

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

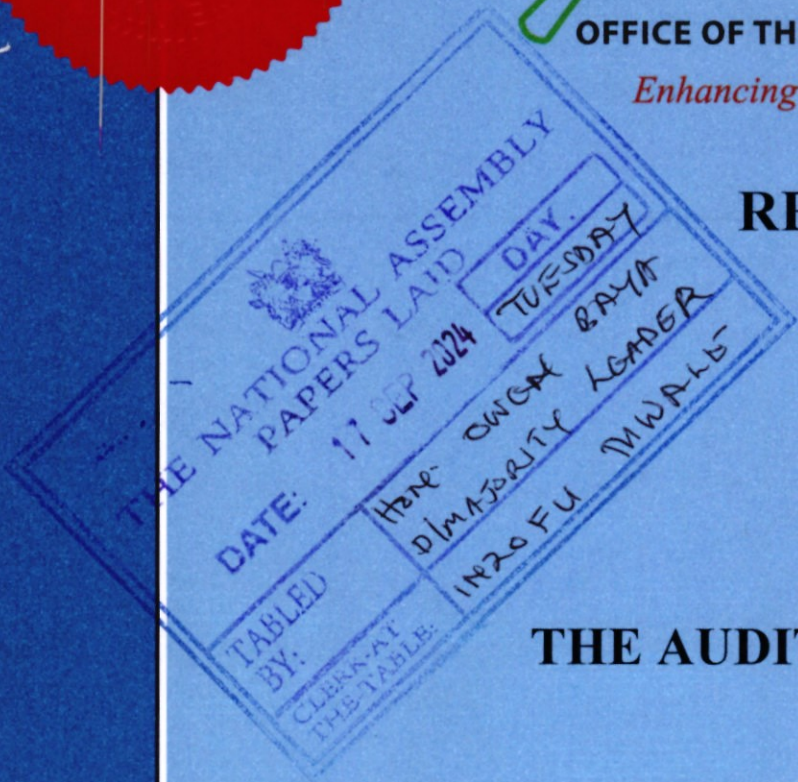
OF

THE AUDITOR-GENERAL

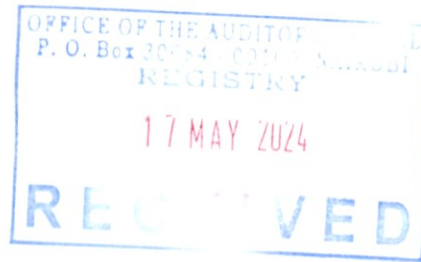
ON

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

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







EMBAKASI SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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



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*Embakasi South Constituency
National Government Constituencies Development Fund (NGCDF)
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I. Acronyms and Glossary of terms

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

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;

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

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

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Elias M .Mate
2.	Sub-County Accountant	Justus Mutua
3.	Chairman NGCDFC	Dancun Mulwa.
4.	Member NGCDFC	Sabina Wanjohi.

(c) Fiduciary Oversight Arrangements

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

(d) Embakasi south Constituency NGCDF Headquarters

P.O. Box 1253-00621
A.C.C Office Imara Daima
Off Mombasa road
Nairobi, KENYA

(e) Embakasi south Constituency NGCDF Contacts

Telephone: (254)715070030
E-mail: cdfembakasisouthngcdf.go.ke
Website: www.embakasisouth.go.ke

(f) Embakasi south Constituency NGCDF Bankers

Equity Bank
Embakasi
P O Box 70154
Nairobi ,Kenya.

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



**DUNCAN MULWA.,CHAIRPERSON,
EMBAKASI SOUTH NG-CDF.**

INTRODUCTION

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

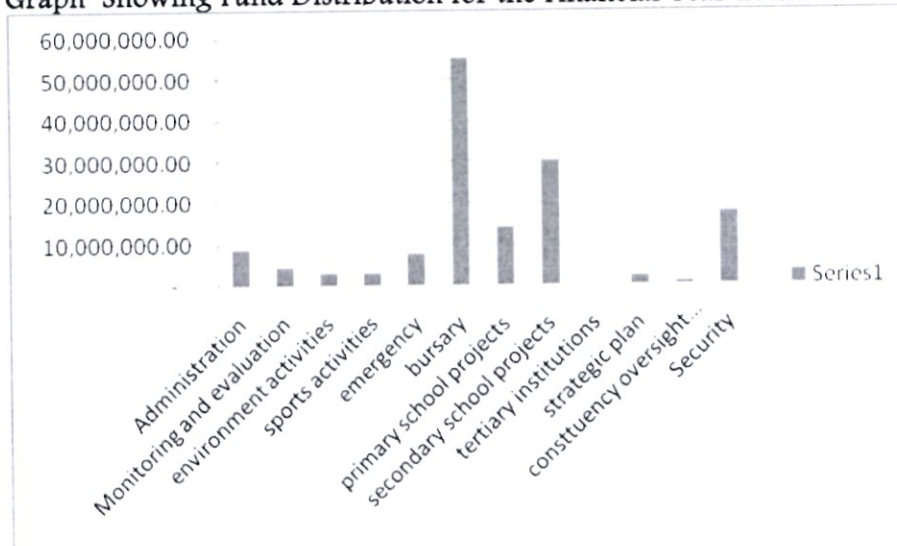
The Embakasi South Constituency NG-CDF total allocation for the financial year 2022/2023 was Kshs 137,088,879 which was an increase from the previous year Kshs 145,087,603 allocated in financial year 2021/2022

