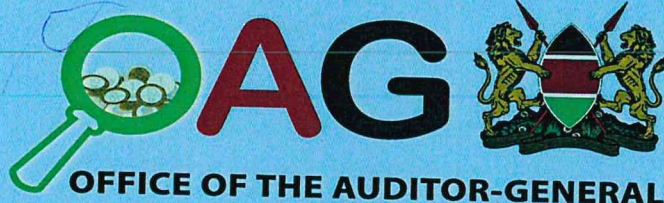



REPUBLIC OF KENYA



*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY</b> PARLIAMENT BUILDING	
<b>REPORT:</b>	03 MAR 2022
	DAY: THUR
TABLED BY:	LOM
CLERK-AT THE-TABLE:	C. Ndintu

**OF**

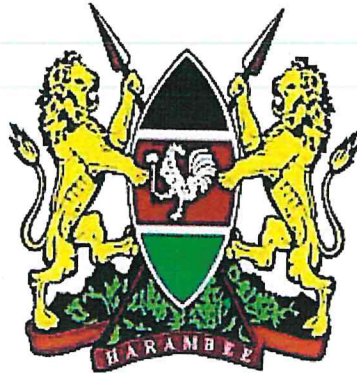
**THE AUDITOR-GENERAL**

**ON**

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

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





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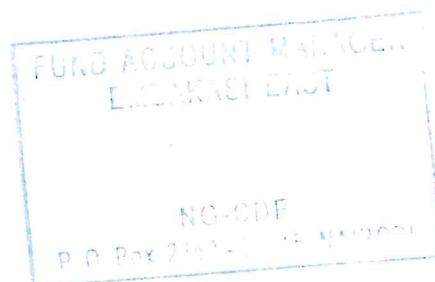
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -  
EMBAKASI EAST CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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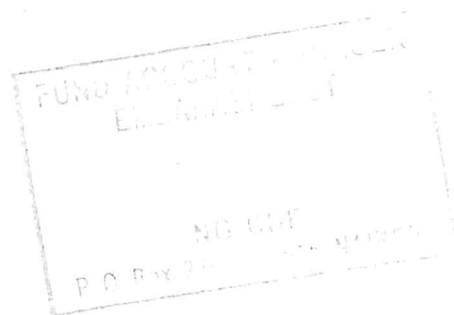
Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)





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

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 EAST 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Victor ouma
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairperson NGCDFC	Jane Akinyi
4.	Member NGCDFC	Josephine Owino

**(d) Fiduciary Oversight Arrangements**

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

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



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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

Telephone: (254)0707484910

E-mail: [vouma@ngcdf.go.ke](mailto:vouma@ngcdf.go.ke)

Website: [www.embakasiengcdf.go.ke](http://www.embakasiengcdf.go.ke)

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

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

Equity Bank A/C No 0820264117294

Donholm Branch

P.o Box 5328-20100

Nairobi Kenya

**(i) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(j) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



## **II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

### **INTRODUCTION**

Embakasi East constituency consist of five ward namely Utawala, mihango, upper savannah, lower savannah and Embakasi ward. The people of Embakasi East 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.

### **ACHIEVEMENT**

During the financial year 2019/2020, Embakasi East constituency has been able to absorb more than 44% all the total allocation and also the balance of the other financial years. Construction of classrooms

