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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



NG-CDF BOARD



Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -MATUNGU
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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, the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund, represents NG-CDF.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Christine Muyaka
2.	Sub-County Accountant	Lawrence Nyangoto
3.	Chairman NGCDFC	Japhary Nyangweso
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 CDF building
Mumias, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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(f) NGCDF MATUNGU Constituency Contacts

Telephone: (254) 720334928
E-mail: cdformatungu@ngcdf.go.ke
Website: www.cdfmatungu.go.ke

(g) NGCDF MATUNGU Constituency Bankers

1. EQUITY BANK
MUMIAS BRANCH
A/No: 0680299140869

(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 2018/19 we received Kshs. 108,784,483 from the CDFB and incurred an expenditure of Kshs. 107,092,370 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. 55,040,875.52 was not received during the financial year.

Key achievements in the FY 2018/19



FIG 1.1: 3NO Classrooms at Ebulonga Secondary School



FIG 1.2: 51 Seater School Bus-Busombi Muslim Secondary School

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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FIG 1.3: WANANCHI AP CAMP POLICE POST

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 2018/19 FY.
- 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. So far 33 students in form one and 15 students in form two have benefitted from this programme.

.....
W JAPHARY NYANGWESO,
CHAIRMAN NG-CDFC.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements

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III. 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, 2019. 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, 2019, 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.

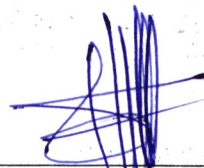
The Accounting Officer in charge of the NGCDF-MATUNGU Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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 30TH 2019.



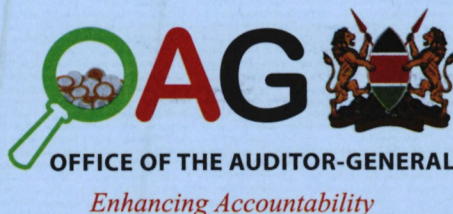
Fund Account Manager
Name: BANTAMU SUIU



Sub-County Accountant
Name: Lawrence Nyangito
ICPAK Member Number:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungu Constituency set out on pages 8 to 44, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Matungu Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Budget Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.164,287,845 and Kshs.109,382,970 respectively, resulting to an under-funding of Kshs. 54,923,875 or 33% of the budget.

Similarly, the Fund spent Kshs.106,980,952 against an approved budget of Kshs.164,287,845 resulting to an under-expenditure of Kshs.57,326,253 or 35% of the budget.

Further, the Management of Matungu NG-CDF had total receipts of Kshs.109,382,970, and the Fund spent Kshs.106,980,952, leading to actual under expenditure of Kshs.2,402,378.

The underfunding of receipts and under absorption of funds negatively affected the planned service delivery to the residents of Matungu Constituency during the year under review.

2. Project Implementation Status

Scrutiny of the Project Implementation Status in the constituency revealed that the Fund had an approved plan 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.656,231,624. However, twenty-nine (29) projects valued at Kshs.41,266,977 representing 5.62% of the planned projects had not yet started. Further, ninety six (96) projects valued at Kshs.132,916,598 representing 18.60% of total projects were ongoing and three hundred and ninety-one (391) valued at Kshs.482,048,047 representing 75.78% of total projects had been completed as summarized below:

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	54,059,025.51
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
Sports	1	1,127,984.39			7	5,332,849.70
Total	29	41,266,978.84	96	132,916,598.31	391	482,048,047.30
		Total		656,231,624.45		

In the circumstances, the residents of Matungu Constituency were not able to access the benefits of the planned developments and services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's 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 terminate the Fund or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

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


Reports and Financial Statements


For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	108,784,483	76,375,947
Other Receipts(AIA)	3	19,000	117,000
TOTAL RECEIPTS		108,803,483	76,492,947
PAYMENTS			
Compensation of employees	4	1,944,460	1,440,494
Use of goods and services	5	8,956,158	4,807,607
Transfers to Other Government Units	6	39,186,857	51,700,000
Other grants and transfers	7	47,523,347	14,986,585
Acquisition of Assets	8	5,862,000	3,095,313
Other Payments	9	3,507,770	
TOTAL PAYMENTS		106,980,592	76,029,999
SURPLUS/DEFICIT		1,822,891	462,948

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 30TH 2019 and signed by:


Fund Account Manager
Name: *Brian Mwanza*


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 June 30, 2019**

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018- 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,402,378	579,487
Total Cash and Cash Equivalents		2,402,378	579,487
TOTAL FINANCIAL ASSETS		2,402,378	579,487
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12	-	114,021
NET FINANCIAL ASSETS		<u>2,402,378</u>	<u>465,466</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	579,487	2,518
Surplus/Deficit for the year		1,822,891	462,948
NET LIABILITIES		<u>2,402,378</u>	<u>465,466</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 30TH 2019 and signed by:

Fund Account Manager

Name: *Dr. James Sullivan*

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 June 30, 2019**

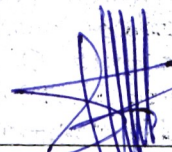
VII. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts		Kshs	Kshs
Transfers from CDF Board	1	108,784,483	76,375,947
Other Receipts	3	19,000	117,000
Total Receipts		108,803,483	76,492,947
Payments			
Compensation of Employees	4	1,944,460	1,440,494
Use of goods and services	5	8,956,158	4,807,607
Transfers to Other Government Units	6	39,186,857	51,700,000
Other grants and transfers	7	47,523,347	14,986,585
Other Payments	9	3,507,770	-
Total Payments		101,118,592	72,934,686
Total Receipts Less Total Payments		7,684,891	3,558,261
Net cash flow from operating activities		7,684,891	3,558,261
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(5,862,000)	(3,095,313)
Net cash flows from Investing Activities		(5,862,000)	(3,095,313)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	13	579,487	2,518
Cash and cash equivalent at END of the year		2,402,378	465,466

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 30TH 2019 and signed by:



Fund Account Manager
Name: Benjamin Sitwa
ICPAK Member Number:



Sub-County Accountant
Name: Lawrence Nyong'o

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from CDF Board	109,040,876	55,246,969	164,287,845	109,363,970	54,923,875	67%
Other Receipts	-	19,000	19,000	19,000	-	100%
TOTAL RECEIPTS	109,040,876	55,265,969	164,306,845	109,382,970	54,923,875	67%
PAYMENTS						
Compensation of Employees	2,135,045	961,647	3,096,692	1,944,460	1,152,232	63%
Use of goods and services	7,678,634	5,206,939	12,885,573	8,956,158	3,929,415	70%
Transfers to Other Government Units	57,100,000	19,900,000	77,000,000	39,186,857	37,813,143	50%
Other grants and transfers	40,627,197	17,687,249	58,314,446	47,523,347	10,791,099	82%
Acquisition of Assets	1,500,000	6,814,107	8,314,107	5,862,000	2,452,107	71%
Other Payments	-	4,677,027	4,677,027	3,507,770	1,169,257	75%
AIA	-	19,000	19,000	-	19,000	
TOTAL	109,040,876	55,265,969	164,306,845	106,980,592	57,326,253	65%

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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 2018/19.*
- 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 2018/19.*
- 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 2018/19.*
- iv. *Underutilization of Transfers to Other Government Units is due to the fact that the fund had not received the entire funding for FY 2018/19.*
- v. *Underutilization of Other grants and transfers is due to the fact that not received the entire funding for FY 2018/19.*
- vi. *Underutilization of acquisition of assets is for refurbishment of CDF Office Block and the fund hasn't received funds from the Board.*

The changes between the original and final budget is as a result of AIE for 2017/18 was received in 2018/19.

The NGCDF-MATUNGU Constituency financial statements were approved on July 30TH 2019 and signed by:

Fund Account Manager
Name:


Sub-County Accountant
Name: Lawrence Nyangoto
ICPAK Member Number:

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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 2018/2019 Kshs	Budget utilization difference 2018/2019 Kshs
1.0 Administration					
Employees' Salaries	2,135,044.80	0	2,135,044.80	982,813.18	1,152,231.62
Goods and Services	3,039,407.73	0	3,039,407.73	1,374,220.21	1,665,187.52
Committee Expenses	1,368,000.00	0	1,368,000.00	1,190,200.00	177,800.00
Employees' Salaries	0	961,647.00	961,647.00	961,647.00	0.00
Goods and Services	0	1,700,349.31	1,700,349.31	1,700,349.31	0.00
Sub-Total	6,542,452.53	2,661,996.31	9,204,448.84	6,209,229.70	2,995,219.14
2.0 Monitoring and Evaluation					
Goods and Services	271,226.27	0.00	271,226.27	0.00	271,226.27
Committee Expenses	2,000,000.00	0	2,000,000.00	1,197,810.34	802,189.66
Capacity Building of NG-CDFs/PMCs	1,000,000.00	0	1,000,000.00	0.00	1,000,000.00
Committee Expenses	0	1,006,589.66	1,006,589.66	1,006,589.66	0.00
Sub-Total	3,271,226.27	1,006,589.66	4,277,815.93	2,204,400.00	2,073,415.93
3.0 Emergency					
Emergency	5,738,993.45	0	5,738,993.45	370,531.00	5,368,462.45
Emergencies	0	2,637,931.00	2,637,931.00	2,487,931.00	150,000.00
Sub-Total	5,738,993.45	2,637,931.00	8,376,924.45	2,858,462.00	5,518,462.45
4.0 Bursary and Social Security Programme					
Bursary Secondary Schools	16,356,131.33	0	16,356,131.33	16,356,131.00	0.33
Bursary Tertiary Schools	10,904,087.55	0	10,904,087.55	9,759,503.00	1,144,584.55
Bursary Special Schools	0.00	0	0.00	0.00	0.00

