




Enhancing Accountability



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MOSES LOMALE		

ON

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

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

100



MATUNGU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- project management committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

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

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Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 202X and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mary Mwaki
2.	Sub-County Accountant	Abel David Manoti Onchiri
3.	Chairman NGCDFC	Faluma Wasaya
4.	Member NGCDFC	N/A

(c) Fiduciary Oversight Arrangements

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

(d) Matungu Constituency NGCDF Headquarters

P.O. Box 1045 50102
Matungu CDF Office Building/House/Plaza
Mumias Busia Avenue/Road/Highway
Mumias, KENYA

(e) Matungu Constituency NGCDF Contacts

Telephone: (254) 0723052513
E-mail: matungucdf@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Matungu Constituency NGCDF Bankers

Equity Bank (A/C NO. 0680299140869)
Mumias Branch

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



Key achievements in the FY 2022/2023

- I present to you the performance of Matungu NG-CDF for the FY 2022/2023 as follows: Budget performance against actual amounts for current year based on economic classification and programmes
- During the financial year 2022/23 we received Kshs.106, 835, 809 from the NG- CDFB and incurred an expenditure of Ksh100, 848,453 as Summarized in the table below.

DESCRIPTION	AMOUNT (KSH)
Total Receipts	106,835,809
Expenditure Per Sector	
Compensation to Employees	2,563,310
Use of goods and Services	6,443,774
Transfer to other government Entities	4,928,042
Other Grants and Transfers	49,533,946
Other Payment	37,379,381
Total	100,848,453

- We have faced a number of challenges during this financial year. The first being over dependency on bursary fund due to high level of poverty and too many orphans within the constituency.
- The outbreak of Covid 19 has continued to affect the performance of our constituency.
- High level of poverty rendering the implementation of projects within the constituency.
- Delays in disbursement of funds to the NG-

These challenges have greatly curtailed successful implementation of our projects. However, despite the challenges we have faced during the financial year, we have managed to execute a sizable number of projects approved by the board.

.....
Faluma Wasaya

CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY 2022/23

Introduction

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

The key development objectives of *Matungu Constituency 2023-2028* plan are to:

- i. To improve infrastructure in schools to a modern and a learner friendly learning environment
- ii. To be among the top performing Constituencies in both academic and co- curriculum activities at both levels of education
- iii. To increase transition rates from primary to secondary from and also secondary to tertiary institutions
- iv. To ensure all schools in the constituency have access to safe, clean water
- v. Electrification of all public schools
- vi. To increase awareness on drug and substance abuse among students and pupils
- vii. To curb insecurity in the constituency
- viii. To sensitise the constituents on the need to be secure in their neighbourhood
- ix. Harness youth talent by funding sporting initiatives
- x. Creating awareness on the establishment of youth groups
- xi. Awareness of constituents on the importance of environment management conservation
- xii. promote and encourage tree planting in the constituency by setting tree planting days to improve water catchment areas
- xiii. Strengthening of overall policy coordination of natural resource management.

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:

s	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions</i>	<i>In FY 2022/23 -we increased 362 number of classrooms from , dormitories, laboratories from 12-14 etc from ... to... in the following Bursary-</i>

		<i>institutions</i>	<i>number of bursary's beneficiaries at all levels</i>	There was an increase of beneficiaries of Bursary fund, a total of 4,338-6583 students in both secondary, and tertiary institution benefited from the Bursary Fund.
Security	To harness youth talent and empower them	Increased campaign on drugs and substance abuse and on HIV and AIDS Awareness among the youth on establishment of youth groups	No. of campaigns held, number of awareness forums held and amount of funds voted Construction of Police Posts	There is ongoing construction of administration police posts ie Matungu Deputy County Commissioners Office, Indangalasia police post, Mirere Police Post and Khalaba Police Post within the Constituency in this Financial year to ensure sustainability security measures within the Constituency
Environment	To promote environmental sustainability in constituency	Increase number of trees planted that improve water catchment areas.	Number of trees planted Construction of Pit Latrines in all Public Learning institutions	improvement in number of trees planted in the constituency. Awareness importance Construction of toilets in learning institutions
Sports	To harness youth talent and empowerment	To increase youth talents and empowerment through different sports activities	Different sporting activities	soccer tournament was carried out which result in the youth and Community talent Empowerment allocated funds or regional sports competition to harness youth talents within the

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				constituency
Emergency	To cater for any unforeseen occurrences in the constituency.	Increased funds for unforeseen activities	Number of cases assisted	We assisted five institutions in addressing unseen calamities example Makunda Secondary School, NYapaka Primary School, Mukunyuku Primary School, Mwira primary school in In construction of Pit Latrinesand construction of modern toilet at Makunda Secondary School

V. Statement of Governance

(Under this section, include the process of appointment and removal of NGCDFC Members, roles and functions of the Committee, induction, and training of Members. No of meetings held, disclose policy on conflict of interest, Members remuneration, ethics and conduct, risk management etc.)