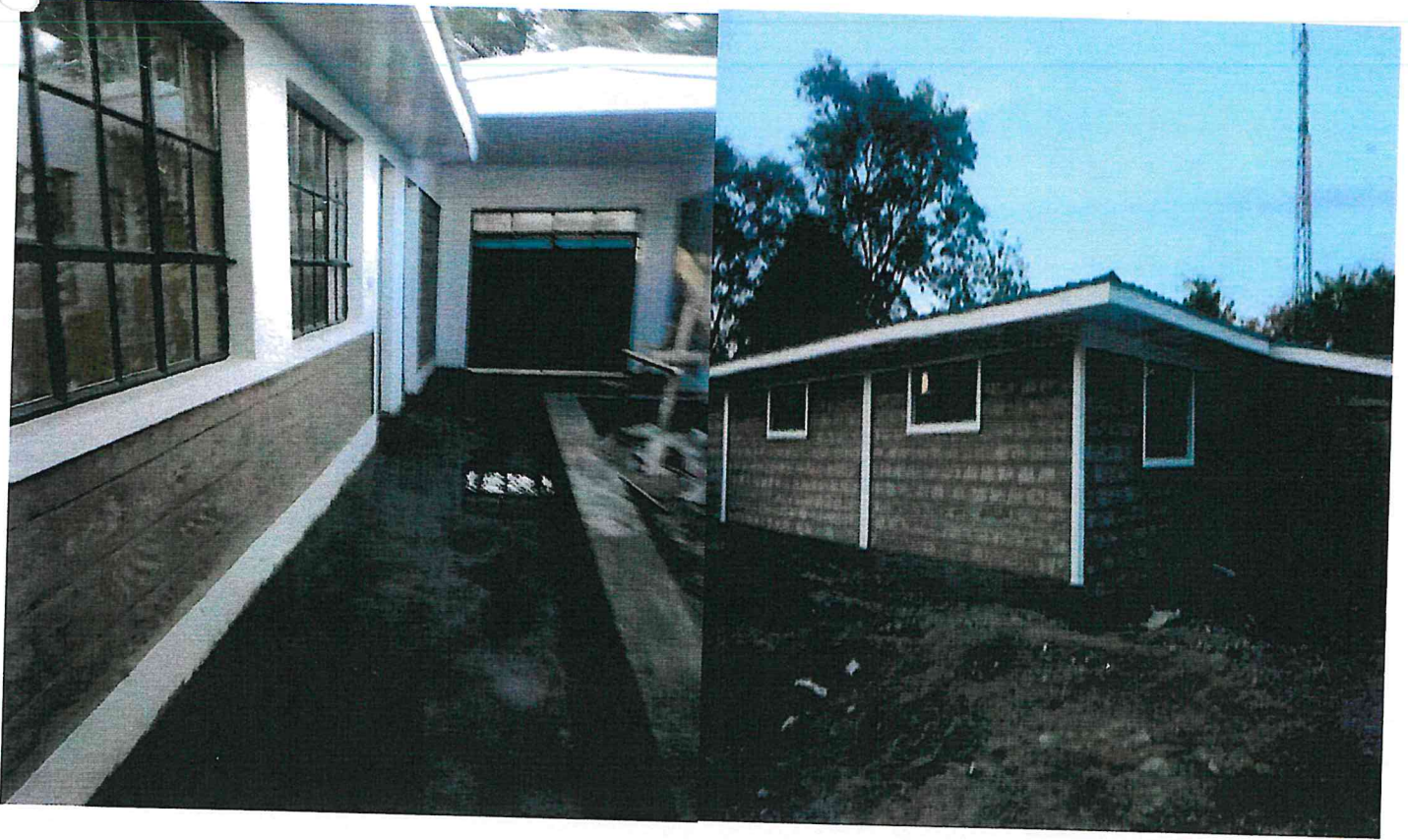
### **EMERGING ISSUES**

There is a dire need by the community for some projects which are devolved. Embakasi East NG-CDFC would like to support the community with a well-equipped dispensary but this function falls under county government. With the emerging of the covid-19 pandemic the constituency really requires one. Insecurity has also affected the constituent thus there is need for more police stations.

### **EMBAKASI EAST NG-CDFC MILESTONE**

Embakasi East NGCDFC has gone a milestone in enhancing education sector by providing safe and secure learning environment. Some of the projects that Embakasi East undertook during this financial year include but not limited to;





**EMBAKASI EAST DCI OFFICE**





**Lower savannah ward Security high Mast.**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Challenges and emerging issues**

The delay in implementing of the projects was due to the delayed disbursement for the project funds.

There was a challenge in implementing the projects because most of the PMCs stayed at home due to COVID-19.

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

*Sign*  
*Ausi*  
**CHAIRMAN NGCDF COMMITTEE**  
P.O. Box 2410 - Embakasi



### **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 Constituency Development fund-Embakasi East in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of Embakasi East national government Constituency Development Fund performance against predetermined objectives.

Embakasi east Constituency deliverable plan to its constituents is founded and guided in its development initiatives by the Kenya Vision 2030 and the Post-2015 Agenda. These initiatives envisage achieving universal primary and Secondary education, improving environmental Sustainability, gender equity and empowerment of women, youth and other disadvantaged groups. The Embakasi EAST Constituency Strategic Plan was founded under three Vision 2030 pillars namely:

- **Social Pillar:** Social pillar of vision 2030 seeks to build a just and cohesive society with social equity in a clean and secure environment. The pillar provides social interventions aimed at improving the quality of life of all Kenyans by targeting a cross-section of human and social welfare projects and programmes. The targeted key sectors are; education and Security. Elimination.
- **Economics Pillar:** Kenya vision 2030 economic pillar seeks to improve the prosperity of all regions of the country and all Kenyans by achieving a 10% Gross Domestic Product (GDP) growth rate per annum beginning in 2012. To achieve this target Kenya aims at increasing national savings, foreign investments and Overseas Development Assistance (ODA). Moreover, tourism, agriculture, Wholesale and retail trade, manufacturing, IT enabled services also known as business process Outsourcing and financial services are targeted as the key drivers of growth.
- **Political Pillar:** This pillar seeks to realize a democratic political system that is issue based, people centered, result oriented and accountable to the public. The pillar is anchored on transformation of Kenya's political governance across five strategic areas; security, peace building and conflict Management, transparency and accountability, democracy and public service delivery, electoral and political processes and rule of law.