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Social Security Programmes -NHIF	0.00	0	0.00	0.00	0.00	0.00
Bursaries	0	10,953,931.00	10,953,931.00	10,953,931.00	10,953,931.00	0.00
Sub-Total	27,260,218.88	10,953,931.00	38,214,149.88	37,069,565.00	1,144,584.88	
5.0 Sports						
MATUNGU CDF Tournament	1,127,984.39	0	1,127,984.39	0	1,127,984.39	
MATUNGU CDF Tournament	0	1,095,386.60	1,095,386.60	1,095,320.00	66.60	
Sub-Total	1,127,984.39	1,095,386.60	2,223,370.99	1,095,320.00	1,128,050.99	
6.0 Environment						
Emanani Sec School	100,000.00	0	100,000.00	0	100,000.00	
Eshibanze Sec School	100,000.00	0	100,000.00	0	100,000.00	
Makunda Sec School	100,000.00	0	100,000.00	0	100,000.00	
Kandai Pry School	70,000.00	0	70,000.00	0	70,000.00	
Lutasio Pry School	70,000.00	0	70,000.00	0	70,000.00	
Eshibanze Pry School	70,000.00	0	70,000.00	0	70,000.00	
Namasanda Pry School	70,000.00	0	70,000.00	0	70,000.00	
Marinda Pry School	70,000.00	0	70,000.00	0	70,000.00	
Chibanga Pry School	70,000.00	0	70,000.00	0	70,000.00	
Ikulumwoyo Pry School	70,000.00	0	70,000.00	0	70,000.00	
Ebutaliko Pry School	70,000.00	0	70,000.00	0	70,000.00	
Mirere Pry School	70,000.00	0	70,000.00	0	70,000.00	
Namberekeya Pry School	70,000.00	0	70,000.00	0	70,000.00	
Environmental Activities	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00	
Sub-Total	1,000,000.00	1,000,000.00	2,000,000.00	1,000,000.00	1,000,000.00	
7.0 Primary School Projects						
Ngairwe primary school	500,000.00	0	500,000.00	500,000.00	0.00	
Itete primary school	500,000.00	0	500,000.00	500,000.00	0.00	
Lung'anyiro Primary school	500,000.00	0	500,000.00	500,000.00	0.00	
Eshibanze Primary School	300,000.00	0	300,000.00	300,000.00	0.00	
Lutasio Primary School	400,000.00	0	400,000.00	400,000.00	0.00	

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Namamali Muslim Primary school	1,200,000.00	0	1,200,000.00	0.00	1,200,000.00
Matungu Special School	500,000	0	500,000.00	500,000.00	0.00
Nanyeni Primary School	700,000	0	700,000.00	0.00	700,000.00
Lubanga Primary School	700,000	0	700,000.00	0.00	700,000.00
Suwo Primary School	500,000	0	500,000.00	0	500,000.00
Ikulumwoyo Primary School	700,000	0	700,000.00	0.00	700,000.00
Namanga Primary School	500,000	0	500,000.00	0.00	500,000.00
Namalasire Primary School	500,000	0	500,000.00	0.00	500,000.00
Mwira Primary School	1,200,000.00	0	1,200,000.00	1,200,000.00	0.00
Eshikhonesi Primary School	1,500,000.00	0	1,500,000.00	1,500,000.00	0.00
Musango Primary School	1,500,000.00	0	1,500,000.00	1,500,000.00	0.00
Ebuloma Primary School	1,200,000.00	0	1,200,000.00	1,200,000.00	0.00
Kadima Primary School	1,500,000.00	0	1,500,000.00	0	1,500,000.00
Eshikhondi Primary School	700,000.00	0	700,000.00	0	700,000.00
Chibanga Primary School	700,000.00	0	700,000.00	700,000.00	0.00
Kandayi Primary school	800,000.00	0	800,000.00	0.00	800,000.00
Emabolo Primary School	1,000,000	0	1,000,000.00	0.00	1,000,000.00
Namalenge Primary School	2,000,000	0	2,000,000.00	0.00	2,000,000.00
Emabolo Primary School	1,000,000	0	1,000,000.00	0.00	1,000,000.00
Nyambula Primary School	800,000	0	800,000.00	0.00	800,000.00
ESHIBANZE PRY SCHOOL	0	1,200,000.00	1,200,000.00	1,200,000.00	0.00
MALANGA PRIMARY SCHOOL	0	1,200,000.00	1,200,000.00	1,200,000.00	0.00
NAMAYIAKALO PRIMARY SCHOOL	0	1,000,000.00	1,000,000.00	1,000,000.00	0.00
WAMUKOYA MUSLIM PRIMARY SCHOOL	0	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Sub-Total	21,400,000.00	4,600,000.00	26,000,000.00	13,400,000.00	12,600,000.00
8.0 Secondary School Projects					
Bulonga Secondary School	1,500,000.00	0	1,500,000.00	1,500,000.00	0.00
Eshibanze Sec School	2,000,000.00	0	2,000,000.00	0.00	2,000,000.00
Mungore Secondary School	1,200,000.00	0	1,200,000.00	400,000.00	800,000.00