- The NG-CDFC act 2015 stipulates clearly the appointment and removal of NG-CDFC members.
- The appointment of NG-CDFC is done in accordance with the ACT and the Committee members shall be in office for a period of twenty four months within the parliamentary term.
- The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee. Vacancy in the Constituency Committee.
- A vacancy shall occur in Constituency Committee upon—
 - a) commencement of a new parliamentary term;
 - b) dissolution of a Constituency Committee;
 - c) Removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.
 - d) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

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VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Matungu NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.
- Environment also exists to protect natural springs and conservation of environment by encouragement of tree planting, drilling of bore holes to ensure Matungu locals have access to clean water.
- *NG-CDF also supports development of sporting activities to enhance youth talent within the constituency. Also contribute in purchase of sporting equipments and sponsor sporting activities within the community..*

3. Employee welfare

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

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

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

4. Market place practices-

Matungu NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Matungu NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

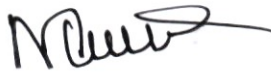
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies and for conducting community based needs assessments and public awareness campaigns and holding community meetings.

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



.....
Name: Mary Mwaki

Fund Account Manager.

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- 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, 202X. 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Matungu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

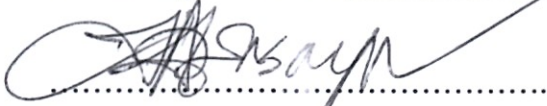
The Accounting Officer in charge of the NGCDF Matungu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for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

*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

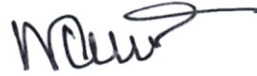
Approval of the financial statements

The NGCDF- Matungu Constituency financial statements were approved and signed by the Accounting Officer on _____ 2024.



Name: Faluma Wasaya

Chairman – NGCDF Committee



Name: Mary Mwaki

Fund Account Manager

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungu Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of

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

appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Matungu Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unconfirmed Expenditure on Bursaries

The statement of receipts and payments reflects an amount of Kshs.37,379,381 in respect of other grants and other transfers which, as disclosed in Note 8 to the financial statements, includes amounts of Kshs.21,353,756, Kshs.6,457,144 and Kshs.696,000 relating to bursary disbursements to secondary schools, tertiary institutions and special schools respectively, totaling Kshs.28,506,900. However, copies of receipts and acknowledgement letters from beneficiary institutions for bursaries totalling Kshs.2,410,900 were not provided for audit review.

In the circumstances, the accuracy and completeness of the bursaries expenditure of Kshs.2,410,900 could not be confirmed.

2. Failure to Produce Ownership Documents for Land

The statement of receipts and payments reflects an amount of Kshs.49,533,946 in respect of transfers to Other Government Units which, as disclosed in Note 7 to the financial statements, includes Kshs.3,300,000 disbursed to primary schools, out of which, Kshs.600,000 was transferred to Wamukoya Muslim Primary School for purchase of 1 acre piece of land.

Additionally, an amount of Kshs.31,490,984 was disbursed to secondary schools, out of which, Kshs.600,000 was transferred to St. Emmanuel Lutasio Secondary School for purchase of 1 acre piece of land. However, search reports, valuation reports, sale agreements and title deeds for the two schools were not provided for audit.

In the circumstances, ownership of the pieces of land could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituency Development Fund – Matungu Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.223,586,737 and Kshs.150,110,255 respectively, resulting to an under-funding of Kshs.73,476,482 or 33% of the budget. Similarly, the Fund spent a balance of Kshs.100,848,454 against actual receipts of Kshs.150,110,255 resulting to an under-utilization of Kshs.49,261,801 or 33% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

The audit report for the previous year highlighted several issues in respect of the Financial Statements, Lawfulness and Effectiveness in use of Public Resources, and Effectiveness of Internal Controls Risk Management and Governance. Management's report on the progress made in resolving the issues, at Annex 6 of other important disclosures indicates that issues relating to the financial statements had been resolved as at 30 June, 2023. However, no explanation has been provided on how the issues have been resolved. Similarly, no explanation has been provided on the failure to implement the recommendations.