Embakasi EAST Constituency main purpose is to enhance infrastructure in the education and security sectors and improve the socio-economic development in line with the National Government NG-CDF Board strategy dedicated to poverty reduction by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards community projects identified at constituency level. Since 2003/04, the Fund supported projects mainly in the areas of education, health, agriculture, roads, security, environment and sports.

*The key development objectives of NG-CDF- Embakasi EAST Constituency's 2018-2023 plan are to:*

- a. To disburse bursary timely and fairly.
- b. To Plan development initiatives.
- c. To Increase the number of public primary and secondary schools.
- d. To develop Sports and talent.

#### **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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**EMBAKASI EAST CONSTITUENCY**

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for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	In FY 19/20 -we increased the number of bursaries to needy students
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 1 to 2. 2 high masts added in the constituency
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with solar masts	High masts installed	High masts installed
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth group benefitting from the sports programme increased from 10 to 12
Disaster Management	Improve the mechanism used in handling disasters	Reduce loss of lives and properties	Number of staircases and ramps put in place.	During the Financial Year the NGCDF Embakasi East handling Covid 19 cases by purchasing hand sanitizers, disposal masks and tanks.



#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – EMBAKASI EAST 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 -**

For each strategic issue, strategic objectives have been developed together with the strategies to be undertaken to achieve them. These are presented as follows

##### **Strategic Objective 1: To improve access to basic education**

Strategy 1: Increasing provision of bursaries to needy children

##### **Strategic Objective 2: To improve learning environment**

Strategy 1: To improve learning infrastructure in primary and secondary schools

Strategy 2: To equip schools with learning materials

Strategy 3: To add more new schools in the constituency

##### **Strategic Objective 3: To promote Technical and Vocational Training Skills**

Strategy 1: Increasing youth access to technical and vocational training

##### **Strategic Objective 4: To increase security in the Constituency**

Strategy 1: Improving security infrastructure

Strategy 2: Improving working conditions of security personnel

##### **Strategic Objective 5: To prevent environmental degradation**

Strategy 1: Plant trees

##### **Strategic Objective 6: To build and enhance the skills of youth through sports**

Strategy 1: Sponsor sports tournaments

Strategy 2: Provide balls and uniforms to sports teams

##### **Strategic Objective 7: To strive for organizational excellence**

Strategy 1: Improve capacity of NG-CDFC, PMC and community members to plan, allocate resources, monitoring and evaluation of projects.

Strategy 2: Ensure that we have regular appraisals of our performance to improve accountability and effectiveness.

Strategy 3: Improve the level of understanding on community development practices which affect continuous improvement for the setting of strategy, the deployment of resources, monitoring and reporting.



**STATEMENT OF NG-CDF EMBAKASI EAST 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 Embakasi East national government Constituency Development Fund shall prepare financial statements in respect of National Government constituencies development fund. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-EMBAKASI EAST Constituency is responsible for the preparation and presentation of EMBAKASI EAST Constituency financial statements, which give a true and fair view of the state of affairs of EMBAKASI EAST Constituency 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-EMBAKASI EAST Constituency accepts responsibility for the National Government constituency 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 NGCDF-EMBAKASI EAST Constituency's financial statements give a true and fair view of the state of constituency's transactions during the financial year ended June 30, 2020, and of the constituency's financial position as at that date. The Accounting Officer charge of the NGCDF-EMBAKASI EAST Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the constituency's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

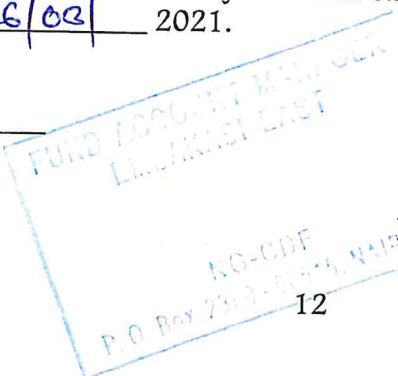
The NGCDF-EMBAKASI EAST Constituency financial statements were approved and signed by the Accounting Officer on 26/06 2021.