Our key focus in the financial year 2022/2023 was construction of new more classrooms in primary and secondary school, in order to ensure that there is 100% enrollment of pupils as per the Government agenda four initiative

1. Table1.1 showing allocation on comparative Basis

Financial Year	Allocation	Disbursement Within the year
2021/2022	137,088,879	150,088,879
2022/2023	145,087,603	104,088,879
Increases/Decrease	7,998,724	46,000,000

Graph Showing Fund Distribution for the Financial Year 2022/2023



KEY ACHIEVEMENTS

In the financial year just ended the Embakasi South NG-CDF has made some major achievements in terms of development projects. Various notable projects are ongoing and will be soon completed and commissioned. They include;

- Completed 6 classrooms in kware primary school
- Completed 6 classrooms in kware seacondary school.
- Construction perimeter wall in kware primary school
- Completed 6 classrooms in reuben secondary school
- Construction of huduma centre at ACC office in imara daima.

Once complete the benefits in the respective schools will be immense giving the learners a conducive environment for learning.



REUBEN SECONDARY SCHOOL

Two storey building of Reuben secondary school. The school is in use and hence smooth transition of students to secondary school. completion learning for the students are be enhanced by lessons that are now available in the school.



Kware secondary school.

Construction of 6No of new classroom at Kware Secondary School. The complete classes will increase number of school going students and decongest the nearby secondary schools creating better and spacious learning environment resulting to improved performance.

EMERGING ISSUES

- Shortage of land to implement new projects such as school, police camp and chief camp.
- High level of unemployment's leading to high dependence levels, the government should consider increasing the NGCDF kitty to gap the unemployment.
- The continuous state of campaign moods causing uncertainty.

CHALLENGES

- Some project may require along span of implementation creating difference between initial budget and the actual cost during implementation
- Limited fund against competing needs from different institutions
- High number of vulnerable populations

SOLUTION

- NG-CDF board need to be flexible in fund disbursements for the project's implementation considering project with longer lifespan
- Public participation in project implementation be conducted regularly
- Collaboration with other government institutions where possible.



Name. Duncan Mulwa.

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

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Embakasi south Constituency 2021-2025* plan are to:

- To improve education outcomes at all levels of learning.
- To empower constituents of Embakasi south Constituency socially and economically.
- To enhance security for the constituents through improving infrastructure for security provision and strengthen community policing mechanisms.
- To address environmental challenges and reduce the impact of disaster risks.

To improve efficiency and effectiveness through streamlining funds processes and system

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	Construct additional classroom and sanitation facilities in school. Perimeter fencing of school. Bursaries for needy and deserving learners	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions. Improved physical state of school infrastructure. Security in the school. Access to education improved in informal settlements	No of classroom constructed or rehabilitated. No of desks provided to school. No of students supported through bursaries	In FY 2022/23 -we constructed six classrooms, at reuben secondary school and kware secondary school. There were 3,439 secondary school bursary and 150 tertiary beneficiaries in the year 2022/2023.
Security	Construct and rehabilitate	State of physical facilities in the	No of housing units for the police constructed.	In FY 2022/2023 we rehabilitated ACC Imara Daima,

	physical infrastructure in the police stations and posts. Support construction of offices for national Administration. Install security lights in crime hot spots and public places.	police station improved. Improved security and units for the safety for all. Housing for the police officers improved. Improved access to administrative services by the public.	No of security lights installed. No of new police posts established. No of police station rehabilitated.	kware police post, pipeline chiefs office .
Environment	Purchase and installation of gutters for water harvesting, Installation of sewer lines and purchase water tanks.	Clean environment . More clean water havesting	Number of water tanks installed for clean water harvesting.	In F/Y 2022/2023 we installed 6 water tanks.2 at kwa reuben secondary school,2 at kware primary and 2 at kware secondary. We also installed gutter and sewer lines.
Sports	Rehabilitate and secure community sports grounds Support community clubs Link community clubs with sponsors and national agencies Sponsor constituency annual sport tournaments	Talents in sports and arts identified and developed among the youth. State of community sports grounds improved. Community clubs supported.	No of community sports ground rehabilitated and secured. No of community clubs supported. Annual constituency sports	In F/Y 2022/23 Embakasi south NG-CDF supplied sport uniforms to 36 teams teams within the constituency.
Emergency	Improve the mechanism used in handling diststers	Reduce loss of live and properties	Number of staircases and rumps put in place	Fire occurred in kwa reuben ward and we provided supplies.