NATIONAL GOVERNMENT ENTITY –MATUNGU NG-CDF

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Eshirumbwe Secondary school	2,000,000.00	0	2,000,000.00	2,000,000.00	0.00
Makunda Secondary School	3,500,000.00	0	3,500,000.00	0.00	3,500,000.00
Emanani Secondary School	800,000.00	0	800,000.00	800,000.00	0.00
Marinda Secondary School	500,000.00	0	500,000.00	500,000.00	0.00
Mwira Girls Secondary School	1,500,000.00	0	1,500,000.00	900,000.00	600,000.00
Khalaba secondary school	1,500,000.00	0	1,500,000.00	0.00	1,500,000.00
Namulungu Muslim secondary school	300,000.00	0	300,000.00	300,000.00	0.00
Nyapora Secondary School	700,000.00	0	700,000.00	700,000.00	0.00
Itete Secondary School	1,200,000.00	0	1,200,000.00	1,200,000.00	0.00
Lutasio Secondary School	300,000.00	0	300,000.00	300,000.00	0.00
Munami Secondary School	700,000.00	0	700,000.00	0.00	700,000.00
Koyonzo Girls Secondary School	700,000.00	0	700,000.00	0.00	700,000.00
Namalenje Secondary School	1,000,000.00	0	1,000,000.00	1,000,000.00	0.00
Nanyeni Secondary School	1,000,000.00	0	1,000,000.00	0.00	1,000,000.00
Nanyeni Secondary School	2,000,000	0	2,000,000.00	0.00	2,000,000.00
Munanga Secondary School	2,000,000	0	2,000,000.00	1,000,000.00	1,000,000.00
Namamba Girls Secondary school	1,200,000	0	1,200,000.00	0.00	1,200,000.00
Namulungu ACK Secondary School	1,000,000	0	1,000,000.00	0.00	1,000,000.00
LUTASIO SEC SCHOOL	0	1,200,000.00	1,200,000.00	1,200,000.00	0.00
BULONGA SEC SCHOOL	0	3,000,000.00	3,000,000.00	3,000,000.00	0.00
MWIRA SEC SCHOOL	0	3,000,000.00	3,000,000.00	3,000,000.00	0.00
BUSOMBI MUSLIM SEC SCHOOL	0	7,500,000.00	7,500,000.00	7,498,635.00	1,365.00
NAMBEREKEYA SEC SCHOOL	0	600,000.00	600,000.00	600,000.00	0.00
Sub-Total	26,600,000.00	15,300,000.00	41,900,000.00	25,898,635.00	16,001,365.00
9.0 Tertiary institutions projects					
Matungu KMTC	6,500,000.00	0	6,500,000.00	0	6,500,000.00
Kibabii University	2,600,000.00	0	2,600,000.00	0	2,600,000.00

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Sub-Total	9,100,000.00	0	9,100,000.00	0	9,100,000.00
10.0 Security Projects					
Wananchi AP Camp	2,000,000.00	0	2,000,000.00	2,000,000.00	0.00
Mayoni AP Post.	1,500,000.00	0	1,500,000.00	1,500,000.00	0.00
Harambee Police Station	2,000,000.00	0	2,000,000.00	0.00	2,000,000.00
WANANCHI AP POST	0.00	2,000,000.00	2,000,000.00	2,000,000.00	0.00
Sub-Total	5,500,000.00	2,000,000.00	7,500,000.00	5,500,000.00	2,000,000.00
11.0 Acquisitions of Assets					
NG-CDF office Block	1,200,000.00	0	1,200,000.00	0.00	1,200,000.00
CDF office Furniture & Equipment	300,000.00	0	300,000.00	0.00	300,000.00
CDF office Furniture and Equipment	0.00	1,114,107.00	1,114,107.00	250,522.00	364,629.00
CDFC Motor Vehicle	0.00	5,700,000.00	5,700,000.00	5,200,000.00	500,000.00
Sub-Total	1,500,000.00	6,814,107.00	8,314,107.00	5,862,000.00	2,364,629
12.0 Others					
Constituency Innovation Hubs	0	4,677,027.20	4,677,027.20	3,507,770.40	1,169,256.80
Strategic Plan	0	2,500,000.00	2,500,000.00	2,486,988.00	13,012.00
AIA		19,000.00	19,000.00	0.00	19,000.00
Sub-Total	0	7,196,027.20	7,196,027.20	5,994,758.40	1,201,268.80
GRAND TOTAL	109,040,875.52	55,265,968.77	164,306,844.29	107,092,370.10	57,126,996.19

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

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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 2019, 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.

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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.

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

NATIONAL GOVERNMENT ENTITY –MATUNGU NG-CDF

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for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 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 2019.

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 ENTITY –MATUNGU NG-CDF
Reports and Financial Statements
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005013	30,205,173	
	B005069	17,079,310	
	B030009	7,500,000	
	B030277	10,000,000	
	B005407	12,000,000	
	B006456	8,000,000	
	A724480	11,000,000	
	B042941	13,000,000	
	A855931		5,500,000
	A892600		30,948,275
	A892674		2,022,500
	A896769		37,905,172
TOTAL		108,784,483	76,375,947

2. PROCEEDS FROM SALE OF ASSETS

Description		2018-2019	2017 - 2018
		Kshs	Kshs
TOTAL		-	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Sale of Tender Documents		19,000	117,000
TOTAL		19,000	117,000

4. COMPENSATION OF EMPLOYEES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Basic wages of contractual employees		1,738,902	1,043,290
Employer contribution to NSSF		205,558	117,583
Gratuity-Paid		-	279,620
TOTAL		1,944,460	1,440,494