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 matter 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

Delay in Implementation of Projects

During the year under review, the Fund had planned to implement twenty-nine (29) projects with a budget of Kshs.67,502,172. However, out of this number, two (2) or 7% of the projects worth Kshs.5,200,000 were completed, twenty-two (22) or 76% of the projects costing Kshs.53,252,172 were on-going while five (5) or 17% of the projects worth Kshs.9,050,000 had not started.

In the circumstances, value for money was not obtained from the on-going projects and the projects that had not started.

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 THE 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 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 Fund's financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 time 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 Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 May, 2024

Matungu Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	106,835,809	156,763,070
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	32,000	98,000
Total Receipts		106,867,809	156,861,070
Payments			
Compensation Of Employees	4	2,563,310	3,399,604
Committee expenses	5	6,443,774	5,928,448
Use Of Goods and Services	6	4,928,042	4,763,110
Transfers To Other Government Units	7	49,533,946	69,471,432
Other Grants and Transfers	8	37,379,381	72,263,736
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		100,848,453	155,826,329
Surplus/(Deficit)		6,019,356	1,034,741

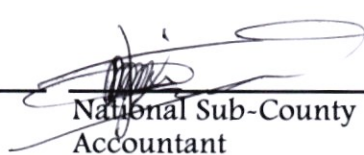
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 02/05/2024 and signed by:



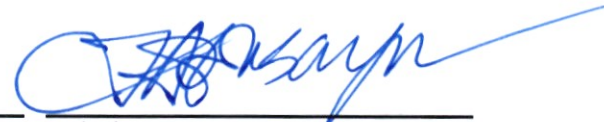
Fund Account Manager

Name: Mary Mwaki



National Sub-County
Accountant

Name: Abel David Manoti
Onchiri
ICPAK M/No: 17633



Chairman NG-CDF
Committee

Name: Faluma Wasaya

Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

X. Statement of Assets and Liabilities As At 30th June, 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	49,063,158	43,242,446
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		49,063,158	43,242,446
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		49,063,158	43,242,446
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	198,644
Total Financial Liabilities		-	198,644
Net Financial Assets		49,063,158	43,043,802
Represented By			
Fund Balance B/Fwd	15	43,043,803	42,009,062
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		6,019,356	1,034,741
Net Financial Position		49,063,158	43,043,803

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


The Constituency financial statements were approved by NG CDFC on 02/05/2024 and signed by:


 Fund Account Manager

Name: Mary Mwaki


 National Sub-County
 Accountant

Name: Abel David Manoti
 Onchiri
 ICPAK M/No: 17633


 Chairman NG-CDF
 Committee

Name: Faluma Wasaya

*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	106,835,809	156,763,070
Other Receipts	3	32,000	98,000
Total Receipts		106,867,809	156,861,070
Payments			
Compensation Of Employees	4	2,563,310	3,399,604
Committee Expenses	5	6,443,774	5,928,448
Use Of Goods and Services	6	4,928,042	4,763,110
Transfers To Other Government Units	7	49,533,946	65,281,132
Other Grants and Transfers	8	37,379,381	76,454,036
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		100,848,453	155,826,329
Total Receipts Less Total Payments		6,019,356	1,034,741
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	(198,644)	198,644
Net Cash Flow from Operating Activities		(198,644)	198,644
Cash flow From Investing Activities		-	-
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		5,820,712	1,233,385
Cash & Cash Equivalent At Start Of The Year	12	43,242,447	42,009,062
Cash & Cash Equivalent At End Of The Year	12	49,063,158	43,242,447

Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
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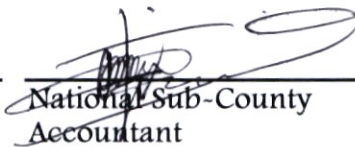
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 02/07 2024 and signed by:



Fund Account Manager

Name: Mary Mwaki



National Sub-County
Accountant

Name: Abel David Manoti
Onchiri
ICPAK M/No: 17633



Chairman NG-CDF
Committee

Name: Faluma Wasaya

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
Receipts	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	43,242,446	35,224,688	223,554,737	150,078,255	73,476,482	67.1%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	32,000	-	-	32,000	32,000	-	100.0%
Totals	145,119,603	43,242,446	35,224,688	223,586,737	150,110,255	73,476,482	67.1%
Payments							
Compensation Of Employees	4,087,499	1,912,332		5,999,831	2,563,310	3,436,520	60%
Committee Expenses	2,998,000	3,843,574		6,841,574	6,443,774	397,800	94.2%
Use Of Goods and Services	5,971,955	1,029,065		7,001,020	4,928,042	2,072,978	70.4%
Transfers To Other Government Units	60,324,046	34,651,733	32,099,119	127,074,898	51,047,353	76,027,545	40.2%
Other Grants and Transfers	67,155,227	15,484.46	1,586,129	68,756,841	35,865,974	32,890,866	52.2%
Acquisition of Assets	-	300,000.00	-	300,000	-	300,000	0.0%
Oversight Committee Expenses	1,450,876	-	-	1,450,876	-	1,450,876	0.0%
Other Payments	3,100,000.00	1,169,256.80	-	4,269,257	-	4,269,257	0.0%
Funds Pending Approval**	32,000	321,000	1,539,440	1,892,440	-	-	0.0%
Totals	145,119,603	43,242,446	35,224,688	223,586,737	100,848,454	122,738,283	45.1%

Matungu Constituency
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Annual Report and Financial Statements for The Year Ended June 30, 2023

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

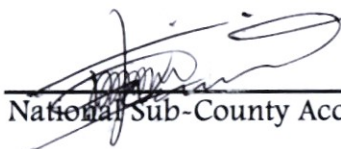
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	122,738,283
Less undisbursed funds receivable from the Board as at 30 th June 2023	73,476,482
	49,261,801
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	(198,644)
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	49,063,157

The Constituency financial statements were approved by NG CDFC on 02-05- 2024 and signed by:



Fund Account Manager

Name: Mary Mwaki



National Sub-County Accountant

Name: Abel David Manoti Onchiri
 ICPAK M/No: 17633



Chairman NG-CDF Committee

Name: Faluma Wasaya

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,087,499	1,912,332	-	5,999,831	2,563,310	3,436,520
1.2 Committee allowances	1,998,000	783,200	-	2,781,200	2,734,200	47,000
1.3 Use of goods and services	2,619,327	540,350	-	3,159,677	2,264,494	895,183
Sub-total	8,704,826	3,235,881	-	11,940,707	7,562,004	4,378,703
2.0 Monitoring and evaluation						
2.1 Capacity building	1,972,628	-		1,972,628	863,324	1,109,304
2.2 Committee allowances	1,000,000	3,060,374	-	4,060,374	3,709,574	350,800
2.3 Use of goods and services	1,380,000	488,716	-	1,868,716	1,800,224	68,492
Sub-total	4,352,628	3,549,090	-	7,901,718	6,373,122	1,528,596
3.0 Emergency						
3.1 Primary Schools	7,636,190			7,636,190	7,359,074	277,116
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Sub-total	7,636,190			7,636,190	7,359,074	277,116
4.0 Bursary and Social Security						

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Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools						
4.2 Secondary Schools	27,253,209	-	1,574,112	28,827,321	21,353,756	7,473,565
4.3 Tertiary Institutions	16,492,882	14,027		16,506,909	6,457,144	10,049,765
4.4 Universities	-	-		-	-	-
4.5 Social Security	1,275,878	-		1,275,878	696,000	579,878
Sub-total	45,021,969	14,027	1,574,112	46,610,108	28,506,900	18,103,208
5.0 Sports						
5.1	1,019,942			1,019,942	-	1,019,942
5.2						
5.3						
Sub-total	1,019,942			1,019,942	-	1,019,942
6.0 Environment						
6.1 NG CDF Matungu-Environment		1,457	1,551,458	1,552,915	-	1,552,915
6.2 Munanga Secondary School	500,000	-	-	500,000	-	500,000
6.3 Emuberi Secondary School	500,000	-	-	-		500,000
6.4 Mwira Primary School	600,000			500,000		600,000
6.5 Marinda Primary School	301,752			301,752		301,752
Sub-total	1,901,752	1,457	1,551,458	3,454,667	-	3,454,667
7.0 Primary Schools Projects (List all the Projects)						
7.1 Emabolo Primary School		-	1,500,000	1,500,000		1,500,000

**Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.2 St Agnes Mwira Girls		700,000		700,000		700,000
7.3 Namalasure Primary School		-	-	-		-
7.4 Soweto Pr School		600,000		600,000		600,000
7.5 Eshirumbwe Primary		900,000		900,000	900,000	-
7.6 Nyabula Primary School		600,000		600,000	600,000	-
7.7 Kholera Muslim Pr Makunda		2,200,000		2,200,000	-	2,200,000
7.8 Soweto Pr School		1,000,000		1,000,000		1,000,000
7.9 Navunulu Pr School- Construct 1 Class		1,000,000		1,000,000		1,000,000
7.10 Koyonzo Special School		600,000		600,000	600,000	-
7.11 St Ambrose Eshokhonesi Pr School-		600,000		600,000	600,000	-
7.12 Wamukoya Muslim Pr School		600,000		600,000	600,000	-
7.13 Chibanga Primary School	1,700,000			1,700,000		1,700,000
7.14 Marinda Primary School	1,200,000			1,200,000		1,200,000
7.15 Khalaba Primary School	2,000,000			2,000,000		2,000,000
7.16 Bulimbo Primary School	1,200,000			1,200,000		1,200,000
7.17 Eshkhonesi Primary School	1,200,000			1,200,000		1,200,000
7.18 Matungu SDA Special School	1,200,000			1,200,000		1,200,000
7.19 Bulanda Primary School	1,200,000			1,200,000		1,200,000
7.20 Koyonzo Special School	1,200,000			1,200,000		1,200,000

Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.21 Namalasire Primary School	2,000,000		1,500,000	3,500,000		3,500,000
7.22 Namalenje Primary School	1,200,000			1,200,000		1,200,000
7.23 Namasanda Primary School	1,200,000			1,200,000		1,200,000
Sub-total	15,300,000	8,800,000	3,000,000	27,100,000	3,300,000	23,800,000
8.0 Secondary Schools Projects (List all the Projects)						-
Makunda Secondary School	-	-	1,513,407	1,513,407	1,513,407	-
Nyapora Sec School	-	600,000	-	600,000	-	600,000
Mayoni Township	-	900,000	2,100,000	3,000,000	-	3,000,000
Mukunyuku Sec School	-	600,000	-	600,000	-	600,000
Ack Koyonzo Girls Sec School	-	600,000	-	600,000	600,000	-
Ebusambe Sec School	-	600,000	-	600,000	600,000	-
Emanani Muslim Sec School	-	600,000	-	600,000	600,000	-
Eshirumbwe Sec School	-	600,000	-	600,000	600,000	-
Namalasire Sec School	-	1,400,000	-	1,400,000	1,400,000	-
Namamba Girls Sec School	-	600,000	-	600,000	600,000	-
St Emmanuel Lutasio Sec	-	600,000	-	600,000	600,000	-
St Francis Shiyabo Sec	-	600,000	-	600,000	600,000	-
St Ida Girls Sec	-	600,000	-	600,000	600,000	-
St James Namamba Boys	-	600,000	-	600,000	600,000	-

Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
St Maurice Mwira Secondart	-	12,000,000	-	12,000,000	12,000,000	-
St Pauls Ejinja Pr School	-	1,500,000	-	1,500,000	1,500,000	-
Eshibanze Muslim Sec	-	1,078,424	-	1,078,424	1,078,424	-
Makokhwe Secondary School	3,942,560	-	-	3,942,560	3,942,560	-
Eshirumbwe Secondary School	3,170,000	-	-	3,170,000	3,170,000	-
St. Francis Shiyabo Secondary School	1,200,000	-	-	1,200,000	-	1,200,000
Namalasire Secondary School	5,200,000	-	-	5,200,000	-	5,200,000
St. Maurice Mwira Secondary School	6,652,058	-	-	6,652,058	3,000,000	3,652,058
St. Marks Imakale Secondary School	750,000	-	-	750,000	-	750,000
Namulungu Muslim Secondary School	1,200,000	-	-	1,200,000	-	1,200,000
St Agnes Mwira Girls	1,500,000	-	-	1,500,000	-	1,500,000
St. Johns Mukhweya Secondary School	600,000	-	-	600,000	-	600,000
Sub-total	24,214,618	23,478,424	3,613,407	51,306,449	33,004,391	18,302,058
9.0 Tertiary institutions Projects (List all the Projects)						
Matungu KMTC	-	2,373,309	11,346,272	13,719,581	11,142,962	2,576,619
Matungu KMTC	10,809,428	-	-	10,809,428	3,600,000	7,209,428
Kibabii University	-	-	2,600,000	2,600,000	-	2,600,000
Kibabii University	-	-	10,000,000	10,000,000	-	10,000,000
Matungu TTI	10,000,000	-	-	10,000,000	-	10,000,000
Sub-total	20,809,428	2,373,309	23,946,272	47,129,009	14,742,962	32,386,047

