily spent on bursary. The attachment and documents related to the item were submitted	resolved	resolved

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm
	<p>provided for audit was Kshs.58,820,000, resulting in unexplained variance of Kshs.605,000. Further, the payment voucher number 98A of Kshs.34,000,000 disbursed to secondary schools was not supported with a schedule of the schools and beneficiaries of the amount transferred</p>	<p>at the treasury.</p> <p>vi. Failure to disclose admission numbers</p> <p>Our norm was not to disclose admission numbers in the list submitted at the treasury but we normally disclose when cheques are being sent to schools. see appendix</p> <p>vii. Multiple allocation of bursaries</p> <p>More than once allocation due to special cases. The committee made decision to allocate more funds to specific students.</p> <p>viii. Failure to provide bursary allocation criteria</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor		Management comm	
		<p>In most cases, the committee allocates bursary to almost 95% of the applicants. To meet the objective, we normally budget 35 % (maximum) of the total budget from the fund available. Beneficiaries get a minimum of Kshs. 5,000.00.</p> <p>The criteria is that:</p> <ul style="list-style-type: none"> • You must be a voter of Embakasi North Constituency • You must show that you are needy <p>We have a dispatch register .see appendix</p>		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	Bursary Awarded without Applications	ix. Failure to provide bursary	resolved	resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor		Management comm	
	Review of records provided for audit revealed that none of the bursary beneficiaries could be traced to an application form submitted for funding	allocation criteria In most cases, the committee allocates bursary to almost 95% of the applicants. To meet the objective, we normally budget 35 % (maximum) of the total budget from the fund available. Beneficiaries get a minimum of Kshs. 5,000.00. The criteria is that: <ul style="list-style-type: none"> • You must be a voter of Embakasi North Constituency • You must show that you are needy 		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	Stale Cheques The statement of assets and liabilities reflects cash and cash equivalents balance of	All stale cheques has been reversed,and issued to other beneficiaries	resolved	resolved

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm		
	<p>Kshs.103,563,772 as at 30 June, 2022. Examination of the bank reconciliation statement in support of the balance revealed unrepresented cheques totalling Kshs.17,494,555 which includes stale cheques amounting to Kshs.723,000. However, Management did not provide evidence and details of when the unrepresented cheques were cleared and reason for failure to reverse the stale cheques in the cash book.</p> <p>In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.103,563,772 could not be confirmed</p>			
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>. Failure to Provide Project Files</p> <p>Note 6 to the financial statements reflects transfers to other Government entities totaling to Kshs.24,290,300. Field verification carried out in March, 2023 revealed that the cost of construction of the wall of Ushirika Secondary School project was Kshs.1,44,000. However, the Dandora 1 Primary School project for construction of two classrooms had stalled. The project files for the two projects were not provided for audit. Further, Management did not</p>	<p>I. Ushirika Secondary School- Construction of 100m perimeter wall</p> <p>II. Dandora 1 Primary School (Construction of 2 no. classrooms)</p> <p>The files are available.</p>	resolved	resolved