V. Statement of Governance

Background

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

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

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

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

Appointment of NGCDFC

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

Subsidiary Legislation, 2016 1951

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

Process

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

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

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S/N	Name	Category representation	Ward
1.	Duncan Mulwa	Male (Adult)	Kwa Njenga
2.	Benjamin Wafula	Male (Youth)	Kwa njenga
3.	Linet Mandete	Female (Adult)	pipeline
4.	Sabina Wanjohi	Female (Youth)	Imara daima

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Ibrahim Oriango	Spinal disfunction.	Kwa reuben.

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Urbanus Mwikya	Male representative	Kwa Reuben
2	Cellin Apondi	Female Representative	Kware

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.	Januaris Kyalo	Male	Kwa njenga

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

The following member were elected.

1. Chairperson position – Duncan Mulwa
2. Secretary position – Sabina Wanjohi

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

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

Roles and functions of NG-CDFC

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.

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

Removal of NG-CDFC Members

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Embakasi south the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

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

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Number of meetings held

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

During the financial year 2022/2023 the NGCDFC Embakasi south held sixteen meetings and two subcommittee meetings.

S/NO	NG-CDFC COMMITTEE MEMBERS	Octr 3 rd 2022	nov 2 rd 2022	SEP 6 th 2022	Dec 14 th 2023	JAN 9 TH 2023	Jan 26 th 2023	Feb 27 th 2023	FEB 24 TH 2023	Mar 13 2023	Apr 20 th 2023	Apr 28 th 2023	May 23 rd 2023	June 20 th 2023	JUNE 29 th 2023
1	Duncan Mulwa chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Sabina wanjohi Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Ibrahim Oriango				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Urbanus Mwikya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Cellin Apondi				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Januaris Kyalo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Benjamin Wafula				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Linnet Madete	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Job Tuta FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Jacob Mwaura DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

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

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

Members' remuneration

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

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

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Embakasi south contravened conflict of interest policy.

Risk management

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

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

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Embakasi south together with schools across the constituency participated in world Environment day and sensitised student environment conservation planted trees.
- Embakasi south NGCDF constructed and rehabilitated pipeline police post kware police post and AA Villa police post.
- Embakasi south NG-CDF in collaboration with football federation of Kenya sponsored sporting activities that brought communities and we sensitized them on environmental conservation matters.

3. Employee welfare

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

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

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

4. Market place practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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



.....

Name: Job Tuta.

Fund Account Manager.

VII. Statement Of Management Responsibilities

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

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

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

*Embakasi South Constituency
National Government Constituencies Development Fund (NGCDF)
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prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Embakasi south Constituency financial statements were approved and signed by the Accounting Officer on 16th May 2024.



.....
Name: Duncan Mulwa.
Chairman – NGCDF Committee



.....
Name: Job Tuta
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI SOUTH 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 South Constituency set out on pages

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

1 to 37, 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 National Government Constituencies Development Fund - Embakasi South 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 Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers of Kshs.73,315,340 as disclosed in Note 8 to the financial statements. Included in the balance are disbursements totalling Kshs.44,112,800 as bursaries to secondary schools and tertiary institutions. However, review of the supporting documents provided for audit revealed that here was no evidence of formation and operationalization of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee. Further, acknowledgement notes or receipts by the beneficiary institutions and bursary cheque dispatch register were not provided for audit.

In the circumstances, the accuracy and completeness for the bursary expenditure totalling Kshs.73,315,340 could not be confirmed.

