

REPUBLIC OF KENYA



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REPORT	
THE NATIONAL ASSEMBLY OF	
DATE: 15 NOV 2022	DAY: Tuesday
BY: <i>My. Stephen Oloo, MP</i>	<i>Chief Whip Majority</i>
CLERK-AT THE-TABLE:	<i>Halima Seleiman</i>

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MATUNGU CONSTITUENCY**

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






NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU 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)

 THE NATIONAL ASSEMBLY P.O. BOX 100000, NAIROBI	
DATE: 15 NOV 2022	
TABLED BY:	Hon. Silvanus Orod, MP Chief Whip Majority
CLERK-AT THE TABLE:	Halima Suliman

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

**Reports and Financial Statements
or the year ended 30th June 2020**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF MATUNGU 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	BENJAMIN SUGUT
2.	Sub-County Accountant	LAWRENCE NYANGOTO
3.	Chairman NGCDFC	CAROLINE KAKHWI
4.	Member NGCDFC	JAMES SHIUNDU

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1045-50102
Matungu Sub-County HQs NG-CDF building
Mumias, KENYA

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(f) NGCDF MATUNGU Constituency Contacts

Telephone: (254) 704332342
E-mail: cdformatungu@ngcdf.go.ke
Website: www.cdfmatungu.go.ke

(g) NGCDF MATUNGU Constituency Bankers

EQUITY BANK LTD
A/No: 0680299140869
MUMIAS BRANCH

(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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Budget performance against actual amounts for current year based on economic classification and programmes

During the financial year 2019/20 we received Kshs. 120,440,876 from the CDFB and incurred an expenditure of Kshs. 99,374,515 on Compensation of employees, Use of goods and services, Transfers to Other Government Units, Other grants and transfers and Acquisition of Assets. An amount equal to Kshs. 689,367,724 was not received during the financial year.

Key achievements in the FY 2019/20

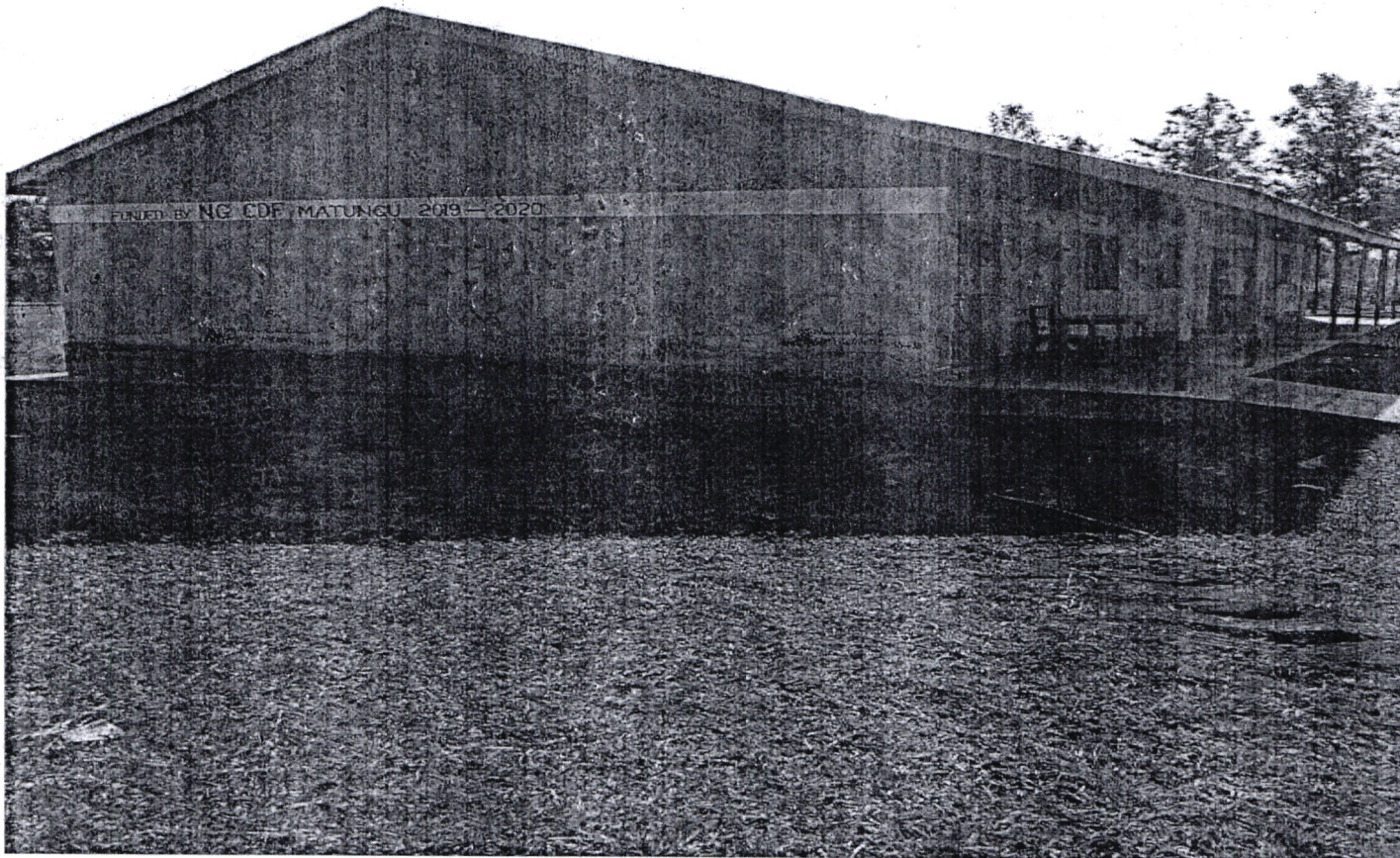


FIG 1: NAMULUNGU SECONDARY SCHOOL 2 CLASSROOMS

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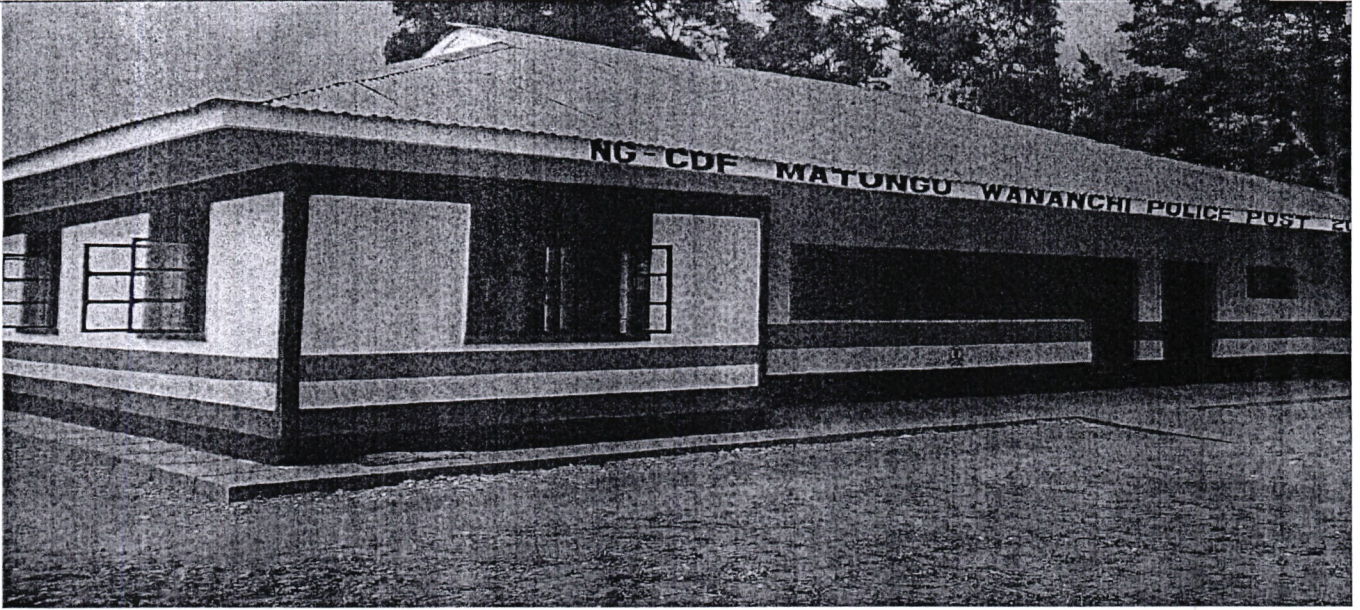


