



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

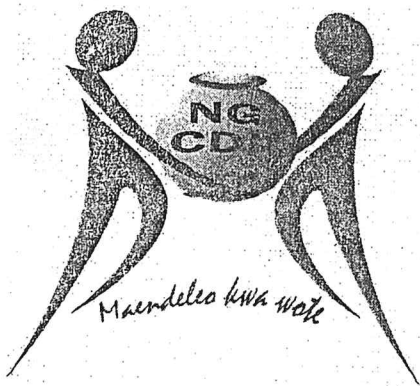
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 APR 2022	DAY: WED
TABLED BY: MAJORITY WHIP	
CLERK AT THE TABLE: S. Kariuki	

OF
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**

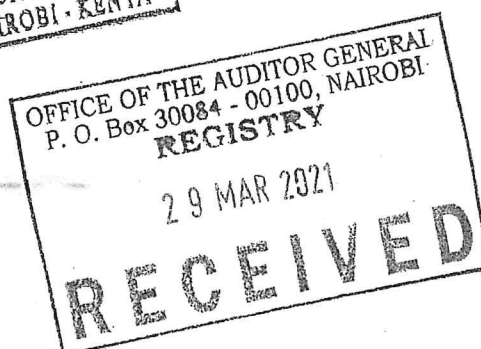
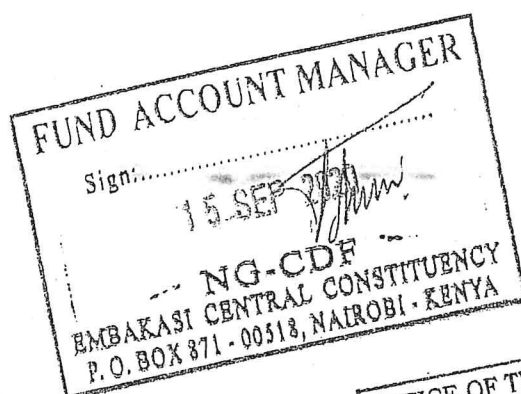


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
EMBAKASI CENTRAL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



6 **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**
EMBAKASI CENTRAL CONSTITUENCY

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI CENTRAL CONSTITUENCY**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

(b) Key Management

The NGCDF EMBAKASI CENTRAL Constituency 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)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Elias Mate
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Stephen Macharia
4.	Member NGCDFC	Eunice Kiretai

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -EMBAKASI CENTRAL Constituency. 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.

(e) NGCDF EMBAKASI CENTRAL Constituency Headquarters

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

(f) NGCDF EMBAKASI CENTRAL Constituency Contacts

Telephone: (254) 715 070 030

E-mail: cdfembakasicentral@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF EMBAKASI CENTRAL Constituency Bankers

1. Family Bank
Kayole Branch
P.O. Box 74145-00200
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FOREWORD BY THE CHAIRMAN NGCDF COMMITTEE

Embakasi Central Constituency is in Eastlands area of Nairobi County with a rich urban setting. The Constituency is located in Embakasi Sub-County.

Embakasi Central Constituency has five wards, namely Kayole North, Kayole South, Kayole Central, Komarock and Matopeni/Spring Valley.

The constituency is located in Nairobi county and borders 4 constituencies, namely Embakasi East, Embakasi West, Embakasi North and Embakasi South.

ACHIEVEMENT

During the financial year 2019/2020, Embakasi Central constituency has been able to absorb more than 50% all the total allocation and also the balance of the other financial years. Security in local public schools has been given priority with perimeter walls in more than five schools being fully constructed. Also, the year saw completion of the Komarock Chief's office which also enhances service delivery to the citizens within the constituency.

EMERGING ISSUES

The most prominent issue is the lack of preparedness by local institutions in case of such pandemics as COVID-19. The risk of exposure especially in schools which are very highly populated is too high and this is an issue that the committee intends to delve into in the financial year 2020/2021.

EMBAKASI CENTRAL NG-CDF MILESTONE

The Embakasi Central NG-CDF Committee prides itself with the enhancement of secure and conducive learning environment within the schools. This has been achieved through erection of perimeter walls in the schools and also construction of amenities such as school kitchens, office blocks and also construction of new classrooms. Six out of ten schools have been fully secured which has gone a long way in improving the learning conditions in these schools and also ensuring that our children are safe and secure and away from drugs.