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm		
	<p>explain why the project on construction of two classrooms at Dondora 1 Primary School had stalled.</p> <p>In the circumstances, it was not possible to confirm that there was proper use of funds on the stalled project. In addition, Management was also in breach of the law.</p>			
	<p>Undisclosed Project Management Committee Bank Account Balance</p> <p>Annex 5 to the financial statements reflects Project Management Committees bank balances totaling to Kshs.41,673,181. However, a balance of Kshs.5,000,000 belonging to PMC of Kariobangi North Girls Secondary School was not included in Annex 5 and the certificate of account balances as at 30 June, 2022.</p> <p>Failure to disclose the balance of Kshs.5,000,000 understated the Project Management Committee bank balances by the same amount.</p> <p>In the circumstance, the accuracy of the Project Management Committee bank</p>	<p>The list which was presented had a typing error</p>	<p>resolved</p>	<p>resolved</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm																																					
	balances of Kshs.41,673,181 could not be confirmed																																						
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>. Unsupported transfer to other Government Entities The statement of receipts and payments reflects Kshs.24,290,300 as transfers to other Government units and as disclosed under Note 6 to the financial statements. Review of the the records revealed that the funds were disbursed to Project Management Committee on the respective dates, as analysed below;</p>																																						
	<table border="1"> <thead> <tr> <th>PMC</th> <th>Date issued</th> <th>Amount Kshs.</th> </tr> </thead> <tbody> <tr> <td>Dandora Secondary School</td> <td>28.10.2021</td> <td>8,000,000</td> </tr> <tr> <td>James Gichuru Secondary School</td> <td>28.10.2021</td> <td>8,500,000</td> </tr> <tr> <td>Tom Mboya Primary School</td> <td>8.09.2021</td> <td>1,290,000</td> </tr> <tr> <td>Ushirika primary school</td> <td>8.09.2021</td> <td>1,500,000</td> </tr> <tr> <td>Kariobangi North Girls Secondary</td> <td>11.02.2022</td> <td>5,000,000</td> </tr> <tr> <td>Total</td> <td></td> <td>24,290,000</td> </tr> </tbody> </table>		PMC	Date issued	Amount Kshs.	Dandora Secondary School	28.10.2021	8,000,000	James Gichuru Secondary School	28.10.2021	8,500,000	Tom Mboya Primary School	8.09.2021	1,290,000	Ushirika primary school	8.09.2021	1,500,000	Kariobangi North Girls Secondary	11.02.2022	5,000,000	Total		24,290,000	<table border="1"> <tbody> <tr> <td>1</td> <td>Dandora Secondary School</td> <td>8,000,000.00</td> </tr> <tr> <td>2</td> <td>James Gichuru Secondary School</td> <td>8,500,000.00</td> </tr> <tr> <td>3</td> <td>Tom Mboya Primary School</td> <td>1,290,000.00</td> </tr> <tr> <td>4</td> <td>Ushirika Primary School</td> <td>1,500,000.00</td> </tr> <tr> <td colspan="2">Total</td> <td>24,290,000.00</td> </tr> </tbody> </table>	1	Dandora Secondary School	8,000,000.00	2	James Gichuru Secondary School	8,500,000.00	3	Tom Mboya Primary School	1,290,000.00	4	Ushirika Primary School	1,500,000.00	Total		24,290,000.00
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<p>However, with exception of Tom Mboya Primary School, where funds were used for completion of a wall, the other schools had no projects implemented by the end of the year and no explanation was provided for channeling the</p>	<p>In most of the projects there was change of design and procurement was to commence afresh. There was also delay caused by non-engagement of technical persons i.e. Quantity Survey, Structural engineers and</p>																																						

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm		
	<p>funds to the Project Management Committees. Field verification carried out in March, 2023 in Ushirika Primary School and Kariobangi North Girls Secondary Schools confirmed that no projects were implemented despite funds having been sent to the schools. In addition, minutes from PMCs of these projects were not provided for audit and therefore existence of the projects could not be confirmed.</p> <p>In the circumstances, the accuracy and completeness of transfers to other Government units amount of Kshs.24,290,300 could not be confirmed.</p>	architects to prepare documents.		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>. Unsupported Expenditure on Public Participation</p> <p>Review of the records provided revealed that, a payment voucher no. 44/28 highlights surrender of imprest meant for public participation in different wards in Embakasi North Constituency. Payments amounting to Kshs.415,000 were made to residents who attended the events. However, audit review of the documents revealed that all the names listed as residents belonged to underage bursary applicants and the telephone contacts listed was their</p>	All documents relating to that were presented to the subcounty office but were misplaced during time of audit	resolved	resolved

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm	
	<p>parents/guardians. Further, there were no invitations, agenda or reports of the outcome of the events or any other evidence that the events actually took place as alleged.</p> <p>In the circumstances, the accuracy and completeness of the public participation amount of Kshs.415,000 could not be confirmed.</p> <p>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 North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm						
	<p>Presentation and Disclosure of the Financial Statements</p> <p>The financial statements presented revealed that the Chairlady's report did not include details of key achievement for the entity, list of emerging issue related to the entity and implementation challenges and a recommendation of the way forward as per the reporting format issued by the Public Sector Accounting Standards Board. In addition, analysis under compensation of employees in Note 4 to the financial statements did not disclose information on house and transport allowances as required in the reporting format.</p> <p>Further, Note 17.2 reflects pending staff payables amount of Kshs.347,200, which was owed to one staff member as gratuity. However, audit review revealed that there were additional four (4) staff members owed an amount totalling to Kshs.1,306,030 in gratuity as analyzed below;</p> <table border="1" data-bbox="651 1305 1823 1417"> <thead> <tr> <th>Name</th> <th>Amount Owed (Kshs.)</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>Priscillah Mulongo Mwangolo</td> <td>424,390</td> <td>37 months</td> </tr> </tbody> </table>	Name	Amount Owed (Kshs.)	Period	Priscillah Mulongo Mwangolo	424,390	37 months	<p>We committed to make corrections for the financial statements 2021-2022</p> <p>resolved</p> <p>resolved</p>
Name	Amount Owed (Kshs.)	Period						
Priscillah Mulongo Mwangolo	424,390	37 months						