FIG 2: WANANCHI AP CAMP POLICE POST COMPLETED IN 2019-2020

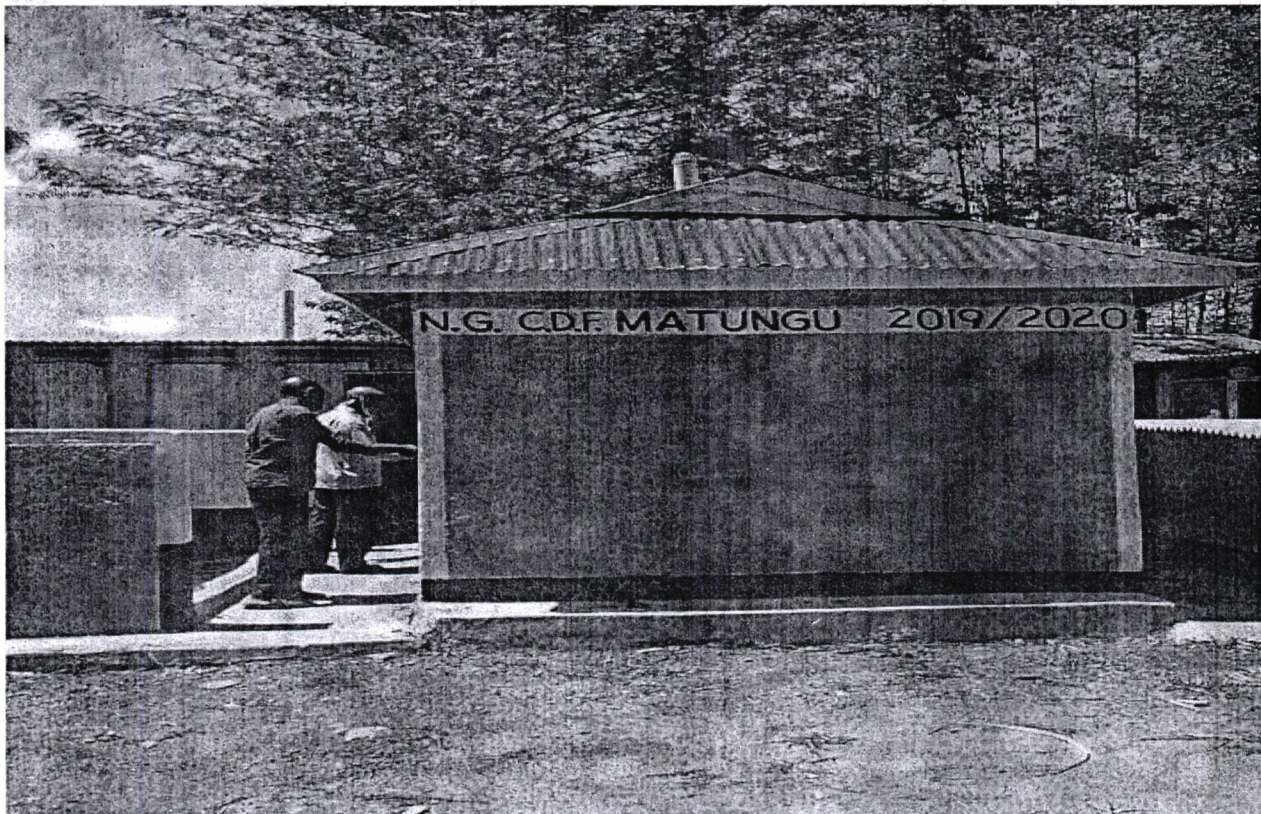


FIG 3: KHOLERA PRIMARY SCHOOL 6 DOOR TOILETS

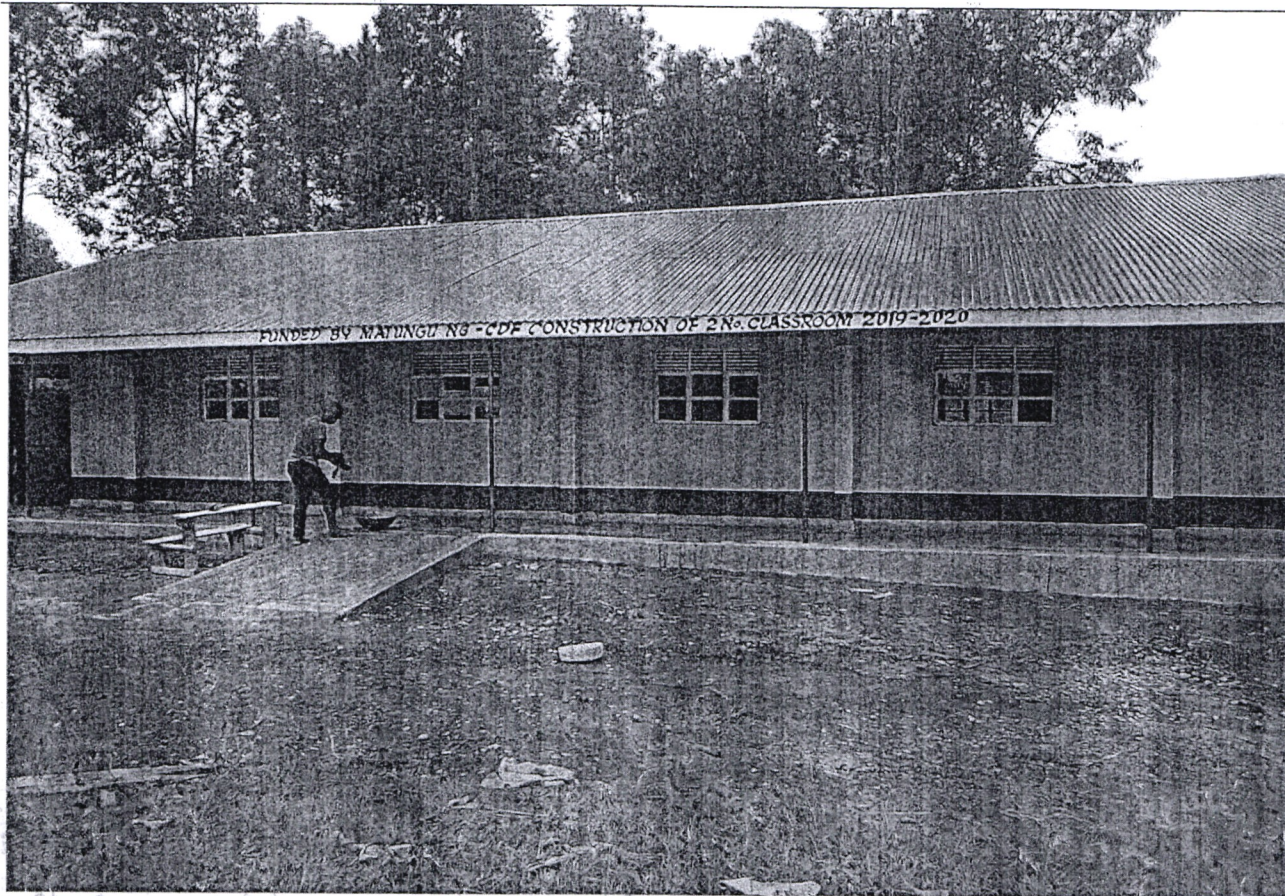


FIG 3: MUSANGO PRIMARY SCHOOL 2 CLASSROOMS

Implementation challenges

- Many schools in the constituency, 31 out of 39, are younger than 15 years for secondary schools, and 24 out of 69 for Primary schools. Each therefore is very needy against the limited budget.
- To overcome this, we have embarked on implementation of priority projects in individual schools through public participation.
- Most of the schools lack very essential facilities that lead to poor performance. We have initiated very key projects in every ward such as modern Twin Science Laboratory, modern Dormitory, Multipurpose Hall, Modern Administration Block and modern standard classrooms with terrazzo floors and ceiling boards.
- There are no flagship projects to benefit the whole constituency such as TTI and KMTC. We have budgeted for them in 2019/20 FY and hope to start.
 - High demand of bursaries. We have embarked on classification of applicants based on the level of need for effectiveness. We also have a full sponsorship programme for form one annually for students who score over 400 marks in KCPE.