Secondly, the NG-CDF Office is complete and occupied. This has seen improvement in service delivery to the citizens.

Thirdly, service delivery has also been enhanced with the completion of the Komarock Chief's office right next to the NG-CDF office.

Some of these projects are highlighted below:

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I. The NG-CDF Office



II. Komarock Chief's Office



CHALLENGES

In spite of the successes recorded, there are some challenges that have affected performance in financial year 2019/2020

Firstly, there is recurrent delay in disbursement of funds which is really beyond our control. We closed the financial year having received only 50% of the allocation which means that delays in implementation of projects is inevitable. We hope this situation is improved.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Secondly, this financial year has been hit hard by the COVID-19 pandemic which again has delayed implementation of projects. The pandemic has also been an eye-opener in instituting measures to deal with such occurrences especially in the local education institutions.

Sign

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI CENTRAL CONSTITUENCY
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

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 NGCDF-EMBAKASI CENTRAL Constituency's 2018-2022 plan are to:

- a) To Improve infrastructure in educational institutions
- b) To mobilize more resources for community development
- c) Promote environmental sustainability in the constituency
- d) To improve security within the constituency
- e) Promote performance management and smooth running of NG-CDF office
- f) Harness youth talent and empower them

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve infrastructure in educational institutions	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	<ul style="list-style-type: none"> - In FY 19/20 we increased number of classrooms, administration blocks school kitchens and perimeter walls. - Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve security within the constituency	Improved security and service delivery to citizens	Infrastructure build in locations, schools and police stations	<ul style="list-style-type: none"> i. Construction of Komarock Chief's office ii. Perimeter walls in schools
Environment	Promote environmental	Reduced resource	Green energy projects	<ul style="list-style-type: none"> i. Installation of solar high

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	sustainability in the constituency	wastage and capacity building to use of green energy	implemented within the constituency	masts in Mwangaza and Thawabu Primary Schools
Sports	Harness youth talent and empower them	Growth of talent and youth empowerment	Sports facilities improved	Sports tournaments and acquisition of sports equipment.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – EMBAKASI CENTRAL Constituency 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.

NGCDF – EMBAKASI CENTRAL Constituency 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 -

In order to enhance the never-ending sustainability of resource, the management has come up with mission and vision statement.

VISION

Equitable social development within Embakasi Central Constituency

MISSION

To implement national government strategies towards affording Embakasi Central residents quality education and reliable security services through prudent management, effective and efficient utilization of allocated fund

2. Environmental performance

Embakasi Central has put in place measures regarding proper use of never-ending environmental degradation, in order to improve the ecosystem.

Environmental policy

- Ensuring we comply with the government set up policies concerning environment
- Prevention of environmental degradation
- Training NGCDFC and staff on the better use and planning of environment
- Renovation and cleaning schools and supplying water tanks
- Water harvesting in schools

3. Employee welfare

All employees in Embakasi Central constituency are hired in accordance with employment act 2007 and laws governing labour contract. All constituents are given equal opportunity through advertisement of positions which fall vacant. Qualified applicants are employed after rigorous vetting.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

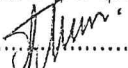
The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

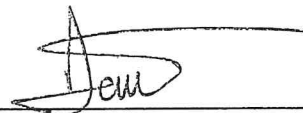
The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency confirms that the entity 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 entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

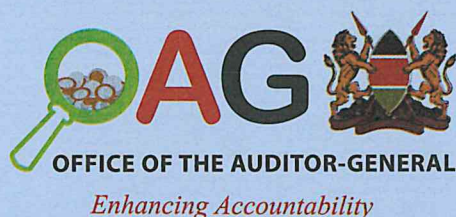
The NGCDF-EMBAKASI CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on 15/09/2020.

FUND ACCOUNT MANAGER
Sign: 
Fund Account Manager
Name: Elas Male
NG-CDF
EMBAKASI CENTRAL CONSTITUENCY
P.O. BOX 871 - 00518, NAIROBI - KENYA


Sub-County Accountant
Name: DENNIS MATHENGIE
ICPAK Member Number: 14373

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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi Central Constituency set out on pages 13 to 43 which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Embakasi Central Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.8,369,795. However, payment vouchers amounting to Kshs.800,000 were not provided.