**Fund Account Manager**  
**Name: Victor Ouma**



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





# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Embakasi East Constituency set out on pages 14 to 31, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flow 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 East Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

#### Basis for Opinion

##### Inaccurate Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.38,585,171. However, the June, 2020 bank reconciliation in support of the balance indicates long outstanding payments in bank statement not yet recorded in cash book totaling Kshs.721,112 which relates to forgery that occurred in the financial year 2016/2017. Other than reporting the forgery to the DCI vide OB. Number 26/25/4/2017, no evidence has been provided showing measures taken to have the matter concluded.

Further, the cashbook had not been updated with the long outstanding payments contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the accuracy and completeness of cash and cash equivalent balance of Kshs38,585,171 as at 30 June, 2020 could not be confirmed.

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

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

The statement of appropriation - recurrent and development combined reflects final receipts budget of Kshs.220,694,632 against actual receipts of Kshs.96,785,832 resulting to under collection of Kshs.123,908,800 equivalent to 56% of the budgeted receipts. Similarly, the statement reflects, final expenditure budget of Kshs.220,694,632 against actual expenditure of Kshs.58,200,661 resulting to under expenditure of Kshs.162,493,971 equivalent to 74% of the approved budget.

Based on the approved estimates, under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

## **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, 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 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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 sustaining 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.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**08 February, 2022**



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**VI. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	68,000,000	106,284,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>68,000,000</b>	<b>106,284,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,912,500	2,060,000
Use of goods and services	5	8,099,084	9,790,113
Transfers to Other Government Units	6	7,350,000	22,000,000
Other grants and transfers	7	40,141,647	55,284,426
Acquisition of Assets	8	697,430	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>58,200,661</b>	<b>89,134,539</b>
<b>SURPLUS/DEFICIT</b>		<b>9,799,339</b>	<b>17,149,944</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI EAST Constituency financial statements were approved on 26/03/2021 and signed by:



**Fund Account Manager**  
**Name: Victor Ouma**




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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**EMBAKASI EAST CONSTITUENCY**

**Reports and Financial Statements**


**For the year ended June 30, 2020**

**VII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	38,585,171	28,785,832
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>38,585,171</b>	<b>28,785,832</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>38,585,171</b>	<b>28,785,832</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>38,585,171</b>	<b>28,785,832</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	28,785,832	11,635,888
Surplus/Deficit for the year		9,799,339	17,149,944
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>38,585,171</b>	<b>28,785,832</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI EAST Constituency financial statements were approved on 26/02/2021 and signed by:

  
Fund Account Manager  
Name: Victor Ouma

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



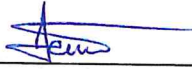


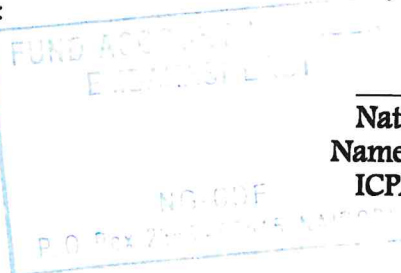
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****EMBAKASI EAST CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VIII. STATEMENT OF CASHFLOW**

		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	68,000,000	106,284,483
Other Receipts	3	-	-
		<b>68,000,000</b>	<b>106,284,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,912,500	2,060,000
Use of goods and services	5	8,099,084	9,790,113
Transfers to Other Government Units	6	7,350,000	22,000,000
Other grants and transfers	7	40,141,647	55,284,426
Other Payments	9	-	-
		<b>57,503,231</b>	<b>89,134,539</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>10,496,769</b>	<b>17,149,944</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(697,430)	-
<b>Net cash flows from Investing Activities</b>		<b>(697,430)</b>	<b>17,149,944</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>9,799,339</b>	<b>17,149,944</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>28,785,832</b>	<b>11,635,888</b>
<b>Cash and cash equivalent at END of the year</b>		<b>38,585,171</b>	<b>28,785,832</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMBAKASI EAST Constituency financial statements were approved on 26/03/2021 and signed by:

  
**Fund Account Manager**  
**Name: Victor Ouma**

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





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

**IX. 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 %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,924	83,326,708	220,694,632	96,785,832	123,908,800	44%
Proceeds from Sale of Assets				-	-	0%
Other Receipts		-		-	-	0%
<b>TOTAL RECEIPTS</b>	<b>137,367,924</b>	<b>83,326,708</b>	<b>220,694,632</b>	<b>96,785,832</b>	<b>123,908,800</b>	<b>44%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,124,000	1,950,760	4,074,760	1,912,500	2,162,260	47%
Use of goods and services	9,591,271	36,944	9,628,215	8,099,084	1,529,131	84%
Transfers to Other Government Units	67,688,235	50,866,237	118,554,472	7,350,000	111,204,472	6%
Other grants and transfers	57,964,418	25,045,740	83,010,157	40,141,647	42,868,510	48%
Acquisition of Assets	-	750,000	750,000	697,430	52,570	93%
Other Payments	-	4,677,027	4,677,027	-	4,677,027	0%
<b>TOTAL</b>	<b>137,367,924</b>	<b>83,326,708</b>	<b>220,694,632</b>	<b>58,200,661</b>	<b>162,493,971</b>	<b>26%</b>

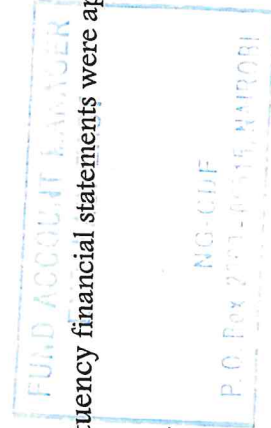
The NGCDF-EMBAKASI EAST Constituency financial statements were approved on 26/02/2021 and signed by:

*[Signature]*

**Fund Account Manager**  
**Name: Victor Ouma**

*[Signature]*

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





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

**X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2018/2019 Kshs	30/06/2019 Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,124,000	1,950,760	4,074,760	1,912,500	2,162,260
1.2 Committee allowances	2,154,488	-	2,154,488	2,150,000	4,488
1.3 Use of goods and services	3,531,693	-	3,531,693	3,500,000	31,693
<b>Sub-Total</b>	<b>7,810,181</b>	<b>1,950,760</b>	<b>9,760,941</b>	<b>7,562,500</b>	<b>2,198,441</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,000,000	-	2,000,000	550,000	1,450,000
2.2 Committee allowances	700,780	-	700,780	700,000	780
2.3 Use of goods and services	1,204,310	36,944	1,241,254	1,199,084	42,170
<b>Sub-Total</b>	<b>3,905,090</b>	<b>36,944</b>	<b>3,942,034</b>	<b>2,449,084</b>	<b>1,492,950</b>
3.0 Emergency	7,198,241	2,751,314	9,949,556	8,650,000	1,299,556
3.1 Primary Schools	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
<b>Sub-Total</b>	<b>7,198,241</b>	<b>2,751,314</b>	<b>9,949,556</b>	<b>8,650,000</b>	<b>1,299,556</b>
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	25,559,389	20,220	25,579,608	890,000	24,689,608
4.3 Tertiary Institutions	20,000,000	104,675	20,104,675	8,230,000	11,874,675
4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
<b>Sub-Total</b>	<b>45,559,389</b>	<b>124,895</b>	<b>45,684,283</b>	<b>9,120,000</b>	<b>36,564,283</b>
<b>5.0 Sports</b>					
5.0 Sports	2,603,394	592,024	3,195,418	1,794,526.00	1,400,892
<b>Sub-Total</b>	<b>2,603,394</b>	<b>592,024</b>	<b>3,195,418</b>	<b>1,794,526.00</b>	<b>1,400,892</b>
<b>6.0 Environment</b>					
6.0 Environment	2,603,394	775,621	3,379,015	2,177,500	1,201,515







REPORTS AND FINANCIAL STATEMENTS DEVELOPMENT FUND (NGCDF) – EMBAKASI EAST CONSTITUENCY

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

12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
12.2 Construction/Renovations of CDF office	-	953,500	953,500	-	953,500
12.3 Purchase of furniture and equipment	-	750,000	750,000	697,430	52,570
12.4 Purchase of computers	-	-	-	-	-
12.5 Purchase of land	-	-	-	-	-
12.2 Roads	-	609,536	609,536	-	609,536
<b>Sub-Total</b>	-	<b>2,313,036</b>	<b>2,313,036</b>	<b>697,430</b>	<b>1,615,606</b>
13.0 Others	-	-	-	-	-
13.1 Strategic Plan	-	-	-	-	-
13.2 Innovation Hub	-	4,677,027	4,677,027	-	4,677,027.00
<b>Sub-Total</b>	-	<b>4,677,027</b>	<b>4,677,027</b>	-	<b>4,677,027</b>
<b>GRAND TOTALS</b>	<b>137,367,924</b>	<b>83,326,708</b>	<b>220,694,632</b>	<b>58,200,661</b>	<b>162,493,971</b>



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**XI. 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 constituency**

The financial statements are for the NGCDF-EMBAKASI EAST Constituency. The financial statements encompass the reporting constituency 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 constituency for all the years presented.