NATIONAL GOVERNMENT ENTITY –MATUNGU NG-CDF
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	0	70,000
Electricity	54,714	38,038
Water & sewerage charges	20,000	13,834
Office rent	0	0
Communication, supplies and services	552,580	197,220
Domestic travel and subsistence	950,000	143,200
Printing, advertising and information supplies & services	260,390	432,060
Rentals of produced assets	0	0
Training expenses	507,400	492,600
Hospitality supplies and services	0	0
Other committee expenses	65,000	208,500
Committee allowance	2,813,210	2,727,500
Insurance costs	0	0
Specialised materials and services	0	
Office and general supplies and services	268,000	180,200
Fuel , oil & lubricants	770,000	0
Other operating expenses	0	300,000
Bank service commission and charges	21,245	4,455
Security operations	0	0
Routine maintenance - vehicles and other transport equipment	186,630	0
Routine maintenance- other assets	0	0
Strategic Plan	2,486,988	0
TOTAL	8,956,158	4,807,607

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	13,400,000	18,600,000
Transfers to Secondary schools	25,786,857	33,100,000
TOTAL	39,186,857	51,700,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	22,568,065	8,380,760
Bursary -Tertiary	14,501,500	2,355,825
Security	5,500,000	1,600,000
Sports	1,095,320	0
Environment	1,000,000	0
Emergency Projects	2,858,462	2,650,000
TOTAL	47,523,347	14,986,585

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets		2018-2019	2017 - 2018
		Kshs	Kshs
Refurbishment of Buildings		-	2,499,913.00
Purchase of Vehicles		5,200,000	-
Purchase of office furniture and fittings		662,000	0
Purchase of computers ,printers and other IT equipments		-	369,000
Purchase of other office equipments		-	226,400.00
TOTAL		5,862,000	3,095,313

9. OTHER PAYMENTS

		2018-2019	2017 - 2018
		Kshs	Kshs
ICT HUB		3,507,770	-
TOTAL		3,507,770	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank, Mumias Branch . Matungu NG-CDF</i>	<i>A/C No.0680299140869</i>	2,402,378	579,487

10B: CASH IN HAND

		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
TOTAL		-	-

11: OUTSTANDING IMPRESTS

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
Ngarwe Building Contractors		-	114,021
TOTAL		-	114,021

13. BALANCES BROUGHT FORWARD

		2018-2019	2017 - 2018
		(1/7/2018)	(1/7/2017)
		Kshs	Kshs
Bank accounts		579,487	2,518
Cash in hand		-	-
Imprest		-	-
TOTAL		579,487	2,518

14. PRIOR YEAR ADJUSTMENTS

		2018-2019	2017 - 2018
		Kshs	Kshs
Bank accounts		-	-
Cash in hand		-	-
Imprest		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

		2018-2019	2017 - 2018
		Kshs	Kshs
Construction of buildings		2,000,000	2,000,000
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		2,000,000	2,000,000

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2018-2019	2017 - 2018
		Kshs	Kshs
NGCDFC Staff		545,054	176,105
Others (specify)		0	0
TOTAL		545,054	176,105

15.3: UNUTILIZED FUND (See Annex 3)

		2018-2019	2017 - 2018
		Kshs	Kshs
Compensation of employees		1,152,232	961,647
Use of goods and services		3,929,415	5,206,939
Amounts due to other Government entities		38,813,143	19,900,000
Amounts due to other grants and other transfers		10,791,099	17,687,249
Acquisition of assets		2,452,107	6,814,107
Others (Others &AIA)		19,000	4,677,027
TOTAL		57,156,996	55,246,969

NATIONAL GOVERNMENT ENTITY –MATUNGU NG-CDF
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	9,769,709.19	24,655,819.43
TOTAL	9,769,709.19	24,655,819.43

15.5: Retention (See Annex 6)

	2018-2019	2017-2018
	Kshs	Kshs
Retention	-	114,021
TOTAL	-	114,021

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 a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1. CDF Office Block	2,182,145	2012	182,145	2,000,000	1M budgeted for 2018/19 not received.
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	2,182,145			2,000,000	

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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 2019	Outstanding Balance 2018	Comments
		a	b	c	d=a-c		
NGCDFS Staff salary							
1.							
2.							
3.							
Sub-Total							
NGCDFS Staff gratuity							
1.			March, 2020	0	545,054	176,105	
2.					0	0	
3.					0	0	
Sub-Total					545,054	176,105	
Others (specify)							
1							
2							
3							
Sub-Total							
Grand Total					545,054	176,105	

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

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,152,232	937,176	
Use of goods & services		3,929,415	5,206,939	
Sub-Total		5,081,647	6,144,115	
Amounts due to other Government entities				
Primary Schools		10,600,000	4,600,000	
Secondary Schools		19,113,143	15,300,000	
Tertiary Institutions		9,100,000	-	
Sub-Total		38,813,143	19,900,000	
Amounts due to other grants and other transfers				
Security Projects		2,000,000	2,000,000	
Bursary Fund		1,144,653	11,010,681	
Environmental Projects		1,000,000	1,000,000	
Sports Activities		1,127,984	1,095,387	
Emergency Funds		5,518,462	2,632,759	
Sub-Total		10,791,099	17,738,827	
Acquisition of assets				
CDF Office		2,452,107	6,700,000	
Motor vehicle		-	-	
Sub-Total		2,452,107	6,700,000	
Others (specify)				
Constituency Innovation Hub		-	4,677,027	
A.I.A		19,000.00	117,000	
Sub-Total		19,000.00	4,794,027	
Grand Total		57,156,996	55,246,969	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	0	0
Buildings and structures	20,499,913.00	-	0	20,499,913
Transport equipment	-	5,200,000.00	0	5,200,000
Office equipment, furniture and fittings	-	662,000.00	0	662,000
ICT Equipment, Software and Other ICT Assets	1,059,000.00	-	0	1,059,000
Other Machinery and Equipment	842,400.00	-	0	842,400
Heritage and cultural assets	-	-	0	0
Intangible assets	-	-	0	0
Total	22,401,313.00	5,862,000.00	0	28,263,313.00