Further, the balances in Note 5 to the financial statements had variances with the supporting schedules as shown below;

Item	Financial Statements Balance (Kshs)	Supporting Schedules Balance (Kshs)	Variance (Kshs)
Committee expenses	1,350,000	1,244,000	106,000
Training expenses	2,183,500	723,500	1,460,000
Office and general supplies	847,289	0	847,289
Other committee expenses	1,153,301	1,599,301	446,000
Total	5,534,090	3,566,801	2,859,289

The variances amounting to Kshs.2,859,289 were not reconciled.

In the circumstances, the accuracy, completeness and validity of the unsupported payments totalling to Kshs.800,000 and balances totalling to Kshs.5,534,090 reflected in the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Unsupported Bank Balances

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances amounting to Kshs.14,885,857. However, the Board of Survey Certificate reflected an amount of Kshs.15,419,857, resulting to an unexplained variance amounting to Kshs.534,000.

In addition, Note10A reflects previous year (2018/2019) total bank balances totalling to Kshs.5,702,908 which included a bank balance amount of Kshs.847,289 held at a commercial bank which is reflected in the current period as nil. However, records to confirm the movement to nil balance were not provided.

In the circumstances, the accuracy, completeness and validity of the bank balances totalling to Kshs.14,885,857 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

3. Unsupported Summary of Fixed Assets Register

Annex 4 to the financial statements on summary of fixed assets register reflects a historical amount of Kshs.84,597,160 which included an amount of Kshs.58,000,000 paid for acquisition of land in the year 2016/2017. However, the title deed and evidence of land rates paid was not provided.

Further, Annex 4 reflects comparative historical balance in 2019/2020 totalling to Kshs.84,597,160 instead of the 2018/2019 closing balance totalling to Kshs.70,196,229. The historical cost is reflected as 2019/2019 instead of 2019/2020.

Consequently, the accuracy, completeness and validity of the summary of fixed assets register reflected in Annex 4 to the financial statements totalling to Kshs.84,597,160 as at 30 June, 2020 could not be confirmed.

4. Unsupported Contract

Management awarded a tender for the renovation of a classroom, an administration block and a toilet at Bondeni Primary School to a contractor at a contract sum of Kshs.15,932,426. However, signed tender opening documents, copies of advertisement, appointment letters for the Tender Opening Committee, contract, evidence of engagement of relevant Government Ministries, minutes of Evaluation Committee, signed professional opinion, evidence that the contractor was in the register of contractors maintained by the National Construction Authority were not provided.

In the circumstances, the accuracy, completeness and validity of the contract sum of Kshs.15,932,426 could not be confirmed.

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

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

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.198,111,508 and Kshs.128,743,784 respectively, resulting to an under-funding amounting to Kshs.69,365,724 or 35% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.198,111,508 and Kshs.113,857,926 respectively, resulting to an under expenditure amounting to Kshs.84,253,581 or 43% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 overall governance were not effective.

Basis for Conclusion

Lack of Information and Communication Technology (ICT) Policy

Management did not provide evidence of existence of an approved Information and Communication Technology (ICT) policy, an ICT Strategic Committee, a data security

management policy, back up policy even though there existed physical desktops in which data is backed up externally.

In the circumstances, the Management risks of loss of data and may not benefit fully from the ICT expertise and resources.

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

Responsibilities of Management and those Charged with Governance

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

17 November, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

EMBAKASI CENTRAL CONSTITUENCY


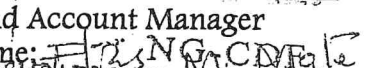
Reports and Financial Statements


For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		123,040,876	108,784,483
PAYMENTS			
Compensation of employees	4	2,331,582	2,515,557
Use of goods and services	5	8,369,795	6,314,431
Transfers to Other Government Units	6	70,660,000	36,606,141
Other grants and transfers	7	18,113,618	55,486,022
Acquisition of Assets	8	14,382,931	2,196,229
Other Payments	9	-	3,420,000
TOTAL PAYMENTS		113,857,926	106,538,380
SURPLUS/(DEFICIT)		9,182,949	2,246,103

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI CENTRAL Constituency financial statements were approved on 15 SEP 2020 and signed by:

FUND ACCOUNT MANAGER
 Sign: 
 15 SEP 2020
 Fund Account Manager
 Name: 
 NGCDF
 EMBAKASI CENTRAL CONSTITUENCY
 P. O. BOX 871 - 00518, NAIROBI - KENYA


 National Sub-County Accountant
 Name: DENNIS MATTHEW
 ICPAK Member Number: 14373

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Ksh
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	14,885,857	5,702,908
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		14,885,857	5,702,908
Accounts Receivable		-	-
Outstanding Imposts	11		
TOTAL FINANCIAL ASSETS		14,885,857	5,702,908
FINANCIAL LIABILITIES			
Accounts Payable		-	-
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		14,885,857	5,702,908
REPRESENTED BY			
Fund balance b/fwd	13	5,702,908	3,456,805
Prior year adjustments	14	9,182,949	2,246,103
Surplus/Deficit for the year			
NET FINANCIAL POSITION		14,885,857	5,702,908

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI CENTRAL Constituency financial statements were approved on 15 SEP 2020 and signed by:

Fund Account Manager

Name: **EMBAKASI CENTRAL CONSTITUENCY**
P.O. BOX 871 - 00518, NAIROBI - KENYA

National Sub-County Accountant

Name: **DENNIS MATHENGIE**
ICPAK Member Number: **14373**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

EMBAKASI CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	-	-
Total receipts		123,040,876	108,784,483
Payments for operating expenses			
Compensation of Employees	4	2,331,582	2,515,557
Use of goods and services	5	8,369,795	6,314,431
Transfers to Other Government Units	6	70,660,000	36,606,141
Other grants and transfers	7	18,113,618	55,486,022
Other Payments	9	-	3,420,000
Total payments		99,474,995	104,342,151
Total Receipts Less Total Payments			
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		23,565,880	4,442,332
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(14,382,931)	(2,196,229)
Net cash flows from Investing Activities		(14,382,931)	(2,196,229)
NET INCREASE IN CASH AND CASH EQUIVALENT		9,182,949	2,246,103
Cash and cash equivalent at BEGINNING of the year	13	5,702,908	3,456,805
Cash and cash equivalent at END of the year		14,885,857	5,702,908

FUND ACCOUNT MANAGER
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI CENTRAL Constituency financial statements were approved on 15/09/2020 and signed by:
[Signature]
Fund Account Manager
Name: DENNIS MATHENGE
EMBAKASI CENTRAL CONSTITUENCY
P.O. BOX 871 - 00318, NAIROBI, KENYA

[Signature]
National Sub-County Accountant
Name: DENNIS MATHENGE
ICPAK Member Number: 14373

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	60,743,784	198,111,508	128,743,784	69,367,724	65%
Proceeds from Sale of Assets						
Other Receipts(sale of tender documents)					-	
TOTAL RECEIPTS	137,367,724	60,743,784	198,111,508	128,743,784	69,365,724	65.0%
PAYMENTS						
Compensation of Employees	3,736,142	1,201,245	4,937,387	2,331,582	2,605,805	47%
Use of goods and services	8,626,954	1,349,379	9,976,333	8,369,795	1,606,538	84%
Transfers to Other Government Units	52,960,000	32,200,000	85,160,000	70,660,000	14,500,000	83%
Other grants and transfers	61,624,299	16,231,975	77,856,275	18,113,618	59,742,656	23%
Acquisition of Assets	10,420,330	5,004,157	15,424,487	14,382,931	1,041,556	93%
Other Payments		4,757,027	4,757,027		4,757,027	0%
TOTAL	137,367,724	60,743,784	198,111,508	113,857,926	84,253,581	57%

Reports and Financial Statements
For the year ended June 30, 2020

i. The under-utilization under compensation of employees at 47%, use of goods and services at 84%, transfers to other Government Units at 83%, other grants and transfers at 23% and other payments at 0% was generally due to the fact that Embakasi Central NGCDF received only Kshs 68,000,000 out of the budgeted Ksh 137,367,724 during the financial year. With this it meant that full budget implementation was not practical.

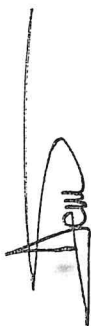
ii. The difference between the original and the final budget was brought about by the opening cashbook balance and funds for financial year 2018/2019 received in the financial year under review. These funds were available for utilization during the financial year under review and thus the difference in the budget.