*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.0 Security Projects						
Indangalasia Police Post	2,514,980	-	-	2,514,980	-	2,514,980
Matungu Deputy Commissioners Office	7,060,394	-	-	7,060,394	-	7,060,394
Chiefs Office Koyonzo	2,000,000	-	-	2,000,000	-	2,000,000
Sub-total	11,575,374	-	-	11,575,374	-	11,575,374
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	300,000		300,000		300,000
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total	-	300,000	-	300,000		300,000
12.0 Oversight Committee Expenses (itemize)						
Daily Subsistence	420,000	-	-	420,000		420,000
Accommodation- Domestic Travel	150,000	-	-	150,000	-	150,000
Travel Costs	300,000	-	-	300,000	-	300,000
Committee Expenses	300,000	-	-	300,000	-	300,000
Refined Fuels	180,876	-	-	180,876	-	180,876
Telephone	100,000	-	-	100,000	-	100,000
Sub-total	1,450,876	-	-	1,450,876		1,450,876

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
13.0 Others						
13.1 Strategic Plan	3,100,000	-	-	3,100,000	-	3,100,000
13.2 Innovation Hub	-	1,169,257	-	1,169,257	-	1,169,257
13.2						
Sub-total	3,100,000	1,169,257	-	4,269,257	-	4,269,257
Funds pending approval**	32,000	321,000	1,539,440	1,892,440	-	1,892,440
Total	145,119,603	43,242,446	35,224,688	223,586,737	100,848,454	122,738,283

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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.

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 8th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE A888906	8,772,962	
AIE B185177	7,000,000	
AIE B185363	4,552,847	
AIE B185458	6,000,000	
AIEB185714	15,000,000	
AIEB206029	5,000,000	
AIEB206477	12,000,000	
AIEB205822	12,000,000	
AIEB207584	15,000,000	
AIEB207727	6,510,000	
AIEB207749	15,000,000	
B105210		33,000,000
B105664		44,000,000
B105869		22,000,000
B128621		5,000,000
B154131		12,000,000
B128934		12,000,000
B164362		18,000,000
B155892		10,763,070
TOTAL	106,835,809	156,763,070

2. Proceeds From Sale of Assets

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

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3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	32,000	98,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	32,000	98,000

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Notes To the Financial Statements (Continued)

4. Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,998,341	2,586,345
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	523,659	561,325
Employer Contributions Compulsory national social security schemes	41,310	251,933
Total	2,563,310	3,399,604

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	1,751,000	
Other committee expenses	4,692,774	-
Total	6,443,774	5,928,448

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6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	80,320	4,099,410
Communication, supplies and services	464,205	-
Domestic travel and subsistence	963,200	-
Printing, advertising and information supplies & services	112,792	-
Rentals of produced assets	-	-
Training expenses	863,324	663,700
Hospitality supplies and services	312,696	-
Insurance costs	-	-
Specialised materials and services	195,638	-
Office and general supplies and services	500,000	-
Fuel , oil & lubricants	691,176	-
Other operating expenses	334,600	-
Bank Charges	6,200	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	316,672	-
Routine maintenance- other assets	87,219	-
Total	4,928,042	4,763,110

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	3,300,000	29,072,963
Transfers To Secondary Schools (See Attached List)	31,490,984	20,408,169
Transfers To Tertiary Institutions (See Attached List)	14,742,962	19,990,300
Total	49,533,946	69,471,432

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,353,756	39,864,988
Bursary – tertiary institutions (see attached list)	6,457,144	14,327,535
Bursary – special schools (see attached list)	696,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	5,601,796
Sports projects (see attached list)	-	2,283,249
Environment projects (see attached list)	1,513,407	2,743,961
Emergency projects (see attached list)	7,359,074	7,442,207
Roads projects (see attached list)	-	-
Total	37,379,381	72,263,736

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Notes to the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Daily Subsistence		-
Accommodation- Domestic Travel		-
Travel Costs		-
Committee Expenses		-
Refined Fuels		-
Telephone		-
Daily Subsistence		-
Total		

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank of Kenya, Mumias Branch. Matungu NG-CDF Account 0680299140869	49,063,158	43,242,446
Total	49,063,158	43,242,446
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Name of Officer	dd/mm/yy	xxx	xxx	xxx
Total		xxx	xxx	xxx

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	198,644	771,379
Gratuity held during the year (B)		561,325
Gratuity paid during the Year (C)	198,644	1,134,061
Closing Gratuity as at 30 th June D= A+B-C	-	198,644

15. Fund Balance B/F

	(1 st July 2022-2023)	(1 st July 2021-22)
	Kshs	Kshs
Bank accounts	43,242,446	42,009,062
Cash in hand		
Imprest		
Total	43,242,446	42,009,062
Less		
Payables: - Retention		
Payables – Gratuity		
Fund Balance Brought Forward		