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
BULANDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680260797357	129,055.50	129,055.50
BULIMBO PRIMARY SCHOOL	EQUITY	680293183001	7,802.00	7,802.00
BULONGA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299832978	1,830.00	1,830.00
BUSOMBI MUSLIM SECONDARY SCHOOL	EQUITY	680294186889	878.15	878.15
BUSOMBI PRIMARY SCHOOL	EQUITY	680294187720	2,642.38	2,642.38
CHIBANGA PRIMARY SCHOOL	EQUITY	680297518622	68,640.80	4,803.85
EBUBAMBULA PRIMARY SCHOOL	EQUITY	680193218674	4,464.95	4,464.95
EBUSAMBE PRIMARY ACHOOL - CDF PROJECT	EQUITY	680265127457	34,026.00	700,525.00
EBUSAMBE SECONDARY SCHOOL CDF PROJECT	EQUITY	680299267935	902.85	742.85
EBUTALIKO PRIMARY SCHOOL CDF PROJECT	EQUITY	680294289555	602.30	409,114.00
EJINJA MIXED DAY SECONDARY SCHOOL	EQUITY	680294295611	724.00	724.00
EJINJA PRIMARY SCHOOL CDF PIC ACCOUNT	EQUITY	680264282155	65,851.10	697,995.10
EMAKALE PRIMARY SCHOOL-CDF ACCOUNT	EQUITY	680298971186	205,332.50	5,332.50
EMANANI PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299843789	1,860.00	1,860.00
EMUBERI PRIMARY SCHOOL	EQUITY	680298163925	878.00	878.00
ESHIBANZE MUSLIM MIXED SECONDARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299679677	162,628.35	1,973,974.35
ESHIBANZE PRIMARY SCHOOL CDF ACCOUNT	EQUITY	680260748181	241,451.00	700,617.00
ESHIKHONDI PRIMARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680264348817	4,495.00	4,495.00
ESHIKONDI SECONDARY SCHOOL	EQUITY	680298466211	28,425.00	28,425.00
ESHIRUMBWE PRIMARY SCHOOL CDF PROJECT	EQUITY	680293439159	4,646.25	701,601.25
HARAMBEE POLICE CDF PROJECT ACCOUNT	EQUITY	680263751723	215,340.00	680.00
IKULU MWOYO PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299635258	865.00	865.00
INDANGALASIA PRIMARY SCHOOL	EQUITY	680261352385	7,916.00	707,616.00
INDANGALASIA SUB-LOCATION AP POST-CDF PROJECT ACCOUNT	EQUITY	680299199504	255.00	255.00
ITETE PRIMARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680298963957	126,995.50	707,247.50
KADIMA PRIMARY SCHOOL CDF PROJECT	EQUITY	680294214553	317.00	317.00

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KANDAI PRIMARY SCHOOL	EQUITY	680297143120	3,905.00	3,905.00
KHABUKOSHE PRIMARY SCHOOL	EQUITY	680293135078	507.20	507.20
KHALABA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299835470	905.00	905.00
KOYONZO GIRLS SECONDARY SCHOOL	EQUITY	680298779502	12,241.20	12,241.20
KOYONZO MIXED SECINDARY SCHOOL	EQUITY	680293951883	8,497.35	8,497.35
KOYONZO PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680264323104	4,025.00	4,025.00
KOYONZO SPECIAL SCHOOL FOR THE VISUALLY IMPAIRED - CDF ACCOUNT	EQUITY	680270336618	669,048.00	3,000,495.00
LUBANGA AC PRIMARY SCHOOL CDF PROJECT	EQUITY	680295751340	251.00	251.00
LUNGANYIRO PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299859513	553,960.00	218,211.00
LUNGANYIRO YOUTH POLYTECHNIC	EQUITY	680293754860	306.00	306.00
MAKOKHWE PRIMARY SCHOOL	EQUITY	680293145780	945.00	945.00
MAKOKHWE SECONDARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299608063	75.75	73.10
MAKUNDA PRIMARY SCHOOL	EQUITY	680294215084	34,472.00	34,692.00
MAKUNDA SECONDARY SCHOOL	EQUITY	680294284402	399,510.80	3,001,706.80
MALANGA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299466748	162,858.75	5,738.75
MARINDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299432951	25.00	25.00
MARY SEAT OF WISDOM BULIMBO GIRLS SECONDARY-CDF PROJECT ACCOUNT	EQUITY	680299054488	271,988.50	319.50
MATUNGU CDF OFFICE PROJECT	EQUITY	680293869150	2,529.40	2,529.40
MATUNGU PRIMARY SCHOOL	EQUITY	680294211900	8,348.50	8,348.50
MATUNGU SPECIAL PRIMARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680265113188	501,457.50	1,457.50
MATUNGU SUB DISTRICT HOSPITAL-CDF PROJECT ACCOUNT	EQUITY	680294206688	325.55	325.55
MAYONI PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299501021	21,058.00	85,346.00
MIRERE PRIMARY SCHOOL ECONOMIC STIMULUS ACTIVITY ACCOUNT ESAC	EQUITY	680293403940	180.00	180.00
MUKHWEYA PRIMARY SCHOOL	EQUITY	680293184339	1,657.50	1,657.50
MUKUNYUKU PRIMARY SCHOOL CDF PROJECT	EQUITY	680293988165	1,780.00	1,780.00
MUNAMI PRIMARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680299001218	2,649.50	1,201,875.50