2. Failure to Return Unspent Project Management Committee Balances

Note 18.4 and Annex 5 to the financial statements reflect Project Management Committee (PMC) bank balances of Kshs.25,704,345. However, review of cash book and bank statements revealed that unutilized balances for completed projects were not returned to the constituency account as required by Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022). Further, the cash books, bank reconciliation statements and certificates of bank balances were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs.25,704,345 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Embakasi South Constituency Management in accordance with

ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.215,293,335 and Kshs.153,966,369 respectively resulting to an under-funding of Kshs.61,326,966 or 39 % of the budget. However, the Fund spent an amount of Kshs.110,575,687 against actual receipts of Kshs.153,973,929 resulting to an under-utilization of Kshs.43,398,242 or 28% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As require by Article 229(6) of the Constitution and based on audit procedures performed, except for the matters described in the Basis for 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. Lack of Approved List of Prequalified Suppliers

During the year under review, the Fund did not have approved list of pre-qualified suppliers. This was contrary to Section 93(1) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that a procuring entity shall maintain and continuously update lists of registered suppliers, contractors and consultants.

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

2. Failure to Report Utilization of Emergency Reserves

The statement of receipts and payments reflects other grants and transfers amount of Kshs.73,315,340, as disclosed in Note 8 to the financial statements. The amount includes emergency expenditure of Kshs.2,887,200. However, there was no evidence indicating that the Fund Management reported the emergency expenditures to the Board. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016. The utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency in the format described by the Board.

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, except for the matter described in the basis for conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Maintain Imprest Register

During the year under review, Management did not maintain an imprest register indicating details of payees, amount issued, imprest warrant number, dates of issue, due dates and

dates of surrender as stipulated in Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of internal controls on the processing of imprest could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2024




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

	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	138,118,879	150,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	50,000	-
Total Receipts		138,168,879	150,088,879
Payments			
Compensation Of Employees	4	3,116,640	5,414,596
Committee expenses	5	3,202,700	3,910,744
Use Of Goods and Services	6	3,670,303	3,171,960
Transfers To Other Government Units	7	21,411,205	112,640,201
Other Grants and Transfers	8	73,315,340	89,644,672
Acquisition Of Assets	9	5,859,500	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		110,575,687	214,782,173
Surplus/ (Deficit)		27,593,192	(64,693,294)

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 16th May 2024 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee

Name: Job Tuta.

Name: Justus mutua.
ICPAK M/No:12228.

Name: Dancun Mulwa.

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

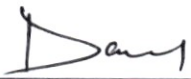
	Note	2022/2023	2021/2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	73,078,777	15,847,490
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		73,078,777	15,847,490
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		73,078,777	15,847,490
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		73,078,777	15,847,490
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	15,847,490	80,540,784
Prior year adjustments	16	29,638,095	-
Surplus/Deficit for the year		27,593,192	(64,693,294)
NET FINANCIAL POSITION		73,078,777	15,847,490

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 16th May 2024 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Job Tuta.

Name: Justus Mutua
ICPAK M/No: 12228

Name: Duncan Mulwa

*Embakasi South Constituency
National Government Constituencies Development Fund (NGCDF)
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XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	138,118,879	150,088,879
Other Receipts	3	50,000	-
		138,168,879	150,088,879
Payments for operating activities			
Compensation of Employees	4	3,116,640	5,414,596
Committee expenses	5	3,202,700	3,910,744
Use of goods and services	6	3,677,863	3,171,960
Transfers to Other Government Units	7	21,411,205	112,640,201
Other grants and transfers	8	73,315,340	89,644,672
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
		104,723,747	214,782,173
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	29,638,095	
Net Adjustments		29,638,095	
Net cash flow from operating activities		63,083,227	(64,693,294)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(5,859,500)	-
Net cash flows from Investing Activities		(5,859,500)	-
Net Increase In Cash And Cash Equivalent		57,223,727	(64,693,294)
Cash and cash equivalent at BEGINNING of the	12	15,847,490	80,540,784

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year			
Cash and cash equivalent at END of the year		73,071,217	15,847,490

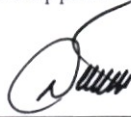
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

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



Fund Account Manager

Name :Job Tuta



National Sub-County
Accountant

Name :Justus Mutua
ICPAK M/No:12228



Chairman NG-CDF
Committee

Name :Duncan Mulwa

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Blk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,604	15,855,050	54,300,682	215,243,335	153,973,929	61,269,407	71.5%
Proceeds From Sale of Assets				-	-	-	
Other Receipts		50,000		50,000	-	50,000	0.0%
Totals	145,087,604	15,905,050	54,300,682	215,293,335	153,966,369	61,326,966	71.5%
Payments							
Compensation Of Employees	7,061,700	3,147,954		10,209,654	3,116,640	7,093,014	30.5%
Committee Expenses	2,726,368	537,507		3,263,875	3,202,700	61,175	98.1%
Use Of Goods and Services	3,269,816	1,228,965	7,198	4,505,979	3,670,303	835,676	81.5%
Transfers To Other Government Units	43,790,024	-	21,865,665	65,655,689	21,411,205	44,244,484	32.6%
Other Grants and Transfers	85,739,695	5,081,124	28,007,159	118,827,978	73,315,340	45,512,638	61.7%
Acquisition of Assets	-	5,859,500		5,859,500	5,859,500	-	100.0%
Oversight Committee Expenses	500,000			500,000	-	500,000	0.0%
Other Payments	2,000,000		4,420,660	6,420,660	-	6,420,660	0.0%
Funds Pending Approval**		50,000		50,000		50,000	0.0%
Totals	145,087,603	15,905,050	54,300,682	215,293,335	110,575,687	104,717,648	51.4%

Explanatory Notes.