.....
CAROLINE KAKHWI,
CHAIRMAN NG-CDFC.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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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-MATUNGU Constituency's 2018-2022 plan are to:

- a) To improve access to quality education
- b) To harness youth talent And empower them
- c) To cater for any unforeseen occurrences in the constituency
- d) To promote environmental sustainability in the constituency
- e) To enhance security in the constituency
- f) To improve tracking of implementation NGCDF programmes
- g) To promote performance management and smooth running of NGCDF office

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	h) To improve access to quality education	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	In FY 19/20 -we increased number of classrooms, dormitories, laboratoties from 193 to 213 in schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Youth and Sports	To harness youth talent And empower them	Increased campaigns on drugs and substance abuse and on HIV and AIDS, Awareness	Number of campaigns held, number of awareness forums held and amount of funds voted	We intend to increase number of campaigns and forums and increase funding

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		among the youth on the establishment of youth groups and accessing devolved funds and increased funding to youth sporting activities		
Emergency support	To cater for any unforeseen occurrences in the constituency	Increased funds on unforeseen activities	Number of cases assisted	In the year the issues addressed increased
Environment	To promote environmental sustainability in the constituency	Increased number of trees planted	Number of trees planted	Increased number of trees planted
Security	To enhance security in the constituency	Increased number of offices constructed	Number of offices constructed	Increased number of chiefs offices, police stations constructed
Tracking results	To improve tracking of implementation NGCDF programmes	Increased PMC visits to projects	Number of visits to PMCs projects	Increased number of visits
Institutional strengthening	To promote performance management and smooth running of NGCDF office	Reviews to website and strategic plan	Number of reviews done	Increased number of reviews

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – MATUNGU 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 –

NG-CDF MATUNGU Constituency has prioritised set of actions which provides an agreed framework to focus on driving of performance and engage internal and external stakeholders in order to uplift standard of lives of Matungu Constituents.

This relevance has been attributed to our vision, mission and core values as provided in our strategic plan.

Model	Definition	Relevance to Sustainable Strategy
Vision	Equitable socio-economic	The Management is equally

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	development within Matungu Constituency.	concerned for people's needs based on the available resources.
Mission	To implement national government strategies towards affording Matungu residents quality education and reliable security services through prudent management, effective and efficient utilization of allocated funds.	This serve to communicate the desires, intend and direction of the Management to attainment of set objectives and goals.
Core Values	Honesty and integrity, Efficiency and effectiveness, innovativeness and creativity, inclusiveness, equity and equality, accountability and transparency.	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize this goals and objectives, the constituency relied on the set targets as a sign of performance targets. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. Environmental performance

Environmental protection initiative remains a core objective of Matungu NG-CDF. A clean environment is essential for healthy living and that one of the core objective of the Management.

Our Environmental Policy In this policy statement Matungu NG-CDF commits to:

- To promote and encourage tree planting in the constituency by setting tree planting days.
- Strengthening of overall policy coordination of natural resource management.
- Raising real awareness of the importance of environmental matters within the constituency.
- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Creating awareness to the employees and Matungu residents at large the importance of keeping the environment clean and making a follow up on the same.
- Ensure proper waste disposal and management.
- Creating awareness to the public on the minimization of Land, Air and Water pollution.

Our Environmental Action Plan

Matungu NG-CDF has identified three areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. The three areas include;

Impact Area	Approach
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Capacity Building	<ul style="list-style-type: none">➤ Promote environmental awareness by sensitizing the Matungu NG-CDFC, NGCDFC staff and PMCs on good conservation practices.➤
Conservation of Energy and Resources	<ul style="list-style-type: none">➤ Promoting water harvesting practise for conservation purposes.➤ Create awareness among the residents to practise tree planting to enable serve as water catchment strategy.
Environmental Protection and Conservation	<ul style="list-style-type: none">➤ Creating awareness to the public on the minimization of Land, Air and Water pollution.➤ To promote and encourage tree planting in the constituency by setting tree planting days.➤ Raising real awareness of the importance of environmental matters within the constituency.➤ Creating awareness amongst the residents of Matungu on importance of green economy.

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

As stipulated by NG-CDFC Act 2015 the Matungu NG-CDF offers only categories of employment, which are Contract employees who are employed for 2 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis when need arise and they are remunerated on a piece rate payment system.

Recruitment Procedure

The Matungu NG-CDF follow the NG-CDF Act 2015 in the in recruitment, appointment and promotion of the NG-CDF staff.

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

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A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The new employees are oriented and inducted on their new roles and responsibilities. This is carried out to ensure that they are aware of the expectations, targets and operations in with their duties.

Promotions

Employees are promoted in regard to their work performance ability through annual performance appraisal conducted by the management committee. This only made by the resolution of NG-CDFC.

Health, Safety and well being

This provides guidelines on the health, safety and well-being of the office staff.

Guidelines to General Safety

The Management has ensured safe working environment for the employees.

The staff has the duty of care while on job to ensure they are not injured while undertaking their responsibilities.

Emergency Preparedness

Matungu NG-CDF has set aside amount of money in each financial year to cater for any unforeseeable occurrences in the constituency.

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events. Example the constituency set aside and used some of the emergency fund to cushion for affected house hold of the COVID-19 pandemic.

4. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the 10 grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice

One of the core values of Matungu NG-CDF is ensuring equity and equality. The management serves the purpose to ensure that locals benefit competitively in service provision and material to the projects not withstanding to gender, disability, youth and women.

b) Responsible Supply chain and supplier relations

The Matungu NG-CDFC management adheres to public procurement and disposal act 2015 in the recruitment of suppliers. This ensures fair competition amongst suppliers and this facilitates prompt payment for those successful.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices Advertisement

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders. This is done in accordance to monitoring and evaluation framework and availability of funds.

d) Product stewardship

In order to safeguard consumer rights and interests, the Matungu NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible.

COMMUNITY ENGAGEMENTS

i) Promotion of education

The Management of the Matungu Constituency has formulated a number of strategies by improving the quality of education through rehabilitation, renovation, and construction of classrooms, provision of school infrastructure including sanitary facilities and laboratories and this plays an important role in promoting corporate social responsibility.

ii) Promotion of Health care

It has also played an important role in investing in support health project by establishing construction of fabricated staff unit at various health facilities within the constituency.

iii) Staff Training and development

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The Management adheres to NG-CDF Act in the recruitment; deployment of NG-CDF staffs and this ensure right personnel are hired during the process.

iv) Promotion on youth and sports

The management organised sports tournament at different ward levels and this a positive impact on the community because through this reduces the impact of idleness which brings negative socio-effects in the community.

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-MATUNGU 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-MATUNGU 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-MATUNGU 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-MATUNGU 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-MATUNGU Constituency financial statements were approved and signed by the Accounting Officer on JULY 28th 2020.



Fund Account Manager
Name: BENJAMIN SUGUT



Sub-County Accountant
Name: LAWRENCE NYANGOTO
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungu Constituency as set out on pages 17 to 57 which comprise the statement of Assets and Liabilities as at 30 June, 2020, the statement of Receipts and Payments, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Matungu 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 National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Matungu 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 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. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budget Analysis

During the year under review, the National Government Constituencies Development Fund-Matungu Constituency had an approved budget of Kshs.194,856,978 compare to actual receipt of Kshs.120,486,876 including a brought forward receipt of Kshs.2,402,378 from previous year, 2018/2019, resulting to a budget shortfall of Kshs.71,967,724 which is translating to 36% budget underutilization.

Budget underutilization may lead to non-delivery of planned services and programs to the people of Matungu Constituency.

2. Projects Implementation Status Summary - Delay in Completion of Projects

Review of the projects implementation status report for National Government Constituencies Development Fund - Matungu Constituency revealed that the management of the fund had approved to implement 109 projects at estimated cost of Kshs.85,423,369 in the year under review. Out of the 109 projects, sixty eight (68) projects worth Kshs.53,291,643 (62% performance) had been completed. Thirty-one (31) projects worth Kshs.24,294,719 (28%) were ongoing and ten (10) environmental projects worth 7,837,006 (9%) had not started as at the time of audit. There was notable delay in completion of some of the projects contrary to the provisions of Section 46(2) of the National Government Constituencies Development Fund Act, 2015 which requires that the Constituency Committee shall rank the projects in order of priority and whenever the projects listed exceed the ceiling for a particular constituency, then the order I which they are listed shall be takes as taken as the order of priority for purposes of allocation of funds.