FUND ACCOUNT MANAGER

Sign:
Date: 15/09/2020

Fund Account Manager
Name: Dennis Mathenge
P.O. BOX 971 - 00518, NAIROBI - KENYA

Constituency financial statements were approved on 15/09/2020 and signed by:



Sub-County Accountant
Name: Dennis Mathenge
ICPAK Member Number: 14373

Reports and Financial Statements
For the year ended June 30, 2020

ASI CENTRAL CONSTITUENCY

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees' Salaries	3,588,542	1,201,245	4,789,787	2,243,782	2,546,005
NHIF	97,200		97,200	61,400	35,800
NSSF	50,400		50,400	26,400	24,000
Goods and Services	3,257,922	443,984	3,701,906	2,835,705	866,201
Committee Expenses	1,248,000	12,000	1,260,000	1,244,000	16,000
Sub-Total	8,242,063	1,657,229	9,899,293	6,411,287	3,488,006
2.0 Monitoring and Evaluation					
Goods and Services	921,032	347,345	1,268,377	847,289	421,088
Committee Expenses	1,200,000	250,350	1,450,350	1,259,301	191,049
Capacity Building of NG-CDFs/PMCs	2,000,000	295,700	2,295,700	2,183,500	112,200
Sub-Total	4,121,032	893,395	5,014,427	4,290,090	724,337
3.0 Emergency					
Emergency	7,198,241	5,738,993	12,937,235	5,738,993	7,198,241
Sub-Total	7,198,241	5,738,993	12,937,235	5,738,993	7,198,241

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAYASI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Kayole 1 Primary	800,000	7,335,225	8,135,225	8,135,225	-
Komarock South Primary	14,500,000		14,500,000		14,500,000
Sub-Total	41,446,000	30,700,000	72,146,000	57,646,000	14,500,000
8.0 Secondary School Projects					-
Komarock Secondary school	11,284,000		11,284,000	11,284,000	-
Kayole south secondary	230,000	1,500,000	1,730,000	1,730,000	-
Sub-Total	11,514,000	1,500,000	13,014,000	13,014,000	-
9.0 Tertiary institutions projects					-
					-
10.0 Security Projects					-
Kayole chiefs camp		1,017	1,017		1,017
Kayole chiefs camp	2,350,000		2,350,000	2,350,000	-
Sub-Total	2,350,000	1,017	2,351,017	2,350,000	1,017
11.0 Acquisitions of Assets					-
NG- CDF office	10,420,330	5,004,157	15,424,487	14,382,931	1,041,556
12.0 Others					-
Strategic Plan		80,000	80,000		80,000
ICT Hubs		4,677,027	4,677,027		4,677,027
Sub-Total		4,757,027	4,757,027	-	4,757,027
GRAND TOTAL	137,367,724	60,743,784	198,111,508	113,857,926	84,253,581

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAYASI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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

XII. 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 and retentions.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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.

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 public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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.

6. Cash and Cash Equivalents

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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

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 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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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.

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 2020.

14. Errors

Material prior period errors shall be 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

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO....	1		48,284,483.00
AIE NO....B005245	2		6,500,000.00
AIE NO....B030171	3		10,000,000.00
AIE NO....B030375	4		20,000,000.00
AIE NO....B006317	5		6,000,000.00
AIE NO	6		11,000,000.00
AIE NO	7		7,000,000.00
AIE NO	1	27,040,875.50	
AIE NO	2	28,000,000.00	
AIE NO	3	4,000,000.00	
AIE NO	4	20,000,000.00	
AIE NO	5	7,000,000.00	
AIE NO	6	9,000,000.00	
AIE NO	7	19,000,000.00	
AIE NO	8	9,000,000.00	
TOTAL		123,040,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	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	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,305,182	2,481,557
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	26,400	34,000
Total	2,331,582	2,515,557

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	1,350,000	1,256,000
Utilities, supplies and services	2,219,660	487,030
Communication, supplies and services	-	60,000
Domestic travel and subsistence	-	70,000
Printing, advertising and information supplies & services	63,880	82,000
Rentals of produced assets	330,981	-
Training expenses	2,183,500	904,900
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	847,289	2,313,940
Other committee expenses	1,153,301	784,650
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Bank service commission and charges	221,184	355,911
Total	8,369,795	6,314,431