(a) Ksh 61,269,407 was an amount that had not been received from NGCDF Board as 30th June 2023.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	104,717,648
Less undisbursed funds receivable from the Board as at 30 th June 2023	61,276,966
	43,440,681
Increase/ (decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	29,638,095
Cash and Cash Equivalents at the end of the 30 th June 2023	73,078,776

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



Fund Account Manager

Name :Job Tuta



National Sub-County Accountant

Name: Justus Mutua
ICPAK M/No:12228



Chairman NG-CDF Committee

Name :Duncan Mulwa.

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,061,700			10,209,654	3,116,640	7,093,014
1.2 Committee allowances	1,023,740			1,023,740	1,702,152	(678,412)
1.3 Use of goods and services	619,816	180,010		799,826	824,825	(24,999)
Total	8,705,256	3,327,964	-	12,033,220	5,643,617	6,389,603
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,750,000	1,048,955	7,198	2,806,153	2,295,478	510,675
2.2 Committee allowances	1,702,628	537,507		2,240,135	1,500,548	739,587
2.3 Use of goods and services	900,000			900,000	550,000	350,000
Total	4,352,628	1,586,462	7,198	5,946,288	4,346,026	1,600,262
3.0 Emergency	7,636,190	2,330,714		9,966,904	2,887,200	7,079,704
3.1 Primary Schools				-	-	-
3.2 Secondary schools				-	-	-
3.3 Tertiary institutions				-	-	-
3.4 Security projects				-	-	-
3.5 Unutilised				-	-	-
Total	7,636,190	2,330,714	-	9,966,904	2,887,200	7,079,704
4.0 Bursary and Social Security				-		

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	26,000,000		(3,780,422)	22,219,578	27,515,000	(5,295,422)
4.2 Tertiary Institutions	28,500,000		9,105,976	37,605,976	16,597,800	21,008,176
4.3 Social Security				-		-
4.4 Special Needs	500,000			500,000	-	500,000
Total	55,000,000	-	5,325,554	60,325,554	44,112,800	16,212,754
5.0 Sports	2,901,752	3,056		2,904,808	2,885,600	19,208
5.1						-
Total	2,901,752	3,056		2,904,808	2,885,600	19,208
6.0 Environment						
Kwa Reuben Primary School	350,000			350,000	350,000	-
Kwa Reuben Secondary School	617,251			617,251	617,251	-
Kware Primary School	617,251			617,251	617,251	-
Kware Primary School	350,000			350,000	350,000	-
Kware Secondary School	617,251			617,251	617,251	-
Kware Secondary School	350,000			350,000	350,000	-
Enivornment		2,747,354		2,747,354	2,747,354	(0)
				-		-
Total	2,901,753	2,747,354	-	5,649,107	5,649,108	(0)
7.0 Primary Schools Projects						
Kwa Njenga Primary School			5,725,750	5,725,750		5,725,750

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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			
Kware Primary School			4,549,500	4,549,500	4,549,500	-
Our lady of nazareth	14,000,000			14,000,000		14,000,000
Total	14,000,000	-	10,275,250	24,275,250	4,549,500	19,725,750
8.0 Secondary Schools Projects						-
Kwa Reuben Secondary School	9,390,024		5,043,190	14,433,214	9,344,480	5,088,734
Kware Secondary School	20,400,000		5,117,225	25,517,225	7,517,225	18,000,000
Kwa Njenga Secondary	-		1,430,000	1,430,000		1,430,000
Total	29,790,024	-	11,590,415	41,380,439	16,861,705	24,518,734
9.0 Tertiary institutions Projects				-		-
Total	-		-	-	-	-
10.0 Security Projects				-		-
Acc Imara Daima			8,944,418	8,944,418	7,465,577	1,478,841
AA Vila Police station			646,782	646,782	465,055	181,727
Kwa Ruben Police Post			5,810,405	5,810,405	4,925,000	885,405
Kware Police Post			7,280,000	7,280,000	4,925,000	2,355,000
Pipeline chiefs office	17,300,000			17,300,000	-	17,300,000
Total	17,300,000	-	22,681,605	39,981,605	17,780,632	22,200,973
11.0 Acquisition of assets		5,859,500		5,859,500	5,859,500	-
Total	-	5,859,500	-	5,859,500	5,859,500	-
12.0 Oversight Committee Expenses (itemize)						-