The Management of the Matungu NG-CDF was in breach of the law in as far as completion of projects was concerned.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Other Grants and Transfers - Incomplete Works at Wananchi AP

During the year under review, a local construction company was awarded contract for construction of administration block at Wananchi Police Post at a contract sum of Kshs.3,148,680. The Project Management committee was paid Kshs.1,100,000 in respect of the construction of the police post and completion of two units of four (4) doors pit latrines.

However, it was noted that payments to the contractor was made in full and retention money released in two batches of Kshs.145,219 each totaling Kshs.290,438 notwithstanding the following anomalies:

- The contract was not duly dated and signed by the Secretary to the PMC and the contractor's representative.
- There was a change in structural design without the CDFC approval as the internal work plans were modified, doors and window locations were changed. It was also noted that the suspended slab on the armory had poor finishing as well as leakages being noted on the roof.
- The Bills of quantities was inclusive of rainwater gutters but were not installed. Whereas cracks on the walls and floors was visible as well as poor paint work was observed which is an indication of poor workmanship.
- The electrical works were not properly done given that internal lights go off automatically via a triple at the meter box when the security lights are put on. Also, it was noted that an expenditure under contingencies account of Kshs.50,000.00 was also not accounted for.

Full payment of contracts before completion of contract is against Section 98(2), of the Public Finance Management, Regulations, 2015 which requires that advance payments shall not be paid to suppliers of services and goods unless works has been completed.

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

2. Transfers to Other Government Units – Poorly Done Project

The statement of receipts and payments and note 6 to the financial statements reflects transfer to other government units of Kshs.49,725,000. Included in this figure is an amount of Kshs.6,470,758 in respect of construction of an administration block for a School. However, it was noted that the Contractor was paid in full and retention money released but the project was poorly done on finishing, doors, fittings, frames, plumbing and had a leaking roof.

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 matters 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

1. Transfers to Other Government Units

As disclosed under Note 6 to the financial statements, transfer to other government units figure of Kshs.49,725,000 includes Kshs.1,886,016 paid to a local contractor for construction of two staff houses at a school. However, audit inspection carried out revealed that electrical works, plumbing works and construction of septic tank have been pending for the last six years.

2. Non-Receipt of Bursary Disbursements

The bursary disbursed to beneficiaries through various institutions during the year under review totaled Kshs.19,444,769 as reported in the financial statements. However, only Kshs.14,354,669 was acknowledged through receipts raised by the respective institutions to Matungu CDF fund, resulting to a variance of Kshs.5,090,100 not acknowledged by the recipient institutions.

In the circumstances, it was not possible to ascertain whether the disbursement of Kshs.5,090,100 reached the intended beneficiaries.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards-Cash Basis, and for maintaining effective internal 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.

In preparing the financial statements, Management is responsible for assessing NGCDF-Matungu ability to continue to sustain 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 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing NGCDF - Matungu 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 NGCDF-Matungu 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 sustainability concern 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 NGCDF - Matungu 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 NGCDF-Matungu 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 NGCDF-Matungu 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

02 February, 2022

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

Reports and Financial Statements

For the year ended 30th June, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	120,440,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	46,000	19,000
TOTAL RECEIPTS		120,486,876	108,803,483
PAYMENTS			
Compensation of employees	4	3,123,016	1,944,460
Use of goods and services	5	9,032,269	8,956,158
Transfers to Other Government Units	6	49,725,000	39,186,857
Other grants and transfers	7	35,698,370	47,523,347
Acquisition of Assets	8	1,795,861	5,862,000
Other Payments	9	-	3,507,770
TOTAL PAYMENTS		99,374,515	106,980,592
SURPLUS/ (DEFICIT)		21,112,360	1,822,891

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on JULY 28TH, 2020 and signed by:

Fund Account Manager
Name: BENJAMIN SUGUT

National Sub-County Accountant
Name: LAWRENCE NYANGOTO
ICPAK Member Number:

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

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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	23,514,738	2,402,378
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		23,514,738	2,402,378
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		23,514,738	2,402,378
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	111,778
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	111,778
NET FINANCIAL ASSETS		23,514,738	2,290,600
REPRESENTED BY			
Fund balance b/fwd	13	2,402,378	579,487
Prior year adjustments	14	-	-
Surplus/Defict for the year		21,112,360	1,822,891
NET FINANCIAL POSITION		23,514,738	2,402,378

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on JULY 28TH, 2020 and signed by:



Fund Account Manager
Name: BENJAMIN SUGUT



National Sub-County Accountant
Name: LAWRENCE NYANGOTO
ICPAK Member Number:

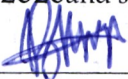
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY**

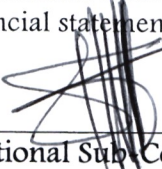
**Reports and Financial Statements
For the year ended 30th June, 2020**

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	120,440,876	108,784,483
Other Receipts	3	46,000	19,000
Total receipts		120,486,876	108,803,483
Payments for operating expenses			
Compensation of Employees	4	3,123,016	1,944,460
Use of goods and services	5	9,032,269	8,956,158
Transfers to Other Government Units	6	49,725,000	39,298,635
Other grants and transfers	7	35,698,370	47,523,347
Other Payments	9	-	3,507,770
Total payments		97,578,654	101,118,592
Total Receipts Less Total Payments		22,908,221	7,684,891
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		22,908,221	7,684,891
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,795,861)	(5,862,000)
Net cash flows from Investing Activities		(1,795,861)	(5,862,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		21,112,360	1,822,891
Cash and cash equivalent at BEGINNING of the year	13	2,402,378	579,487
Cash and cash equivalent at END of the year		<u>23,514,738</u>	<u>2,402,378</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on JULY 28TH, 2020 and signed by:


Fund Account Manager
Name: BENJAMIN SUGUT


National Sub-County Accountant
Name: LAWRENCE NYANGOTO
ICPAK Member Number:

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	57,443,254	194,810,978	122,843,254	71,967,724	63%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	46,000	46,000	46,000	-	100%
TOTAL RECEIPTS	137,367,724	57,489,254	194,856,978	122,889,254	71,967,724	63%
PAYMENTS						
Compensation of Employees	3,335,045	1,152,234	4,487,279	3,123,016	1,364,243	70%
Use of goods and services	9,028,050	3,929,415	12,957,465	10,828,130	2,129,335	84%
Transfers to Other Government Units	76,015,000	37,701,365	113,716,365	49,725,000	63,991,365	44%
Other grants and transfers	48,689,629	10,911,098	59,600,727	35,698,370	23,902,357	60%
Acquisition of Assets	300,000	2,443,885	2,743,885	-	300,000	89%
Other Payments	-	1,305,257	1,305,257	-	1,305,257	0%
AIA-Authority not given	-	46,000	46,000	-	46,000	0%
TOTALS	137,367,724	57,489,254	194,856,978	99,374,515	95,482,462	51%

Reasons for utilization below 90%

- i. Underutilization of Transfers from the NGCDFB is due to the fact that the fund hasn't yet fully received all transfers from the Board for the FY 2019/20.
- ii. Underutilization of Compensation of Employees is due to the fact that the fund has only received half of the allocation from the Board for the FY 2019/20.
- iii. Underutilization of Use of goods and services is due to the fact that the fund has only received half of the allocation from the Board for the FY 2019/20.
- iv. Underutilization of Transfers to Other Government Units is due to the fact that the fund had not received the entire funding for FY 2019/20.
- v. Underutilization of Other grants and transfers is due to the fact that not received the entire funding for FY 2019/20.
- vi. Underutilization of acquisition of assets is for Purchase of motorbike and the fund hasn't received funds from the Board.

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

The changes between the original and final budget is as a result of AIE for 2018/19 was received in 2019/20.