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MUNAMI SECONDARY SCHOOL CDF PROJECT	EQUITY	680293084424	9,837.00	9,122.00
MUNANGA PRIMARY SCHOOL	EQUITY	680295503640	38,756.00	8,116.00
MUNGAKHA 'W' PRIMARY SCHOOL PMC CDF PROJECT ACCOUNT	EQUITY	680299834930	157.70	157.70
MUNGORE PRIMARY SCHOOL	EQUITY	680293125989	17,551.00	17,551.00
MUNGUNGU DISPENSARY	EQUITY	680293920309	635.30	635.30
MUSANGO PRIMARY SCHOOL	EQUITY	680270428139	1,503,830.00	3,830.00
MWIRA PRIMARY SCHOOL	EQUITY	680298172762	1,181,129.00	805,165.00
NAMALASIRE PRIMARY SCHOOL-CDF PROJECT	EQUITY	680295414357	14,876.35	708,386.35
NAMALASIRE SECONDARY SCHOOL	EQUITY	680294730867	3,464.00	3,464.00
NAMALENJE PRIMARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680262649166	288,315.00	6,425.00
NAMAMALI MUSLIM PRIMARY SCHOOL	EQUITY	680297186807	4,700.00	4,700.00
NAMAMBA DAY MIXED SECONDARY SCHOOL	EQUITY	680294181177	3,944.40	3,944.40
NAMAMBA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299828483	233.00	233.00
NAMANGA PRIMARY SCHOOL	EQUITY	680297203200	32,512.00	684,416.00
NAMASANDA HEALTH CENTRE	EQUITY	680299518761	1,586.50	1,586.50
NAMASANDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680299895924	450.00	450.00
NAMBEREKENYA PRIMARY SCHOOL-CDF ACCOUNT	EQUITY	680261567972	5,412.25	5,412.25
NAMBEREKEYA SECONDARY SCHOOL CDF ACCOUNT	EQUITY	680260715868	202,710.75	839,214.75
NAMULUNGU DISPENSARY CDF PROJECT ACCOUNT	EQUITY	680263391507	298.55	298.55
NAMULUNGU MUSLIM SECONDARY SCHOOL - CDF PROJECT	EQUITY	680269921965	75,186.00	252,303.40
NAMULUNGU SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680262631133	1,033.00	7,102.00
NANYENI PRIMARY SCHOOL CDF PROJECT	EQUITY	680299576693	6,977.00	6,977.00
NGAIRWE PRIMARY SCHOOL ECONOMIC STIMULUS ACTIVITY ACCOUNT	EQUITY	680293276852	378,344.00	183,258.00
NGAIRWE SECONDARY SCHOOL-CDF PROJECT	EQUITY	680298601149	2,599.00	2,599.00
NYABULA PRIMARY SCHOOL	EQUITY	680297132005	121.65	121.65
NYAPORA PRIMARY SCHOOL CDF PROJECT	EQUITY	680270176427	163.80	158.35

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NYAPWAKA PRIMARY SCHOOL-CDF ACCOUNT	EQUITY	680261547620	53,331.00	226,781.00
S.D.A. MATUNGU SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680262643364	3,787.60	3,787.60
SAYANGWE PRIMARY SCHOOL	EQUITY	680294327634	26,086.00	702,271.00
SHIYABO PRIMARY SCHOOL CDF ACCOUNT	EQUITY	680260665059	362.50	362.50
ST CHARLES KHALABA SECONDARY SHCOOL	EQUITY	680294181162	645.00	801,195.00
ST JOHNS MUKHWEYA SECONDARY SCHOOL	EQUITY	680293043463	45.00	45.00
ST JOSEPH INDANGALASIA	EQUITY	680294522864	268.00	268.00
ST TERESA ITETE SECONDARY	EQUITY	680294323955	537,301.50	3,080,615.50
ST. EMMANUEL LUTASIO PRIMARY SCHOOL	EQUITY	680293398246	292,398.10	701,943.10
ST. FRANCIS SHIYABO SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680266541157	5,297.00	314,936.00
ST. MARY'S NAMASANDA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680266539458	59,568.00	317,916.00
ST.CHARLES LUNGANYIRO GIRLS SECONDARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680294242047	10,695.00	10,915.00
ST.EMMANUEL LUTASIO SECONDARY SCHOOL CDF PROJECT ACCOUNT	EQUITY	680266553200	-1,909.00	1,085.00
ST.LUKES KHABUKOSHE MIXED SECONDARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680294214707	245.11	2,115.00
ST.MATHIAS KHOLERA BOYS SECONDARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680299878362	3,612.30	3,612.30
ST.MATHIAS KHOLERA PRIMARY SCHOOL-CDF PROJECT ACCOUNT	EQUITY	680298990027	2,343.75	2,343.75
ST.MICHAELS ESHIRUMBWE SECONDARY SCHOOL	EQUITY	680298356381	74,296.00	91,321.00
ST.PAULS EJINJA PRI.SCH.CDF PROJECT ACCOUNT	EQUITY	680299426336	12,400.00	12,400.00
ST.PETERS LUBANGA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680263495304	1,745.00	1,745.00
ST.STEPHEN MUNGAKHA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	EQUITY	680262706551	1,419.00	1,419.00
SUWO PRIMARY SCHOOL	EQUITY	680297127052	2,119.95	1,801.25
WAMUKOYA MUSLIM PRIMARY	EQUITY	680297274617	922,679.00	430,229.00
TOTAL			9,769,709.19	24,655,819.43