**a) Recognition of Receipts**

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

**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 Embakasi East NG-CDF)

**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 constituency.



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**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 constituency 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 criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> 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 constituency recognises all payments when the event occurs and the related cash has actually been paid out by the constituency.

**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.



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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 NGCDF-EMBAKASI EAST Constituency 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.



## **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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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 30<sup>th</sup> 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 EAST CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**XII. NOTES TO THE FINANCIAL STATEMENTS**

<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
<b>GFS CODES</b>	<b>Description</b>		<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>1330407</b>	<b>Normal Allocation</b>			
	1 AIE NO..B005302			28,000,000
	2 AIE NO..B005267			23,784,483
	3 AIE NO..B030142			10,000,000
	4 AIE NO..B030376			10,000,000
	5 AIE NO..B006318			6,000,000
	6 AIE NO..B042728			13,500,000
	7 AIE NO..B042990			15,000,000
	1 AIE NO...B047397		4,000,000	
	2 AIE NO...B047772		16,000,000	
	3 AIE NO...B104193		10,000,000	
	4 AIE NO...B104270		25,000,000	
	5 AIE NO...B096550		13,000,000	
<b>1330408</b>	<b>Conditional Grants</b>	AIE NO...	-	-
			-	-
<b>1330409</b>	<b>Receipt from other Constituency</b>		-	-
	<b>TOTAL</b>		<b>68,000,000</b>	<b>106,284,483</b>
<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>				
<b>Description</b>			<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>3510202</b>	Receipts from the Sale of Buildings		-	-
<b>3510601</b>	Receipts from the Sale of Vehicles and Transport Equipment		-	-
<b>3510801</b>	Receipts from the Sale Plant Machinery and Equipment		-	-
<b>3510803</b>	Receipts from the Sale of Office and General Equipment		-	-
	<b>TOTAL</b>		-	-
<b>3 OTHER RECEIPTS</b>				
<b>Description</b>			<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>1410107</b>	Interest Received		-	-
<b>1410405</b>	Rents		-	-



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

420601	Sale of Tender Documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>TOTAL</b>		-	-
<b>2110000</b>	<b>4 COMPENSATION OF EMPLOYEES</b>			
	<b>Description</b>		<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		1,890,500	2,036,000
2110202	Basic wages of casual labour		-	-
	<b>Personal allowances paid as part of salary</b>		-	-
2110301	House allowance		-	-
2110314	Transport allowance		-	-
2110320	Leave allowance		-	-
2110326	Other personnel payments		-	-
2120101	Employer contribution to NSSF		22,000	24,000
2710120	Gratuity-contractual employees		-	-
	<b>TOTAL</b>		<b>1,912,500</b>	<b>2,060,000</b>
<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>			
	<b>Description</b>		<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
2210100	Utilities, supplies and services		706,000	20,000
2210101	Electricity		33,377	31,260
2210102	Water & sewerage charges		-	-
2210104	Office rent		1,100,227	999,542
2210200	Communication, supplies and services		48,000	239,000
2210300	Domestic travel and subsistence		20,000	55,000
2210500	Printing, advertising and information supplies & services		20,000	249,000
2210600	Rentals of produced assets		-	-
2210700	Training expenses		-	1,424,918
2210800	Hospitality supplies and services		-	-
2210802	Other committee expenses		2,371,000	2,978,000
2210809	Committee allowance		2,344,000	2,628,000
2210900	Insurance costs		-	-
2211000	Specialized materials and services		400,000	87,523
2211100	Office and general supplies and services		1,056,480	1,077,870



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2211200	Fuel , oil & lubricants		-	-
2211300	Other operating expenses		-	-
2211301	Bank service commission and charges		-	-
2211313	Security operations		-	-
2220100	Routine maintenance - vehicles and other transport equipment		-	-
2220200	Routine maintenance- other assets		-	-
	<b>TOTAL</b>		<b>8,099,084</b>	<b>9,790,113</b>

**2630200 6 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
2630204	Transfers to Primary Schools	7,350,000	15,000,000
2630205	Transfers to Secondary Schools	-	7,000,000
2630206	Transfers to Tertiary Institutions	-	-
2630207	Transfers to Health Institutions		
	<b>TOTAL</b>	<b>7,350,000</b>	<b>22,000,000</b>