The NGCDF-MATUNGU Constituency financial statements were approved on JULY 28TH 2020 and signed by:



Fund Account Manager
Name: BENJAMIN SUGUT



Sub-County Accountant
Name: LAWRENCE NYANGOTO
ICPAK Member Number:

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,228,239	1,152,232	4,380,471	3,016,210	1,364,261
1.2 Committee allowances	1,368,000	665,900	2,033,900	2,033,900	0
1.3 Use of goods and services	3,539,019	1,913,135	5,452,154	3,806,649	2,450,298
1.4 NSSF	106,805	83,080	189,885	106,706	83,079
2.0 Monitoring and evaluation					
2.1 Capacity building	1,200,000	1,217,900	2,417,900	1,217,900	1,200,000
2.2 Committee allowances	2,600,000	494,000	3,094,000	1,649,000	2,445,000
2.3 Use of goods and services	321,032	247,780	568,812	0	568,812
3.0 Emergency					
3.1 Primary Schools	2,500,000	11,756,883	14,256,883	3,100,242	11,156,641
3.2 Secondary schools	3,000,000	1,770,875	4,770,875	4,770,875	0
3.3 Tertiary institutions	1,198,241	1,001,251	2,199,492	3,200,000	1,000,508
3.4 Security projects	500,000	1,117,356	1,617,356	167,976	1,449,380
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	20,391,388	0	20,391,388	12,716,525	7,675,363
4.3 Tertiary Institutions	13,900,000	0	13,900,000	3,106,880	10,793,120
4.4 Universities					
4.5 Social Security					
5.0 Sports	1,750,000	1,127,000	2,877,000	1,127,000	1,750,000
5.1					
6.0 Environment					
6.1 PURCHASE OF TREES	750,000	0	750,000	0	750,000

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.2 PURCHASE OF TANKS	800,000	0	800,000	0	800,000
7.0 Primary Schools Projects (List all the Projects)					
7.1 BUKOSIA PRIMARY SCHOOL	350,000	0	350,000	0	350,000
7.2 BULIMBO PRIMARY SCHOOL	2,000,000	0	2,000,000	0	2,000,000
7.3 CHIBANGA PRIMARY SCHOOL	400,000	0	400,000	0	400,000
7.4 EBUSAMBE PRIMARY SCHOOL	150,000	0	150,000	150,000	0
7.5 ESHIYABO PRIMARY SCHOOL	1,000,000	0	1,000,000	0	1,000,000
7.6 IKULUMWOYO PRIMARY SCHOOL	560,000	700,000	1,260,000	1,260,000	0
7.7 INDANGALASIA PRIMARY SCHOOL	330,000	0	330,000	330,000	0
7.8 KADIMA PRIMARY SCHOOL	1,650,000	1,500,000	3,150,000	3,150,000	0
7.9 KANDAI PRIMARY SCHOOL	700,000	800,000	1,500,000	1,500,000	0
7.10 KHABUKOSHE PRIMARY	700,000	0	700,000	0	700,000
7.11 EMANANI PRIMARY SCHOOL	800,000	0	800,000	0	800,000
7.12 ESHIBANZE PRIMARY SCHOOL	50,000	0	50,000	50,000	0
7.13 ESHIKHONESI PRIMARY SCHOOL	1,470,000	0	1,470,000	0	1,470,000
7.14 MUSANGO PRIMARY SCHOOL	1,850,000	0	1,850,000	1,850,000	0
7.15 NAMALENGE PRIMARY SCHOOL	800,000	0	800,000	800,000	0
7.16 MALANGA PRIMARY SCHOOL	600,000	0	600,000	600,000	0
7.17 NAMAYIAKALO PRIMARY SCHOOL	575,000	0	575,000	0	575,000
7.18 MATUNGU SDA PRIMARY SCHOOL	700,000	0	700,000	0	700,000
7.19 LUTASIO PRIMARY SCHOOL	300,000	0	300,000	0	300,000
7.20 MAKUNDA PRIMARY SCHOOL	700,000	0	700,000	700,000	0
7.21 NAMULUNGU MUSLIM PRIMARY	1,000,000	0	1,000,000	0	1,000,000
7.22 NANYENI PRIMARY	320,000	700,000	1,020,000	1,020,000	0
7.23 NAMANGA PRIMARY	650,000	500,000	1,150,000	1,150,000	0
7.24 NAVUNULU PRIMARY	600,000	0	600,000	0	600,000

For the year ended 30th June, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.25 ST. PAULS EJINJA PRIMARY	1,000,000	0	1,000,000	0	1,000,000
7.26 SUWO PRIMARY SCHOOL	290,000	500,000	790,000	790,000	0
7.27 WAMUKOYA PRIMARY SCHOOL	700,000	0	700,000	700,000	0
7.28 NYAMBULA PRIMARY	700,000	800,000	1,500,000	1,500,000	0
7.29 NAMAMALI MUSLIM PRIMARY	900,000	1,200,000	2,100,000	2,100,000	0
7.30 SOWETO PRIMARY	600,000	0	600,000	0	600,000
7.31 ESHIKHONDI PRIMARY	790,000	700,000	1,490,000	1,490,000	0
7.32 KHOLERA PRIMARY	700,000	0	700,000	0	700,000
7.33 EMABOLO PRIMARY	2,200,000	800,000	3,000,000	3,000,000	0
7.34 NAMALASIRE PRIMARY	0	500,000	500,000	500,000	0
7.35 LUBANGA PRIMARY	0	700,000	700,000	700,000	0
7.36 MUNANGA PRIMARY	0	1,000,000	1,000,000	1,000,000	0
8.0 Secondary Schools Projects (List all the Projects)					
8.1 EBUBAMBULA SECONDARY	600,000	0	600,000	600,000	0
8.2 BULONGA SECONDARY	225,000	0	225,000	225,000	0
8.3 EMANANI SECONDARY	3,000,000	0	3,000,000	3,000,000	0
8.4 EJINJA SECONDARY	600,000	0	600,000	0	600,000
8.5 BULIMBO GIRLS SECONDARY	1,000,000	0	1,000,000	0	1,000,000
8.6 ESHIRUMBWE SECONDARY	3,000,000	0	3,000,000	3,000,000	0
8.7 KHOLERA SECONDARY	1,000,000	0	1,000,000	0	1,000,000
8.8 LUTASIO SECONDARY	75,000	0	75,000	0	75,000
8.9 MAKOKWE SECONDARY	1,000,000	0	1,000,000	1,000,000	0
8.10 MARINDA SECONDARY	1,150,000	0	1,150,000	0	1,150,000
8.11 MAYONI TOWNSHIP PRIMARY	2,100,000	0	2,100,000	0	2,100,000
8.12 MUBERI SECONDARY	1,200,000	0	1,200,000	0	1,200,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.13 MUKHWEYA SECONDARY	600,000	0	600,000	600,000	0
8.14 MUNAMI SECONDARY	600,000	700,000	1,300,000	1,300,000	0
8.15 NAMAMBA GIRLS SECONDARY	300,000	1,200,000	1,500,000	1,500,000	0
8.16 NAMASANDA SECONDARY	600,000	0	600,000	0	600,000
8.17 NAMULUNGU ACK SECONDARY	560,000	1,000,000	1,560,000	1,000,000	560,000
8.18 NANYENI SECONDARY	1,200,000	2,400,000	3,600,000	3,600,000	0
8.19 NYAMBULA SECONDARY	600,000	0	600,000	0	600,000
8.20 NYAPORA SECONDARY	600,000	0	600,000	0	600,000
8.21 SHIYABO SECONDARY	1,100,000	0	1,100,000	1,100,000	0
8.22 ST. MARKS IMAKALE SECONDARY	800,000	0	800,000	0	800,000
8.23 ESHIBANZE SECONDARY	4,820,000	2,000,000	6,820,000	2,000,000	4,820,000
8.24 MUNGORE SECONDARY	750,000	800,000	1,550,000	800,000	750,000
8.25 MAKUNDA SECONDARY	2,370,000	3,500,000	5,870,000	3,500,000	2,370,000
8.26 MWIRA GIRLS SECONDARY	3,550,000	600,000	4,150,000	600,000	3,550,000
8.27 KHALABA SECONDARY	1,250,000	1,500,000	2,750,000	1,500,000	1,250,000
8.28 KOYONZO GIRLS SECONDARY	1,500,000	700,000	2,200,000	700,000	1,500,000
8.29 NAMELENGE SECONDARY	1,370,000	1,800,000	3,170,000	1,800,000	1,370,000
8.30 MUNANGA SECONDARY	1,560,000	0	1,560,000	0	1,560,000
8.31 ESHIKHONDI SECONDARY	800,000	0	800,000	0	800,000
8.32 KHABUKOSHE SECONDARY	800,000	0	800,000	0	800,000
8.33 MATUNGU SDA SECONDARY	800,000	0	800,000	0	800,000
8.34 LUBANGA SECONDARY	1,000,000	0	1,000,000	0	1,000,000
9.0 Tertiary institutions Projects					
9.1 MATUNGU KMTC	1,700,000	6,500,000	8,200,000	6,500,000	1,700,000
9.2 KIBABI UNIVERSITY CAMPUS	5,700,000	0	5,700,000	0	5,700,000
9.3					
9.4					
10.0 Security Projects					