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 6-Retention

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
Ngarwe Building Contractors		-	114,021
TOTAL		-	114,021

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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KAK/C/CDF/INSP/9/23	The Statement of assets and liabilities reflect cash and cash equivalent balance of Kshs.579,487 as at June 2018 while the statement of cash flows indicate a balance of Kshs.465,467 leading to a variance of Kshs.114,020 which has not been explained or reconciled.	The variance of Kshs.114,020 is retention amount on Refurbishment of CDF office which was not included in the Cash flow from Investing Activities under Acquisition of Assets indicated in the statement of cash flows, but disclosed in the supporting Note 12 of the financial statements.	FAM	Resolved	Already solved
	The statement of Receipts and Payments reflect use of goods and services comparative figure of Kshs. 5,787,885 while the supporting note 5 to the financial statements reflects figure of Kshs.4,153,885 resulting into a variance of Kshs. 1,634,000 which has not been explained or reconciled. In addition the	The above anomalies were noted during the audit. However we have since corrected the error in the comparative figures for use of goods and services and other payments balances as reflected in the statement of Receipts and Payments and the supporting note 5 and note 9	FAM	Resolved	Already solved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statement of receipts and payments reflects nil comparative figure of Kshs. 1,634,000 notwithstanding the nil balance certified in previous balances. No explanation has been provided for the variances.	respectively. This is indicated in the attached revised statement of Receipts and Payments and the supporting note 5 and note 9 marked as Appendix 2 for your verification.			
	The National Government Constituencies Development Fund Matungu Constituency had an approved budget of Kshs. 131,160,431 for the financial year 2017/18. During the same period, the fund recorded an expenditure of Kshs. 76,029,999 or approximately 58% of the budget resulting in under expenditure of Kshs. 55,130,432 Or 42% of the budget. Failure to utilize funds is an indication that services and approved programs were not delivered, and therefore the budget did not meet the intended objectives of improving delivery of goods and services to the residents of Matungu Constituency.	There was an under expenditure on all the budget components as a result of delayed funding by the CDF Board which affected realization of implementing the planned activities. However, we received the additional funding in July 2018 as indicated in the attached copy of AIEs marked Appendix 3 (i) and CDFC minutes disbursing the grants to PMC marked Appendix 3(ii) for your verification.	FAM	Resolved	Already solved
	According to the Project Implementation Status Report availed for audit, the National Government Constituencies Development Fund Matungu Constituency budgeted to spend Kshs. 98,189,653 to implement	It is true 19 projects were not implemented during the financial year, but as explained in response to note 1.2 above, we requested the funds and they were released as per the	FAM	Resolved	Already solved

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For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>forty-nine (49) projects during the year under review. Audit review of the report indicated that thirty (30) projects were complete while nineteen (19) were still in going. Delay in implementation and completion of planned projects has effect of denying the people of Matungu Constituency the benefits of these projects.</p>	<p>attached AIE and CDFC Minutes attached as Appendix 3 (i-ii). Though the implementation and completion of planned projects delayed due to late funding by the NGCDF Board, we assure you that the residents of Matungu NG-CDF Constituency have been able to access the benefits of these projects 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>			
	<p>A transfer of Kshs.1,145,453 to Namulungu Muslim Secondary School on March 2018 for construction of one classroom. The tender for construction of the classroom was awarded to a contractor and the agreement signed on 26 July 2018 and the contract was to take a period of 24 weeks. Audit verification of the project in March 2019 showed that although the classroom was in use, some works had not been done. The Pvc vent with</p>	<p>It is true at the time of audit the project was incomplete. This is due to the fact that the project was funded Kshs. 900,000 in 2016/17 financial year against a contract cost of Kshs. 1,145,453. Though the said amount was received in February 2018 from CDF Board as indicated in the attached AIE and code list marked as Appendix 4(i). The balance of Kshs. 300,000 was budgeted for in 2018/19 financial year</p>	FAM	Resolved	Already solved

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>galvanized mosquito gauze wire, Painting works not done (windows, walls), Glazing works, matching ridge cover and ceiling had not been done.</p> <p>In the circumstances the propriety of Kshs. 1,145,453 spent on the construction of the classroom could not be confirmed for the year ended 30 June 2018.</p>	<p>and the said amount was received in February 2019 and has been since disbursed to the PMC as indicated in the attached code list and copy of cheque marked Appendix 4(ii). We therefore want to clarify that the amount funded was Kshs. 900,000 and not Kshs. 1,145,453.</p>			