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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			
Committee expense	400,000			400,000		400,000
Hire of transport	100,000		-	100,000	-	100,000
Total	500,000		-	500,000		500,000
13.0 Other payments				-		-
Strategic Plan	2,000,000		40,000	2,040,000		2,040,000
NG-CDF Office			4,380,660	4,380,660		4,380,660
Total	2,000,000	-	4,420,660	6,420,660	-	6,420,660
14.0 unallocated fund						
AIA		50,000		50,000		50,000
PMC savings		-		-		-
Total	145,087,603	10,045,550	54,300,682	209,433,835	104,716,187	104,717,648

XIV. Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 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. Errors

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

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

15. Related Party Transactions

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

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XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B140871		33,000,000
AIE NO. B105427		44,000,000
AIE NO. B154393		15,000,000
AIE NO. B128794		12,000,000
AIE NO. B132481		5,000,000
AIE NO. B105752		24,000,000
AIE NO. B155802		17,088,879
AIE NO. B153678	20,000,000	-
AIE NO. B234890	12,088,879	-
AIE NO. B2067123	7,000,000	
AIE NO. B206227	21,000,000	
AIE NO. B206248	5,000,000	
AIE NO. B205712	12,000,000	
AIE NO. B205715	12,000,000	
AIE NO. B207793	15,000,000	
AIE NO. B205975	15,000,000	
AIE NO. B207723	19,030,000	
TOTAL	138,118,879	150,088,879

2. Proceeds From Sale of Assets

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

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Notes To the Financial Statements (Continued)

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts from sale of tender documents	50,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere		-
Total	50,000	-

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,024,520.	5,376,396
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	92,120	38,200
Total	3,116,640	5,414,596

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	1,714,500	1,588,000
Other committee expenses	1,488,200	2,322,744
Total	3,202,700	3,910,744.

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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	-	-
Communication, supplies and services	276,000	100,000
Domestic travel and subsistence	945,000	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	669,500	1,864,400
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,455,000	-
Fuel , oil & lubricants	-	-
Other operating expenses	317,600	1,200,000
Bank Charges	7,203	7,560
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Total	3,670,303	3,171,960

7. Transfer To Other Government Units

Description	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	4,549,500	32,023,982
Transfers To Secondary Schools (See Attached List)	16,861,705	80,616,219
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	21,411,205	112,640,201

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Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,515,000	40,739,381
Bursary – tertiary institutions (see attached list)	16,597,800	15,642,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	17,780,633	21,635,029
Sports projects (see attached list)	2,885,600	2,740,300
Environment projects (see attached list)	5,649,107	2,851,603
Emergency projects (see attached list)	2,887,200	6,035,859
Roads projects (see attached list)	-	-
Total	73,315,340	89,644,672

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	5,859,500	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	5,859,500	-

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Notes To the Financial Statements (Continued)

10. Oversight Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
	-	-

11. Other Payments

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

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>EQUITY BANK LTD A/C NO:1320261985991</i>	73,078,777	15,847,490
(deposit account)	-	-
Total	73,078,777	15,847,490
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

13. Outstanding Imprests

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

14. Retention and Gratuity

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

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

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Notes To the Financial Statements (Continued)

15. Fund Balance Brought Forward

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	15,847,490	80,540,784
Cash in hand		
Imprest		
Total	15,847,490	80,540,784
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

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	15,847,490	29,638,095	45,485,585
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	15,847,490	29,638,095	45,485,585

17. Changes In Accounts Receivable – Outstanding Imprests

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

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Notes To the Financial Statements (Continued)

18. Changes In Accounts Payable – Deposits and Retentions

	<i>2022/2023</i>	<i>2021/2022</i>
	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	-	-

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff		2,789,130
Others (<i>specify</i>)	-	-
Total	-	2,789,130

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	7,093,014	3,147,954
Committee expenses	61,175	537,507
Use of goods and services	835,676	1,236,163
Amounts due to other Government entities (see attached list)	44,244,484	21,865,665
Amounts due to other grants and other transfers (see attached list)	45,512,639	33,088,283
Acquisition of assets	-	5,859,500
Oversight Committee Expenses	500,000	-
Others (<i>specify</i>)	6,420,660	4,420,660
Funds pending approval	26,612,250	
Total	131,279,898	70,155,732

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18.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	25,704,345	25,591,726
Total	25,704,345	25,591,726