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
10.1 INDANGALASIA POLICE POST	600,000	0	600,000	0	600,000
10.2 KHALABA POLICE POST	1,600,000	0	1,600,000	1,600,000	0
10.3 MIRERE POLICE POST	600,000	0	600,000	0	600,000
10.4 WANANCHI AP CAMP	1,100,000	0	1,100,000	1,100,000	0
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	300,000	0	300,000	0	300,000
11.2 Construction of CDF office	0	1,795,861	1,795,861	1,795,861	0
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	0	0	0	0
11.5 Purchase of land	0	0	0	0	0
12.0 Others					
12.1 Strategic Plan	0	0	0	0	0
12.2 Innovation Hub					
12.3 AIA	0	46,000	46,000	0	46,000
TOTAL	137,367,724	57,489,254	194,856,978	99,374,515	95,482,463

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-MATUNGU 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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 criteria 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) –
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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) –
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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) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B005013		30,205,173
AIE NO	B005069		17,079,310
AIE NO	B030009		7,500,000
AIE NO	B030277		10,000,000
AIE NO	B005407		12,000,000
AIE NO	B006456		8,000,000
AIE NO	A724480		11,000,000
AIE NO	B042941		13,000,000
AIE NO	B041055	45,940,875.50	
AIE NO	B041135	4,000,000.00	
AIE NO	B047785	16,000,000.00	
AIE NO	B047837	7,000,000.00	
AIE NO	B104105	10,000,000.00	
AIE NO	B104406	15,000,000.00	
AIE NO	B096615	16,000,000.00	
TOTAL		120,440,876	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	46,000	19,000
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,779,538	1,738,902
Personal allowances paid as part of salary	-	0
Pension and other social security contributions (Gratuity)	1,144,086	-
Employer Contributions Compulsory national social security schemes	199,392	205,558
Total	3,123,016	1,944,460

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	4,088,550	2,878,210
Utilities, supplies and services	3,815,819	814,714
Communication, supplies and services	-	552,580
Domestic travel and subsistence	-	950,000
Printing, advertising and information supplies & services	-	260,390
Rentals of produced assets	-	-
Training expenses	1,217,900	507,400
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	268,000
Other operating expenses	-	207,874
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Strategic plan	-	2,486,088
Total	9,032,269	8,956,158

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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)	18,400,000	13,400,000
Transfers to secondary schools (see attached list)	24,825,000	25,898,635
Transfers to tertiary institutions (see attached list)	6,500,000	-
Transfers to health institutions (see attached list)	-	-
TOTAL	49,725,000	39,298,635

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,337,889	22,568,065
Bursary – tertiary institutions (see attached list)	4,106,880	14,501,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	2,700,000	5,500,000
Sports projects (see attached list)	1,127,000	1,095,320
Environment projects (see attached list)	699,900	1,000,000
Emergency projects (see attached list)	11,726,701	2,858,462
Total	35,698,370	47,523,347

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended 30th June, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	5,200,000.00
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	1,795,861	662,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	1,795,861	5,862,000

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	3,507,770
Total	-	3,507,770

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank, Mumias Branch . Matungu NG-CDF</i>	23,514,738	2,402,378
A/C No.0680299140869		
Total	23,514,738	2,402,378
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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For the year ended 30th June, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>Total</i>				-

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

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Ngairwe building contractors	-	111,778
Ngairwe building contractors	-	114,021
Total	-	225,799

12E. GRATUITY DEPOSITS

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	<i>Kshs (1/7/2019)</i>	<i>Kshs (1/7/2018)</i>
Bank accounts	2,402,378	579,487
Cash in hand	-	-
Imprest	-	-
Total	2,402,378	579,487

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020 KShs	2018 - 2019 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 KShs	2018 - 2019 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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	2,000,000
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	2,000,000

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	545,054
Others (<i>Gratuity March 2020 to June 2020</i>)	192,845	-
	192,845	545,054

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,364,261	1,152,232
Use of goods and services	2,129,335	3,929,417
Amounts due to other Government entities (see attached list)	63,991,365	37,701,365
Amounts due to other grants and other transfers (see attached list)	23,782,358	10,911,098
Acquisition of assets	300,000	2,443,885
Others (<i>CIH@AIA</i>)	46,000	1,305,257
	91,613,319	57,443,254

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	22,210,398.87	9,769,709
	22,210,399	9,769,709

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
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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
		a	b	c	d=a-c	
NGCDF STAFF SALARY						
1.						
2.						
3.						
Sub-Total						
NGCDF STAFF SALARY GRATUITY						
1. FREDRICK MWENJE WILSON		108,549.60	28 TH FEBRUARY	72,366.40	36,183.20	
2. NORMAN OPATI S.		88,833.60	28 TH FEBRUARY	59,222.40	29,611.20	
3. SHABAN NAWATE		63,686.40	28 TH FEBRUARY	42,457.60	21,228.80	
4. VIOLET ATSIENO ODUNGA		59,482.80	28 TH FEBRUARY	39,655.20	19,827.60	
5. BRENDA ISABELLA KONG'ANI		59,482.80	28 TH FEBRUARY	39,655.20	19,827.60	
6. LILIAN MANDU MAKERO		49,624.80	28 TH FEBRUARY	33,083.20	16,541.60	
7. VICTOR WAYEME OMICHA		49,624.80	28 TH FEBRUARY	33,083.20	16,541.60	
8. IDD OTHUOLI MULOZI		49,624.80	28 TH FEBRUARY	33,083.20	16,541.60	
9. JUMA MURUNGA AURA		49,624.80	28 TH FEBRUARY	33,083.20	16,541.60	
Sub-Total						
		578,534.40		385,689.60	192,844.80	
Others (specify)						
4.						
5.						
6.						

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		-	-	-	-	
		578,534.40		385,689.60	192,844.80	
		Sub-Total				
		Grand Total				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		1,364,261	1,152,232	
Use of goods & services		2,129,335	3,916,405	
	Sub-Total		5,068,637	
Amounts due to other Government entities				
Primary Schools		34,370,000	10,600,000	
Secondary Schools		21,610,000	18,000,000	
Tertiary		8,011,365	9,100,000	
	Sub-Total	63,991,365	37,700,000	
Amounts due to other grants and other transfers				
Security		4,000,000	2,000,000	
Bursary fund		2,700,000	1,264,585	
Environment projects		1,750,000	1,000,000	
Sports		1,550,000	1,127,984	
Emergency		13,782,352	5,518,462	
	Sub-Total	23,782,352	10,911,032	
Acquisition of assets				
CDF OFFICE		0	1,500,000	
MOTOR BIKE		300,000		
	Sub-Total	300,000	1,500,000	
Others (specify)				
CONSTITUENCY INOVATION			1,169,257	
AIA		46,000	19,000	
	Sub-Total	46,000	1,169,257	
	Grand Total	91,613,319	55,198,668	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	0	0
Buildings and structures	20,499,913	-	0	20,499,913
Transport equipment	5,200,000	-	-	5,200,000
Office equipment, furniture and fittings	662,000	1,795,861	0	2,457,861
ICT Equipment, Software and Other ICT Assets	1,059,000	-	0	1,059,000
Other Machinery and Equipment	842,400	-	0	842,400
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	0	0
Total	28,263,313	1,795,861	0	30,059,174