Embakasi North Constituency
 National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comm																				
	<table border="1"> <tr> <td>Maureen Wangeci Mugo</td> <td>279,000</td> <td></td> <td>36 months</td> <td></td> </tr> <tr> <td>Francis Ngigi Kangethe</td> <td>357,120</td> <td></td> <td>36 months</td> <td></td> </tr> <tr> <td>Nellus Wanjiru Njeri</td> <td>245,520</td> <td></td> <td>36 months</td> <td></td> </tr> <tr> <td>Total</td> <td>1,306,030</td> <td></td> <td></td> <td></td> </tr> </table>	Maureen Wangeci Mugo	279,000		36 months		Francis Ngigi Kangethe	357,120		36 months		Nellus Wanjiru Njeri	245,520		36 months		Total	1,306,030							
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	<p>In the circumstances, the accuracy and completeness of the pending staff payables balance of Kshs.347,200 could not be confirmed and the Management did not comply with the prescribed reporting format in terms of presentation and disclosure</p>																								
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>Inaccuracies in the Financial Statements</p> <p>The statement of receipts and payments and Note 4 to the financial statements reflect compensation of employees amount of Kshs.3,572,830 while analysis of the payment vouchers revealed a total amount of Kshs.3,230,460. The variance of Kshs.342,370 was not explained or supported. Similarly, Note 7 to the financial statements reflects expenditure under sports projects totalling to Kshs.3,486,548 while analysis of the payment vouchers reflected</p>		<p>Vouchers had been submitted at the subcounty office but were misplaced during audit but was later were provided</p>	resolved	resolved																				