**2640000 7 OTHER GRANTS AND OTHER PAYMENTS**

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
2640101	Bursary - Secondary	890,000	18,340,000
2640102	Bursary - Tertiary	8,230,000	12,656,000
2640104	Bursary- Special Schools	-	-
2640105	Mocks & CAT	-	-
2640504	Water	-	-
2640505	Food Security	-	-
2640506	Electricity	-	-
2640507	Security	18,399,621	4,099,811
2640508	Roads and Bridges		13,390,576
2640509	Sports	1,794,526	1,700,000
2640510	Environment	2,177,500	1,541,403
2640512	Cultural Projects	-	-
2640513	Agriculture	-	-
2640200	Emergency Projects	8,650,000	3,556,636
	<b>TOTAL</b>	<b>40,141,647</b>	<b>55,284,426</b>



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3100000 8 ACQUISITION OF ASSETS					
<u>Non Financial Assets</u>					
		2019 - 2020	2018 - 2019		
		Kshs	Kshs		
3110102	Purchase of Buildings	-	-		
3110202	Construction of Buildings	-	-		
3110302	Refurbishment of Buildings	-	-		
3110701	Purchase of Vehicles	-	-		
3110704	Purchase of Bicycles & Motorcycles	-	-		
3110801	Overhaul of Vehicles	-	-		
3111001	Purchase of office furniture and fittings	697,430	-		
3111002	Purchase of computers ,printers and other IT equipments	-	-		
3111005	Purchase of photocopier	-	-		
3111009	Purchase of other office equipments	-	-		
3111112	Purchase of soft ware	-	-		
3130101	Acquisition of Land	-	-		
<b>TOTAL</b>		<b>697,430</b>	<b>-</b>		
9 Other Payments					
2211310	Strategic Plan	-	-		
2211311	ICT Hubs	-	-		
<b>TOTAL</b>		<b>-</b>	<b>-</b>		
10A: Bank Balances (cash book bank balance)					
Name of Bank, Account No. & currency		Account Number	2019 - 2020	2018 - 2019	
			Kshs (30/6/2020)	Kshs (30/6/2019)	
EQUITY BANK A/C 0820264117294			38,585,171	28,785,832	
<b>TOTAL</b>			<b>38,585,171</b>	<b>28,785,832</b>	
10B: CASH IN HAND)					
			2019 - 2020	2018 - 2019	



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			Kshs (30/6/2019)	Kshs (30/6/2018)	
	Location 1		-	-	
	Location 2		-	-	
	Location 3		-	-	
	Other receipts (specify)		-	-	
	<b>TOTAL</b>		-	-	
<b>11: OUTSTANDING IMPRESTS</b>					
<i>Name of Officer</i>			<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/20</i>
		<b>Date imprest taken</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
			-	-	
			-	-	
			-	-	
			-	-	
			-	-	
			-	-	
	<b>12 Retention</b>				
	<b>Supplier/Contractor</b>	<b>PV No.</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>	
			-	-	
			-	-	
	<b>TOTAL</b>		-	-	
<b>13 BALANCES BROUGHT FORWARD</b>					
			<b>2019 - 2020</b>	<b>2018 - 2019</b>	
			<b>Kshs</b>	<b>Kshs</b>	
			<b>(1/7/2019)</b>	<b>(1/7/2018)</b>	
	Bank accounts -		28,785,832	11,635,888	
	Cash in hand				
	Imprest				
	<b>TOTAL</b>		<b>28,785,832</b>	<b>11,635,888</b>	



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<b>14. PRIOR YEAR ADJUSTMENTS</b>					
			Balance b/f FY2019 - 2020 per Financial statements	Adjusments	Adju balance 2018 - 2
	Description of the error		Kshs	Kshs	Kshs
	Bank accounts balances		-	-	
	Cash in hand		-	-	
	Accounts Payable		-	-	
	Receivables		-	-	
	Others (specify)		-	-	
	<b>TOTAL</b>		-	-	
<b>15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST</b>					
			2019-2020	2018-2019	
			Kshs	Kshs	
	Outstanding Imprest as at 1st July 2019 (A)		-	-	
	Imprest issued during the year (B)		-	-	
	Imprest surrendered during the Year ©		-	-	
	Net changes in accounts receivables (D=A+B-C)		-	-	
<b>16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION</b>					
			2019 - 2020	2018 - 2019	
			Kshs	Kshs	
	Deposits and Retention as a t 1st July 2019 (A)		-	-	
	Deposits and Retention held during the year (B)		-	-	
	Deposits and Retention paid during the year ©		-	-	
	Net changes in accounts payable (D=A+B-C)		-	-	
<b>17. OTHER IMPORTANT DISCLOSURES</b>					
<b>17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>					
			2019 - 2020	2018 - 2019	
			Kshs	Kshs	
	Construction of buildings		-	-	
	Construction of civil works		-	-	
	Supply of goods		-	-	
	Supply of services		-	-	
	<b>TOTAL</b>		-	-	