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	57,646,000	32,840,840
Transfers to secondary schools (see attached list)	13,014,000	3,765,301
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	70,660,000	36,606,141

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)		20,000,000
Bursary – tertiary institutions (see attached list)	5,442,000	18,059,578
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	2,350,000	6,785,190
Sports projects (see attached list)	1,770,000	3,830,820
Environment projects (see attached list)	2,812,625	122,461
Emergency projects (see attached list)	5,738,993	568,500
Legal		4,119,473
Total	18,113,618	55,486,022

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8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	14,382,931	2,196,229.00
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	14,382,931	2,196,229

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,420,000
ICT Hub	-	-
	-	3,420,000

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10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
FAMILY BANK, EMBAKASI CENTRAL NG-CDF	14,885,857	4,855,619
EQUITY BANK LIMITED, EMBAKASI CENTRAL NG-CDF		847,289
Total	14,885,857	5,702,908
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. GRATUITTY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	5,702,908	3,456,805
Cash in hand	-	-
Imprest	-	-
Total	5,702,908	3,456,805

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Ksh
NGCDFC Staff	1,594,367	845,673
Others (<i>specify</i>)	-	-
	1,594,367	845,673

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,605,805	1,201,245
Use of goods and services	1,606,538	1,349,380
Amounts due to other Government entities (see attached list)	14,500,000	32,200,000
Amounts due to other grants and other transfers (see attached list)	59,742,656	16,231,975
Acquisition of assets	1,041,556	5,004,157
Others (<i>specify</i>)	4,757,027	4,757,027
	84,253,581	60,743,784

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	39,233,786.08	11,283,798.66
	39,233,786.08	11,283,798.66

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Senior Management		a	b	c	d=a-c	
1. Fridah Kamau					244,576	
2. Peterson Kiritu					244,576	
3. Kenneth Gacheru					244,576	
4. Josephine Ayido					244,576	
5. Lucy Njeri Maina					257,777	
6. Milka Kamau					358,284	
Sub-Total					1,594,367	
Middle Management						
7.						
8.						
9.						
Sub-Total						
Unionisable Employees						
10.						
11.						
12.						
Sub-Total						
Others (specify)						
13.						
14.						
15.						
Sub-Total						
Grand Total					1,594,367	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees				
Use of goods & services		2,605,805	1,201,245	
Amounts due to other Government entities		1,606,538	1,349,380	
Mwangaza primary				
Kayole North primary school			12,250,165	
Bondeni Primary			5,000,000	
Kayole 1 Primary			6,114,610	
Kayole south secondary			7,335,225	
Komarock South Primary		14,500,000	1,500,000	
Sub-Total		14,500,000	32,200,000	
Amounts due to other grants and other transfers				
Bursary				
Emergency		51,323,252	10,183,903	
Constituency sports tournament		7,198,241	5,738,993	
Constituency Environmental activities		1,063,559	86,205	
Kayole Chiefs Camp		156,586	221,857	
		1,017	1,017	
Sub-Total		59,742,655	16,231,975	
Acquisition of assets				
		1,041,556	5,004,157	
Others (specify)				
Strategic plan		80,000	80,000	
ICT Hubs		4,677,027	4,677,027	
Sub-Total		4,757,027	4,757,027	
Grand Total		84,253,581	60,743,784	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land	58,000,000			58,000,000
Buildings and structures	26,579,160	14,382,931		12,196,229
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	84,579,160	14,382,931	0	70,196,229