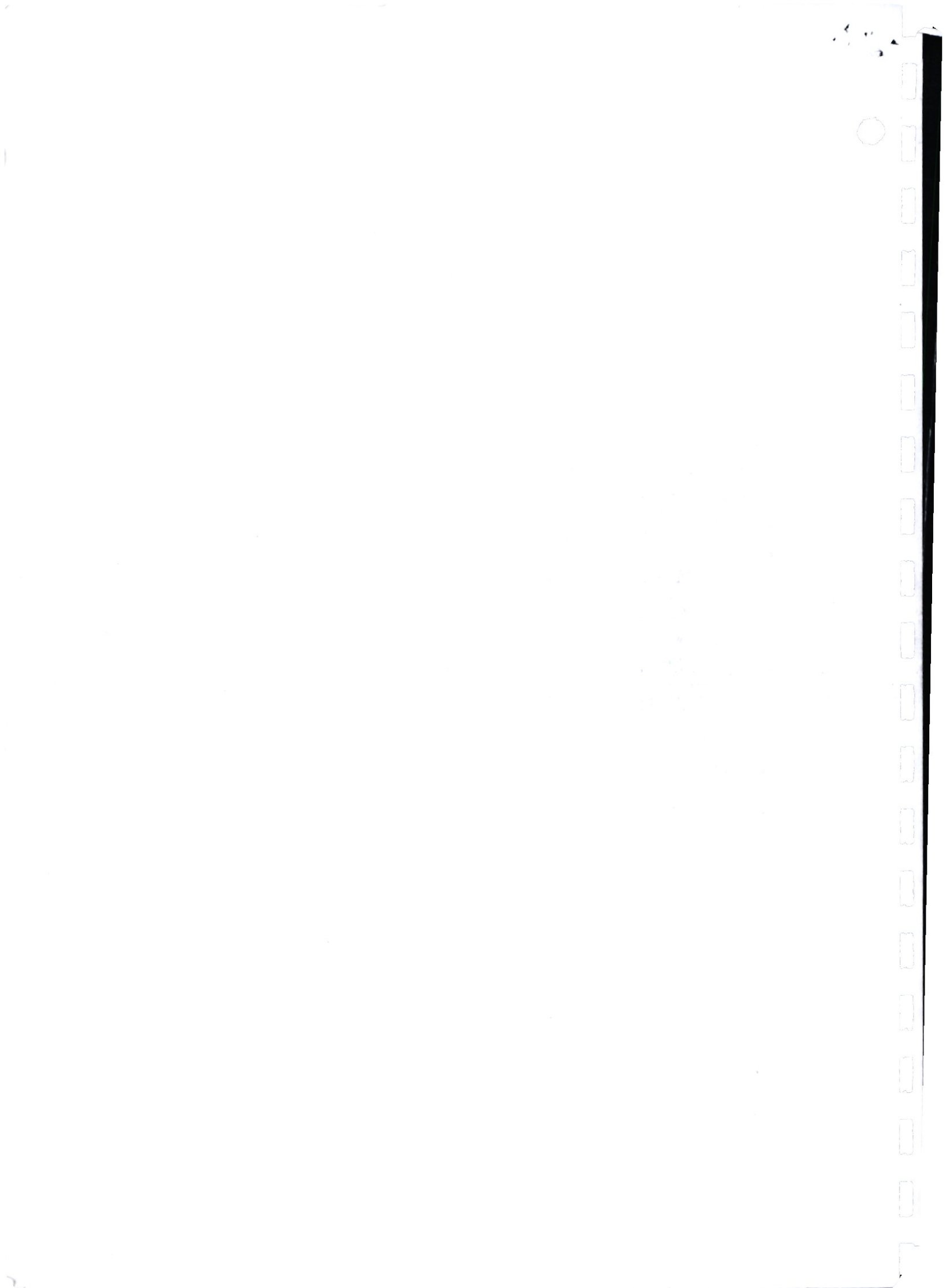
Embakasi North Constituency
 National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor		Management comm
	<p>a total amount of Kshs.3,700,000, resulting to an unexplained variance of Kshs.213,452.</p> <p>In the circumstances, the accuracy of the Fund's financial statements could not be confirmed.</p>		
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	<p>Irregular Allowances</p> <p>The statement of receipts and payments and Note 5 to the financial statements reflect expenditure totaling to Kshs.11,940,687 under use of goods and services which includes committee allowance amount of Kshs. 1,631,952.Out of which the Fund paid allowances totaling to Kshs.1,328,000 to Committee members, bursary clerks and training. However, the expenditure was not supported with the relevant payment documents.</p> <p>In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.1,328,000 paid to committee members could not be confirmed.</p>	All the details were provided at the treasury but unfortunately they were misplaced during the other audit exercises. The committee couldn't qualify for other imprest withdrawal. That was the case.	resolved resolved
OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023	Unsupported allowances	There was misplacement of vouchers at the subcounty office	In process In current financial year feb 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm
<p>OAG/NRO/NGCDF/EMBAKASI NORTH/2022/2023</p>	<p>Irregularities in the Bursary Disbursements The statement of receipts and payments reflects other grants and transfers balance of Kshs.62,911,548 and as disclosed under Note 7 to the financial statements. Included in the balance is an amount of Kshs.46,465,000 transferred to secondary schools and Kshs.12,960,000 transferred to tertiary institutions as bursaries for needy students.</p> <p>An examination of the supporting documents provided for audit revealed the following anomalies;</p>	<p>Unsupported payments</p> <p>x. Kshs.605,000.00 was primarily spent on bursary. The attachment and documents related to the item were submitted at the treasury.</p> <p>xi. Failure to disclose admission numbers</p> <p>Our norm was not to disclose admission numbers in the list submitted at the treasury but we normally disclose when cheques are being sent to schools. see appendix</p> <p>xii. Multiple allocation of bursaries</p> <p>More than once allocation due to</p> <p>resolved resolved</p>

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		<p>special cases. The committee made decision to allocate more funds to specific students.</p> <p>xiii. Failure to provide bursary allocation criteria</p> <p>In most cases, the committee allocates bursary to almost 95% of the applicants. To meet the objective, we normally budget 35 % (maximum) of the total budget from the fund available. Beneficiaries get a minimum of Kshs. 5,000.00.</p> <p>The criteria is that:</p> <ul style="list-style-type: none"> • You must be a voter of Embakasi North Constituency • You must show that you are



*Embakasi North Constituency
 National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comm		
		needy We have a dispatch register .see appendix		



Name Malaki Opiyo Magero
Fund Account Manager.