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<b>17.2: PENDING STAFF PAYABLES (See Annex 2)</b>				
			<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
Staff salaries			-	-
Staff Gratuity			619,380	-
Others (specify)			-	-
			619,380	-
<b>17.3: UNUTILISED FUNDS (See Annex 3)</b>				
			<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
Un- utilized Funds			162,493,971	83,326,708
			-	-
<b>TOTAL</b>			<b>162,493,971</b>	<b>83,326,708</b>
<b>17.4: PMC ACCOUNT BALANCES (See Annex 5)</b>				
			<b>2019 - 2020</b>	<b>2018 - 2019</b>
			<b>Kshs</b>	<b>Kshs</b>
PMC Account Balances			4,850,614	32,505,511
			-	-
			-	-
			-	-
<b>TOTAL</b>			<b>4,850,614</b>	<b>32,505,511</b>



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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	
<b>Construction of buildings</b>	-	-	-	-	
1.	-	-	-	-	
2.	-	-	-	-	
3.	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	
<b>Construction of civil works</b>	-	-	-	-	
4.	-	-	-	-	
5.	-	-	-	-	
6.	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	
<b>Supply of goods</b>	-	-	-	-	
7.	-	-	-	-	
8.	-	-	-	-	
9.	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	
<b>Supply of services</b>	-	-	-	-	
10.	-	-	-	-	
11.	-	-	-	-	
12.	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	
<b>Grand Total</b>	-	-	-	-	



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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
<b>Senior Management</b>		a	b	c	d=a-c	
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4 ALICE KANDIE		158,100	1/1/2018	158,100	158,100	
5 NELSON NGUGI		158,100	1/1/2018	158,100	158,100	
6 PHILISTER APONDI		130,200	1/1/2018	130,200	130,200	
7 ALICE AWINO ANYANGO		107,880	1/1/2018	107,880	107,880	
8 JANE WANGESHI IRUNGU		65,100	1/1/2018	65,100	65,100	
<b>Sub-Total</b>		<b>619,380</b>		<b>619,380</b>	<b>619,380</b>	
<b>Unionisable Employees</b>						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
<b>Sub-Total</b>						
<b>Grand Total</b>		<b>619,380</b>		<b>619,380</b>	<b>619,380</b>	







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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2018/19</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/20</b>
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	-	697,430	-	697,430
ICT Equipment, Software and Other ICT Assets	273,000.00	-	-	273,000.00
Other Machinery and Equipment		-	-	
Heritage and cultural assets	2,340,479.30	-	-	2,340,479.30
Intangible assets		-	-	
<b>Total</b>	<b>2,613,479.30</b>	<b>697,430</b>	<b>-</b>	<b>3,037,909</b>



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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
EMBAKASI DCI POLICE POST	Equity	0820279829224	3,370,172.00	
DONHOLM PRIMARY SCHOOL-REROFING	Equity	0820277346682	-	-
EMBAKASI EAST PRIMARY SCHOOL DESKS PMC		0820279644399	15,768.50	
DONHOLM PRIMARY SCHOOL-RENOVATION	Equity	0820277346742	-	8,641,211.50
EDELVELE PRIMARY UPPER - 20 DOORS	Equity	0820277346618	1,957.50	<b>4,148,739.00</b>
EDELVELE PRIMARY LOWER - 20 DOORS	Equity	0820277346573	1,957.50	4,148,739.00
EDELVALE PMC CBO	Equity	0820264712409	82,643.55	566,821.25
MAUA PRIMARY SCHOOL PROJECT	Equity	1790278928152	474,388.50	7,500,000.00
MIHANGO PRIMARY SCHOOL PROJECT	Equity	0820278988469	903,726.60	7,500,000.00
<b>Total</b>			<b>4,850,614.00</b>	<b>32,505,511.00</b>



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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)
OAG/NBI-HUB/NG-CDF/2017-2018/ (9)	1. Non implementation of projects	Examination of budget documents reveals as at 30 June 2018, the NG-CDF had not implemented projects worth kshs 17,113,234. This implies that some budgetary provisions and plans were not met which impacted negatively on service delivery to the constituents.	FAM	RESOLVED	RESOLVED