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC		Account number	Bank Balance 2019/20	Bank Balance 2018/19
BONDENI PRIMARY SCHOOL	FAMILY-KAYOLE	061000032864	14,044	546,361
KAYOLE NORTH PRIMARY SCHOOL	FAMILY-KAYOLE	061000032863	117,469	607,139
THAWABU PRIMARY SCHOOL	FAMILY-KAYOLE	061000032866	-	21
IMARA PRIMARY SCHOOL	FAMILY-KAYOLE	061000032865	380	500
MWANGAZA PRIMARY SCHOOL	FAMILY-KAYOLE	061000033499	73,597	867,485
KOMAROCK PRIMARY SCHOOL	FAMILY-KAYOLE	061000034090	1,991,595	1,998,795
KAYOLE CHIEFS CAMP	FAMILY-KAYOLE	061000034163	1,793,897	3,499,400
KAYOLE NORTH PRIMARY SCHOOL ACC B	FAMILY-KAYOLE	061000034091	610,984	-
KAYOLE 1 PRIMARY PMC	FAMILY-KAYOLE	061000034093	25,026	-
KAYOLE SOUTH SECONDARY SCHOOL	FAMILY-KAYOLE	061000034092	20,017	3,764,097
MWANGAZA SECONDARY SCHOOL	FAMILY-KAYOLE	061000034089	1,284,993	-
THAWABU PRIMARY SCHOOL PERIMETER WALL PMC	FAMILY-KAYOLE	061000035594	11,864,592	-
THE KOMAROCK SCHOOL PERIMETER WALL PMC	FAMILY-KAYOLE	061000035595	11,282,192	-
KAYOLE NORTH PRIMARY PERIMETER WALL PMC	FAMILY-KAYOLE	061000035681	10,155,000	-
Total			39,233,786	11,283,799

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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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Budget under utilization	The issue of delays in disbursement has been raised with NG-CDF Board to ensure timely disbursement of funds	ELIAS MATE FUND ACCOUNT MANAGER	Not Resolved	
4.2	The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs. 9,822,381 as at 30 June 2019 which is not supported by signed bank reconciliation statements. However, bank confirmation certificates of the two Embakasi Central NGCDF bank accounts (Family and Equity) and equity bank account reconciliation for June 2019 were not availed for audit verification. The cashbook for equity bank account was also not availed for audit review. Further, family bank reconciliation shows payments in cashbook not	Firstly, the committee resorted to change of bank account from Equity Bank to Family Bank to enable convenience and ease of transacting since the bank is closer to the office. Equity Bank had a cash book balance of kshs. 847,288.68 while Family Bank cash book balance was kshs 4,855,619.43 giving a total of kshs 5,702,908.11. It is true the bank statement (Family Bank) as at 30th June	ELIAS MATE FUND ACCOUNT MANAGER	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	yet recorded in bank statement Kshs. 4,597,511 which includes stale cheques totalling Kshs. 1,086,015 dated from 20/07/2018 to 26/11/2018 which have not been reversed in the cashbook contrary to Regulation 90 (3) the Public Finance Management (National Government) Regulations, 2015. In the circumstances, the cash and cash equivalents balance reported in the statement of assets and liabilities could not be confirmed	2019 has a balance of kshs 9,453,130.43 with reconciling items of kshs 4,597,511 having a cash book balance of kshs 4,855,619.43 The balance as per the bank statement (Equity bank) was Kshs 1,108,376.28 and a cash book balance of kshs 847,288.68 as at 30 th June 2019. The account had not been closed as at the financial year end as per the garnishee orders that had been issued			
4.3	The statement of receipt and payments shows under other payments and Note 9 to the financial statements strategic plan expenditure of Kshs. 3,420,000 which is not supported by a payment voucher and relevant documentation contrary to Regulation 99 and 104 (1) of the Public Finance Management	It is true that the payment voucher was not available at the time of audit. This could be a case of misplacement as we were relocating the files from the former office at Nyayo House. We will submit the voucher as soon as we get it. However, we have attached a copy of the strategic plan	ELIAS MATE FUND ACCOUNT MANAGER	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.4	<p>(National Government)</p> <p>Regulations, 2015.</p> <p>In the absence of payment vouchers supported by appropriate authority and documentation, it was not possible to ascertain whether the expenditure is a proper charge to public funds</p> <p>The statement of receipts and payments shows acquisition of assets Kshs. 2,196,229 spent on construction of Embakasi Central Constituency Offices. Further, an amount of Kshs. 326,085 was paid towards electricity installation and Kshs. 55,149 for water connection to make the office ready for immediate occupation. However, as at the time of audit inspection, ground floor was complete, the CDF offices had not relocated to their new offices and instead continued to occupy rented offices. No reason was provided for delays to relocate to the new office building.</p>	<p>The above observation is true. The office on the ground floor is complete but unoccupied. The reason is that the works officers advised that it would be a hazard occupying the office while the 1st floor was under construction. The management is however committed to move into the new premises from 1st March 2020 upon completion of the 1st floor</p>	<p>ELIAS MATE</p> <p>FUND ACCOUNT MANAGER</p>	Not Resolved	