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY**

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

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Buloma primary school	EQUITY	0680272987735	7,130.00	-
Bulanda primary school	EQUITY	0680260797357	-	129,055.50
Bulimbo primary school	EQUITY	0680293183001	-	7,802.00
Bulonga primary school	EQUITY	0680299832978	-	1,830.00
Busombi primary school	EQUITY	0680294187720	-	2,642.38
Chibanga primary school	EQUITY	0680297518622	66,961.80	68,640.80
Eshikhondi primary school	EQUITY	0680264348817	14,065.00	4,495.00
Emabolo primary school	EQUITY	0680279494070	92,840.00	-
Emanani muslim primary school	EQUITY	0680299843789	1,860.00	1,860.00
Ebusambe primary school	EQUITY	0680265127457	15,419.00	34,026.00
Eshibanze primary school	EQUITY	0680260748181	26,111.00	241,451.00
Ebubambula primary school	EQUITY	0680193218674	-	4,184.95
Ebutaliko primary school	EQUITY	0680294289555	-	602.30
Ejinja primary school	EQUITY	0680264282155	-	65,851.10
Emuberi primary school	EQUITY	0680298163925	-	878.00
Eshirumbwe primary school	EQUITY	0680293439159	-	4,646.25
Indangalasia primary school	EQUITY	0680261352385	144,819.00	7,916.00
Imakale primary school	EQUITY	0680298971186	50,574.50	205,332.50
Ikulumwoyo primary school	COOPERATIVE	0114149860410 0	57,092.52	865.00
Itete primary school	EQUITY	0680298963957	-	126,995.50
Kadima primary school	EQUITY	0680294214553	143,551.00	317.00
Kandai primary school	EQUITY	0680297143120	4,363.00	3,905.00
Koyonzo special	EQUITY	0680270336618	1,393,195.00	669,048.00
Kholera primary school	EQUITY	0680298990027	44,388.75	-
Khabukoshe primary school	EQUITY	0680293135078	-	507.20

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY**

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Khalaba primary school	EQUITY	0680299835470	-	905.00
Koyonzo primary school	EQUITY	0680264323104	-	4,025.00
Lubanga primary school	EQUITY	0680295751340	67,405.00	251.00
Lung'anyiro primary school	EQUITY	0680299859513	140,274.00	553,960.00
Munanga primary school	EQUITY	0680295503640	80,778.00	38,756.00
Makunda primary school	EQUITY	0680294215084	733,803.00	34,472.00
Musango primary school	EQUITY	0680270428139	1,314,849.00	1,503,830.00
Malanga primary school	EQUITY	0680299466748	90,024.75	162,858.75
Matungu SDA primary school	EQUITY	0680294211900	57,505.50	8,348.50
Makokhwe primary school	EQUITY	0680293145780	-	945.00
Marinda primary school	EQUITY	0680299432951	-	25.00
Matungu special primary school	EQUITY	0680265113188	-	501,457.50
Mayoni primary school	EQUITY	0680299501021	-	21,058.00
Mirere primary school Economic Stimulus Activity Account	EQUITY	0680293403940	-	180.00
Mukhweya primary school	EQUITY	0680293184339	-	1,657.50
Mukunyuku primary school	EQUITY	0680293988165	-	1,780.00
Munami primary school	EQUITY	0680299001218	-	2,649.50
Mungakha "w" primary school	EQUITY	0680299834930	-	157.70
Mungore primary school	EQUITY	0680293125989	-	17,551.00
Mwira primary school	EQUITY	0680298172762	-	1,181,129.00
Namalasire primary school	EQUITY	0680295414357	48,256.35	14,876.35
Namalenje primary school	EQUITY	0680262649166	962,387.00	288,315.00
Namamali muslim primary	EQUITY	0680297186807	82,839.00	4,700.00
Nyambula primary school	EQUITY	0680297132005	40,183.65	121.65
Nanyeni primary school	EQUITY	0680299576693	56,632.00	6,977.00
Namanga primary school	EQUITY	0680297203200	9,184.00	32,512.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY**

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Namamba primary school	EQUITY	0680299828483	-	233.00
Namasanda primary school	EQUITY	0680299895924	-	450.00
Namberekeya primary school	EQUITY	0680261567972	-	5,412.25
Ngairwe primary school	EQUITY	0680293276852	-	378,344.00
Nyapora primary school	EQUITY	0680270176427	-	163.80
Nyapwaka primary school	EQUITY	0680261547620	-	53,331.00
Sayangwe primary school	EQUITY	0680294327634	-	26,086.00
Shiyabo primary school	EQUITY	0680260665059	-	362.50
St.Emmanuel Lutasio pry school	EQUITY	0680293398246	-	292,398.10
St.Mathias Kholera Pry School	EQUITY	0680298990027	-	2,343.75
St.Pauls Ejinja pry school	EQUITY	0680299426336	-	12,400.00
Suwe primary school	EQUITY	0630297127052	37,280.20	2,119.95
Wamukoya muslim primary school	EQUITY	0680297274617	1,167,116.60	922,679.00
Secondary				
Ack Namulungu Sec school	EQUITY	0680262631133	127,729.00	1,033.00
Bulonga sec school	EQUITY	0680277482145	55,242.00	-
Busombi Muslim sec school	EQUITY	0680294186889	493.15	878.15
Ebusambe sec school	EQUITY	0680299267935	-	902.85
Ejinja mixed Day sec school	EQUITY	0680294295611	-	724.00
Eshibanze Muslim sec school	EQUITY	0680299679677	185,074.00	162,628.35
Emanani Muslim sec school	COOPERATIVE	0114149853160 0	2,690,646.75	-
Ebubambula sec school	EQUITY	0680279834200	101,000.00	-
Eshikhondi sec school	EQUITY	0680298466211	-	28,425.00
Koyonzo Girls sec school	EQUITY	0680298779502	326,054.00	12,241.20
Koyonzo Mixed sec school	EQUITY	0680293951883	-	8,497.35
Makunda Muslim sec school	EQUITY	0680294284402	1,148,609.80	399,510.80

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY**

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mary seat of wisdom Bulimbo Girls sec school	EQUITY	0680299054488	-	271,988.50
Marinda sec school	EQUITY	0680276980463	4,804.00	-
Munami sec school	EQUITY	0680293084424	73,720.00	9,837.00
Mungore sec school	EQUITY	0680277023499	252,480.00	-
Namalasire sec school	EQUITY	0680294730867	-	3,464.00
Namamba Day mixed sec school	EQUITY	0680294181177	-	3,944.40
Namberekeya sec school	EQUITY	0680260715868	-	202,710.75
Namulungu Muslim sec. school	EQUITY	0680269921965	-	75,186.00
Nanyeni sec school	EQUITY	0680279274012	300,970.00	-
Ngairwe sec school	EQUITY	0680298601149	-	2,599.00
SDA Matungu sec school	EQUITY	0680262643364	-	3,787.60
St. Agnes Mwira girls sec school	EQUITY	0680277489320	2,084.00	-
St.Cecilia Makokhwe sec school	EQUITY	0680299608063	1,054,895.50	75.75
St. Charles Knataba sec school	EQUITY	0680294181162	2,050.00	645.00
St.Emanuel Lutasio sec school	EQUITY	0680266553200	1,448.30	1,909.00
St.Francis Shiyabo sec school	EQUITY	0680266541157	41,177.00	5,297.00
St. Charles Lung'anyiro Girls sec	EQUITY	0680294242047	-	10,695.00
St. James Namamba girls sec school	EQUITY	0680279095066	116,224.00	-
St.Johns Mukhweya sec school	EQUITY	0680293043463	600,045.00	45.00
St.Joseph Indangalasia sec school	EQUITY	0680294522864	-	268.00
St.Lukes Khabukoshe Mixed sec	EQUITY	0680294214707	-	245.11
St.Mary's Namasanda sec school	EQUITY	0680266539458	-	59,568.00
St.Mathias Kholera Boys sec	EQUITY	0680299878362	-	3,612.30
St.Michaels Eshirumbwe sec	EQUITY	0680298356381	-	74,296.00
St.Peters Lubanga sec school	EQUITY	0680263495304	-	1,745.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY**

Reports and Financial Statements

For the year ended 30th June, 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
St.Stephen Mungakha sec school	EQUITY	0680262706551	-	1,419.00
St.Teresa's Itete sec school	EQUITY	0680294323955	-	537,301.50
Harambee police post	EQUITY	0680263751723	50,947.00	215,340.00
Indangalasia sub-location Ap post	EQUITY	0680299199504	-	255.00
Khalaba Police Post	EQUITY	0680279866752	1,600,000.00	-
KMTC campus	EQUITY	0680279829487	6,500,000.00	-
Lung'anyiro youth Polytechnic	EQUITY	0680293754860	-	306.00
Matungu CDF Office	EQUITY	0680293869150	-	2,529.40
Matungu Sub District Hospital	EQUITY	0680294206688	-	325.55
Matungu Ap Head Quarters	COOPERATIVE	0114149895410 0	3,231.75	-
Mung'ung'u Dispensary	EQUITY	0680293920309	-	635.30
Namasanda Health Centre	EQUITY	0680299518761	-	1,586.50
Namulungu Dispensary	EQUITY	0680263391507	-	298.55
Wananchi AP Post	EQUITY	0680277489697	20,585.00	-
Total			22,210,398.87	9,769,709.19

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

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)
1	<p>Project Management Committee Bank Account Balances</p> <p>Review of the financial statements at note 15.4 to the financial statements revealed that the project management committee (PMC) bank account balances totalling Kshs. 9,769,709 as at 30th June 2019 were only based on bank balance certificates without reconciliation statements and cash book balances.</p> <p>In the circumstances, it was not possible to ascertain completeness and correctness of the PMC balance as at 30th June 2019</p>	<p>It is true at the time of audit PMC bank certificates and reconciliation statements had not been prepared, however that has since been rectified and copies provided to the auditors for verification.</p>	FAM and PMC Secretaries.	Resolved	
2	<p>Presentation of the Accounts</p> <p>Review of the financial statements that at page 13 to 32 of the financial statement reflects financial year ending 2014 instead of 30th June 2019. The summary statements of appropriation reflects amounts to be in Kshs “000” in the header implying that the reported amounts are in millions of shillings. Also, this include statements on pages 13 to 44 of the financial statement. Further, there are a number of notes to financial statements which do not have values both in</p>	<p>The Financial statements were corrected and a copy of signed corrected Financial Statements provided to the Auditor.</p>	FAM	Resolved.	