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	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	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation of employees	salary and gratuity	7,093,014	3,147,954	Included in the balance is provision of gratuity staff were employed in January 2023.
committee expenses	Committee allowances	61,175	537,507	late dirsebursement of funds from the boardd
Use of goods & services	Administration expenses	835,676	1,236,163	late dirsebursement of funds from the boardd
Amounts due to other Government entities				
Kwa Njenga Primary School	Completion of classroom.	5,725,750	5,725,750	late dirsebursement of funds from the boardd
Our lady of nazareth	Kitchen construction	14,000,000	4,549,500	late dirsebursement of funds from the boardd
Kwa Reuben Secondary School	Perimeter wall construction	5,088,734	5,043,190	late dirsebursement of funds from the boardd
Kware Secondary School	Construction of School stadium	18,000,000	5,117,225	late dirsebursement of funds from the boardd
Kwa Njenga Secondary	desks	1,430,000	1,430,000	late dirsebursement of funds from the boardd
Sub-Total		44,244,484	21,865,665	
Amounts due to other grants and other transfers				

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
Acc Imara Daima	Completion of Imara Daima ACC office	1,478,841	8,944,418	late dirsebursement of funds from the boardd
AA Vila Police station	Completion of AA Villa police station.	181,727	646,782	late dirsebursement of funds from the boardd
Kwa Ruben Police Post	Completion of reuben police post	885,405	5,810,405	late dirsebursement of funds from the boardd
Kware Police Post	Rehabilitation of police station	2,355,000	7,280,000	late dirsebursement of funds from the boardd
Pipeline chiefs office	Construction of resource centre.	17,300,000		late dirsebursement of funds from the boardd
Bursary Secondary Schools-	Bursary for needy students	(5,295,422)	(3,780,422)	late dirsebursement of funds from the boardd
bursary Tertiary Institutions	Bursary for needy students	21,008,176	9,105,976	late dirsebursement of funds from the boardd
bursary Special Needs	Bursary for needy students	500,000		late dirsebursement of funds from the boardd
sports	Sports activities	19,208	3,056	late dirsebursement of funds from the boardd
Emergency	Emergency	7,079,704	2,330,714	late dirsebursement of funds from the boardd
Environment	Environment		2,747,354	late dirsebursement of funds from the boardd
Sub-Total	0	45,512,639	33,088,283	
Acquisition of assets			5,859,500	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
Oversight Committee Expenses(itemize)	Allowances	400,000		late dirsebursement of funds from the boardd
Committee expense	Transport	100,000		late dirsebursement of funds from the boardd
Hire of transport				
Others (specify)				
Strategic Plan	Strategic plan	2,040,000	40,000	late dirsebursement of funds from the boardd
NG-CDF Office	furniture	4,380,660	4,380,660	late dirsebursement of funds from the boardd
Sub-Total		692,0660	10,280,160	
Funds pending approval		26,612,250		
Grand Total		131,279,898	70,155,732	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	885,798	5,859,500		6,745,298
ICT Equipment, Software and Other ICT Assets	33,999			
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	919,797	5,859,500		6,745,298

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
AA VILLA POLICE POST	CO-OPERATIVE	1141800174800	-	-
KWA NJENGA PRIMARY	CO-OPERATIVE	1141800174700	-	-
IMARA DAIMA DO OFFICE	CO-OPERATIVE	1141800397900	-	-
IMARA DAIMA DO OFFICE	EQUITY BANK	1320279905940	-	-
KWARE PRIMARY	EQUITY BANK	1320280275475	810,000	810000
KWARE SECONDARY	EQUITY BANK	1320280271240	3,542,280	3,542,280.
REUBEN SECONDARY	EQUITY BANK	1320280271180	3,282,432	3,282,432.
ASSISTANT COUNTY COMMISSIONER IMARA DAIMA	EQUITY BANK	1320279905940	489	-
AEF REUBEN PRIMARY	EQUITY BANK	1320279904121	46,990	-
KWA NJENGA PRIMARY	EQUITY BANK	1320279902384	17,817,956	17,817,956.
EMBAKASI GIRLS	EQUITY BANK	1230279899037	65,140	-
MUKURU COMMUNITY CENTRE	EQUITY BANK	1320280844325	102,160	102,160
EMBAKASI SOUTH ENVIRONMENT PMC	EQUITY BANK	1320280900077	36,897	36,897
Total			25,704,345	25,591,726