[Provide short appropriate explanations as necessary]

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16. Prior Year Adjustments

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

**** The adjusted balances are not carried down on the face of the financial statement.
(Entity to provide disclosure on the adjusted amounts)**

17. Changes in Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	198,644	-
Deposit and Retentions held during the year (B)	-	198,644
Deposit and Retentions paid during the Year (C)	198,644	-
closing account payables D= A+B-C	-	198,644
Net changes in accounts payables D-A	(198,644)	198,644

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	3,436,521	1,912,332
Committee expense	397,800	3,843,574
Use of goods and services	2,072,978	1,029,065
Amounts due to other Government entities (see attached list)	76,001,512	65,211,412
Amounts due to other grants and other transfers (see attached list)	32,916,899	3,141,054
Acquisition of assets	300,000	300,000
Oversight Committee Expenses	1,450,876	-
Other Payments (<i>specify</i>) (AIA)	4,269,257	1,169,257
Funds pending approval	1,892,440	1,860,440
Total	122,738,283	78,467,134

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18.4: PMC account balances (See Annex 5)

	2022-2023	2021-2023
	Kshs	Kshs
Bulanda Primary School	7,372	7,372
Bulimbo Primary School	26,729	26,729
Chibanga Primary School	2,755	2,755
Emabolo Primary School	317,085	817
Koyonzo Special Primary School	24,812	48,812
Khalaba Primary School	905	905
Marinda Primary School	9,143.00	65,231
Matungu Special Primary School	808	807
Mwira Primary School	30,910	122,531
Namalasire Primary School	3,464	145,428
Namalenje Primary School	1,864,60	46,544
Namasanda Primary School	2,758	77,281
Nyapwaka Primary School	106,548	2,755
Koyonzo Special School	24,812	48,812
Eshikhonesi Primary School	6,657	6,657
Mukunyuku primary School	59,982	1,780
Secondary		
Makunda Muslim Sec School	7,372	106,314
Namalasire Secondary School	3,464	3,464
Namalungu Muslim Secondary School	6,567	6,567
St. Cecilia Makokhwe Secondary School	24,922	119,855
St. Francis Shiyabo Secondary School	55,518	126,595
St. Johns Mukhweya Secondary School	19,459	79,742
St. Michael Eshirumbwe Secondary School	574,594	291,554
St. Maurice Mwira Sec School		
	3,213	14,358
St. Marks Imakale Sec School	1,731	1,468
Munanga Secondary School	29,084	29,084
Tertiary projects		
KMTC Matungu	11,724	1,256
Security /Other Projects		
Indangalasia Sub -Location AP Post	1	241,113
DCC Matungu	283,839	4,102,346
ACK Koyonzo	80,232	2,630
Total	1,717,315	5,731,562