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

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)
	<p>the current and previous year balances. Consequently, the financial statement has not been prepared in accordance with the format prescribed by Public Sector Accounting Board (PSASB). The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Matungu Constituency in accordance with ISSAI 30 On Code of Ethics.</p> <p>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.</p> <p>Key Audit Matters Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.</p>				
3	<p>Other Matter</p> <p>Budget Performance The constituency had approved budget of Kshs. 164,287,845 compare with the actual receipt figure</p>	<p>An amount equal to Kshs. 54,923,875 had not been received by 30th June 2019</p>	FAM	Resolved	

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

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)																																																								
	<p>of Kshs. 108,784,483 from NG-CDF Board during the financial year under review, resulting to under – funding of Kshs. 55,503,362. No explanation was given for such underfunding.</p> <p>In addition, the fund had a balance brought forward from 2017/18 of Kshs. 2,402,378 and other receipts of Kshs. 19,000 leading to total receipts of Kshs. 111,205,861. Out of total receipts, the constituency spent Kshs. 107,092,370, leading to under expenditure of Kshs. 4,113,491 as analyzed below:</p> <table border="1"> <thead> <tr> <th>Receipt/Expense Item</th> <th>Original Budget</th> <th>Adjustments</th> <th>Final Budget</th> <th>Actual on Comparable Basis</th> <th>Budget Utilisation Difference</th> <th>% of Utilisation</th> </tr> <tr> <td>a</td> <td>b</td> <td>c=a+b</td> <td>d</td> <td>e=c-d</td> <td>f=d/c%</td> <td></td> </tr> </thead> <tbody> <tr> <td>RECEIPTS</td> <td>KSHs</td> <td>KSHs</td> <td>KSHs</td> <td>KSHs</td> <td>KSHs</td> <td></td> </tr> <tr> <td>Transfers from CDF Board</td> <td>109,040,876</td> <td>55,246,969</td> <td>164,287,845</td> <td>109,363,970</td> <td>54,923,875</td> <td>66.6%</td> </tr> <tr> <td>Proceeds from Sale of Assets</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Other Receipts</td> <td>0</td> <td>19,000</td> <td>19,000</td> <td>19,000</td> <td>-</td> <td>100.0%</td> </tr> <tr> <td>TOTAL RECEIPTS</td> <td>109,040,876</td> <td>55,246,969</td> <td>164,287,845</td> <td>109,363,970</td> <td>54,923,875</td> <td>66.6%</td> </tr> <tr> <td>PAYMENTS</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	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	KSHs	KSHs	KSHs	KSHs	KSHs		Transfers from CDF Board	109,040,876	55,246,969	164,287,845	109,363,970	54,923,875	66.6%	Proceeds from Sale of Assets	0	-	-	-	-		Other Receipts	0	19,000	19,000	19,000	-	100.0%	TOTAL RECEIPTS	109,040,876	55,246,969	164,287,845	109,363,970	54,923,875	66.6%	PAYMENTS							<p>leading to underutilization of budget. This amount was received in the year 2019-2020 financial years. Attached are copies of bank statements and AIEs for Kshs. 45,940,875.40 and 6,500,000 to show delay of the above amount. The balance is yet to be cleared at the NGCDF Board.</p> <p>We hope that the NGCDF Board will embrace timely and efficient disbursement of funds in future to curb the challenges of delayed project implementation and facilitate adherence to the implementation guidelines.</p>			
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	KSHs	KSHs	KSHs	KSHs	KSHs																																																								
Transfers from CDF Board	109,040,876	55,246,969	164,287,845	109,363,970	54,923,875	66.6%																																																							
Proceeds from Sale of Assets	0	-	-	-	-																																																								
Other Receipts	0	19,000	19,000	19,000	-	100.0%																																																							
TOTAL RECEIPTS	109,040,876	55,246,969	164,287,845	109,363,970	54,923,875	66.6%																																																							
PAYMENTS																																																													

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

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)	
	2,135	961,647	3,096,692	1,944,460	1,152,232	62.8%									
Compensation of Employees	7,674	5,206,939	12,885,573	8,956,158	3,929,415	69.5%									
Use of goods and services	57,100	19,900,000	77,000,000	39,298,635	37,701,365	51.0%									
Transfers to Other Government Units	40,627	17,687,249	58,314,446	47,523,347	10,791,099	81.5%									
Other grants and transfers	1,500	6,814,107	8,314,107	5,862,000	2,452,107	70.5%									
Acquisition of Assets	0	4,677,027	4,677,027	3,507,770	Other Payments	75.0%									
Other Payments	0	19,000	19,000	-	19,000										
AIA	109,040	55,265,969	164,306,845	107,092,370	57,214,475	65.2%									
TOTAL	876														
The underfunding of receipts and under absorption of															

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

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	<p>fund negatively affects the planned service delivery to the residents of Matungu Constituency during the year under review.</p> <p>Projects Implementation Status Scrutiny of the Projects Implementation Status of the Constituency revealed that the fund had approved to implement five hundred and sixteen (516) projects over the six (6) year period covering the financial years 2013/14 to 2018/19, valued at Kshs. 656,231,623.45. However, twenty-nine (29) projects had not yet started, 5.62% of planned projects valued at Kshs. 41,266,977. Further, projects valued at Kshs. 132,916,598 were still ongoing, 18.60% of total projects and three hundred and ninety-one (391), 75.78% of total projects valued at Kshs. 482,048,047 had been completed as summarized below:</p>	<p>Delay of funds and procurement procedures is impacting heavily on implementation of projects. However the managements is working on framework to speed up such processes so as to give the constituents of Matungu better service delivery</p>	FAM	Resolved	

Sector/Status	Not yet started		Ongoing		Completed	
	no	Value Kshs.	no	Value Kshs.	no	Value Kshs.
Administration	2	1,500,000.00	13	18,956,379.43	23	54,259,025.51

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

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)		
	Education	21	23,400,000.00	76	103,660,218.88	231	297,540,107.36									
	Emergency	1	5,738,993.45	0	-	4	18,827,199.59									
	Environment	2	1,000,000.00	0	-	33	5,801,106.14									
	Health	1	6,500,000.00	3	3,200,000.00	2	1,487,759.00									
	Roads/Bridges	0	-		-	88	32,000,000.00									
	Security	1	2,000,000.00	4	7,100,000.00	3	67,000,000.00									

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

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)																		
	<table border="1"> <tr> <td>Sports</td> <td>1</td> <td>1,127,984.39</td> <td></td> <td>7</td> <td>5,332,849.70</td> </tr> <tr> <td>Total</td> <td>29</td> <td>41,266,977.84</td> <td>132,916,598.31</td> <td>391</td> <td>482,048,047.30</td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td>656,231,623.45</td> <td></td> <td></td> </tr> </table>	Sports	1	1,127,984.39		7	5,332,849.70	Total	29	41,266,977.84	132,916,598.31	391	482,048,047.30			Total	656,231,623.45						
Sports	1	1,127,984.39		7	5,332,849.70																		
Total	29	41,266,977.84	132,916,598.31	391	482,048,047.30																		
		Total	656,231,623.45																				
	In the circumstances, the residents of Matungu Constituency have not been able to access the benefits of the planned developments and services.																						