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>1. Presentation and Disclosure of the Financial Statements</p> <p>Examination of the financial statements revealed that the table of content under no. vi indicates name of constituency as xx. Further, the fiduciary management report has made reference to the year ended 30 June, 2021 instead of 30 June, 2022, while the paragraph on the budget at page 16 does not indicate when the budget was approved by the Parliament.</p> <p>In the circumstances, the financial statements as presented are not in compliance with the template issued by the Public Sector Accounting Standards Board (PSASB).</p>	<p>It is true the financial statements are inaccurate due to the errors found, however, we have amended them in their accurate template and the final copy have been submitted in the correct format and amount.</p>	Resolved	
2	<p>Inaccuracies in the Financial Statements</p> <p>The statement of receipts and payments reflects current year use of goods and services amount of Kshs.7,082,703 which is at variance with the corresponding Note 5 to the financial statements amount of Kshs.2,634,123. Further, the statement reflects comparative total receipts of Kshs.150,088,879 instead of Kshs.158,185,920.</p> <p>In addition, included in the other grants and transfers amount of Kshs.89,644,672 as disclosed in Note 7 to the</p>	<p>It is true the financial statements are inaccurate due to the errors found, however, we have amended them in their accurate template and the final copy have been submitted in the correct format and amount. (Annex 1)</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financial statements is expenditure of Kshs.6,035,859 under emergency which further includes rent totaling to Kshs.862,500 which has been classified under use of goods and services. In addition, there is a double booking on rent payment of Kshs.172,500 where the cheque was double posted hence overstating the expenditure.</p> <p>In the circumstances, the accuracy of the financial statements as presented could not be confirmed.</p>			
3	<p>Use of Goods and Services The statement of receipts and payments reflects an expenditure of Kshs.7,082,703 against use of goods and services as disclosed under Note 5 to the financial statements. However, analysis of payment vouchers provided for audit review totaled to an amount of Kshs.6,355,211 resulting to a variance of Kshs.727,492 which was not explained or supported. Further, examination of the cash book and the ledger revealed that Management made two payments amounting to Kshs.713,000 which were not captured in the ledger but recorded in the cash back resulting to understatement of the use of goods and services expenditure by a similar amount.</p>	<p>The query has been noted and we seek further clarity on the source of the mentioned amount of Ksh. 713,000.</p>	Resolved	
5	<p>4 Bursary Disbursement Note 7 to the financial statements reflects total expenditure of Kshs.89,644,672 relating to other grants and other payments. Included in this expenditure is Kshs.56,381,881 which relates to bursaries to secondary schools and tertiary institutions. However, review of bursary records provided revealed that;</p>	<p>iii. Attached are committee vetting minutes ,acknowledgement letters and bursary list with respective admission numbers</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i. There was no evidence that vetting of the application forms was done as the forms had no evidence of vetting by Education Bursary Committee.</p> <p>ii. Management did not provide acknowledgement receipts from the schools and institutions.</p> <p>iii. There was no evidence of committee minutes to support vetted and approved students.</p> <p>iv. No cheque dispatch register was provided to confirm if the cheques indicated were disbursed and when they were disbursed.</p> <p>v. Some students did not have the admission or registration numbers indicated in the schedules.</p> <p>Further, it could not be ascertained as to how much the successful applicants were awarded since details of the successful applicants were not provided for audit verification.</p> <p>In the circumstances, the accuracy, regularity and completeness of balances reflected in the financial statements could not be confirmed.</p> <p><u>Management Response</u></p> <p>i. Attached are committee vetting minutes, acknowledgement letters and bursary list with respective admission numbers(Annex 6)</p> <p>ii. The cheque dispatch register has not been in use however the management will ensure its use hence forth.</p>	<p>iv. The cheque dispatch register has not been in use however the management will ensure its use hence forth.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	<p>Unsupported Charges in Emergency Projects</p> <p>The Note 7 to the financial statements indicated a total expenditure of Kshs.89,644,672 relating to other grants and transfers. Included in the expenditure is an amount of Kshs.6,035,859 under emergency projects which further includes an amount of Kshs.862,500 relating to rent expenses. It was also noted that rent was charged 5 times in the financial year as opposed to 4 times as detailed in Appendix I.</p> <p>In the circumstances, the accuracy and existence of Kshs.89,644,672 relating to other grants and transfers could not be confirmed</p>	<p>Management has rectified this error as per the financial statement.</p>	<p>Resolved</p>	
7	<p>Annex 4 to the financial statements reflects the summary of fixed asset register. Included is asset register is land, buildings and structures valued at Kshs.58,000,000 and Kshs.32,153,237 respectively. However, the ownership documents pertaining to the land and buildings have not been provided for audit review.</p>	<p>The only ownership document available to show ownership is as attached in Annex 11 as availed during audit. We are in the process of engaging the Ministry of Lands to get a proper title.</p>	<p>Resolved</p>	



Job Tuta.
Fund Account Manager.