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1. Kassim Kulubi	Clerk Of Works	01-02-23	46,713	
2. Norman Opati	Accounts Assistant	01-02-23	46,713	
3. Mwanaidi Maloba	Records Officer	01-02-23	37,998	
4. Fredrick Mwenje	Project Clerk	01-02-23	33,486	
5. Fredrick Barasa	Front Desk	01-02-23	33,486	
6. Mwanaisha Maloba	Cleaner	01-02-23	26,140	
7. David Okere	Security Officer	01-02-23	26,140	
8. Milcent Kulubi	ICT Assistant	01-02-23	37,998	
9. Emmaculate Wangeci	Administrative Assistant	01-02-23	37,998	
10. William Lutta	Driver	01-02-23	33,486	
Sub-Total			360,158	
Grand Total			360,158	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
1.1 Compensation of employees		3,436,520	1,912,332	
1.2 Committee allowances		47,000	783,200	
1.3 Use of goods and services		895,183	540,350	
Total		4,378,703	3,235,881	
2.0 Monitoring and evaluation		-	-	
2.1 Capacity building		1,109,304	-	
2.2 Committee allowances		350,800	3,060,374	
2.3 Use of goods and services		68,492	488,716	
Total		1,528,596	3,549,090	
3.0 Emergency		-	-	
3.1 Primary Schools		277,116	-	
3.2 Secondary schools		-	-	
3.3 Tertiary institutions		-	-	
3.4 Security projects		-	-	
3.5 Unutilised		-	-	
Total		277,116		
4.0 Bursary and Social Security		-	-	
4.1 Secondary Schools		7,473,565	1,574,112	
4.2 Tertiary Institutions		10,049,765	14,027	
4.3 Social Security		-	-	
4.4 Special Needs		579,878	-	
Total		18,103,208	1,588,139	
5.0 Sports		-	-	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
5		1,019,942	-	
6.0 Environment		-	-	
Ng Cdf Matungu-Environment		1,552,915	1,552,915	
Munanga Secondary School		500,000	-	
Emuberi Secondary School		500,000	-	
Mwira Primary School		600,000	-	
Marinda Primary School		301,752	-	
Emabolo Primary School		1,500,000	1,500,000	
St Agnes Mwira Girls		700,000	700,000	
Namalasire Primary School :		-	-	
Soweto Pr School		600,000	600,000	
Eshirumbwe Primary		-	900,000	
Nyabula Primary School		-	600,000	
Kholera Muslim Pr Makunda		2,200,000	2,200,000	
Soweto Pr School		1,000,000	1,000,000	
Navunulu Pr School-Construct 1 Class		1,000,000	1,000,000	
Koyonzo Special School		-	600,000	
St Ambrose Eshokhonesi Pr School-		-	600,000	
Wamukoya Muslim Pr School		-	600,000	
Chibanga Primary School		1,700,000	-	
Marinda Primary School		1,200,000	-	
Khalaba Primary School		2,000,000	-	
Bulimbo Primary School		1,200,000	-	
Eshkhonesi Primary School		1,200,000	-	
Matungu SDA Special School		1,200,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Bulanda Primary School		1,200,000	-	
Koyonzo Special School		1,200,000	-	
Namalasire Primary School		3,500,000	1,500,000	
Namalenje Primary School		1,200,000	-	
Namasanda Primary School		1,200,000	-	
Makunda Secondary School		-	1,513,407	
Nyapora Sec School		600,000	600,000	
Mayoni Township		3,000,000	3,000,000	
Mukunyuku Sec School		600,000	600,000	
Ack Koyonzo Girls Sec School		-	600,000	
Ebusambe Sec School		-	600,000	
Emanani Muslim Sec School		-	600,000	
Eshirumbwe Sec School		-	600,000	
Namalasire Sec School		-	1,400,000	
Namamba Girls Sec School		-	600,000	
St Emmanuel Lutasio Sec		-	600,000	
St Francis Shiyabo Sec		-	600,000	
St Ida Girls Sec		-	600,000	
St James Namamba Boys		-	600,000	
St Maurice Mwira Secondart		-	12,000,000	
St Pauls Ejinja Pr School		-	1,500,000	
Eshibanze Muslim Sec		-	1,078,424	
Makokhwe Secondary School		-	-	
Eshirumbwe Secondary School		-	-	
St. Francis Shiyabo Secondary School		1,200,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Namalasire Secondary School		5,200,000	-	
St. Maurice Mwira Secondary School		3,652,058	-	
St. Marks Imakale Secondary School		750,000	-	
Namulungu Muslim Secondary School		1,200,000	-	
St Agnes Mwira Girls		1,500,000	-	
St. Johns Mukhweya Secondary School		600,000	-	
Matungu KMTc		2,576,619	13,719,581	
Matungu KMTc		7,209,428	-	
Kibabii University		2,600,000	2,600,000	
Kibabii University		10,000,000	10,000,000	
Matungu TTI		10,000,000	-	
Indangalasia Police Post		2,514,980	-	
Matungu Deputy Commissioners Office		7,060,394	-	
Chief's Office Koyonzo		2,000,000	-	
11.1 Mortobike		300,000	300,000	
Daily Subsistence		420,000	-	
Accommodation - Domestic Travel		150,000	-	
Travel Costs		300,000	-	
Committee Expenses		300,000	-	
Refined Fuels		180,876	-	
Telephone		100,000	-	
Matungu Ng-Cdf Strategic Plan		3,100,000	-	
Install Innovation Hubs		1,169,257	1,169,257	
14.0 unallocated fund		-	-	
Unapproved projects		-	-	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Eshikhonesi Primary School		1,539,440	1,539,440	
AIA		353,000	321,000	
PMC savings		-	-	
Total		1,892,440	1,860,440	
Total		122,738,283	78,467,134	

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Annex 4 – Summary of Fixed Asset Register

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

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
12	Equity	0680260797357	7,372	7,372
Bulimbo Primary School	Equity	0680293183001	26,729	26,729
Chibanga Primary School	Equity	0680297518622	2,755	2,755
Emabolo Primary School	Equity	0680279494070	317,085	817
Koyonzo Special Primary School	Equity	0680270336618	24,812	48,812
Khalaba Primary School	Equity	0680299835470	905	905
Marinda Primary School	Equity	0680299432951	9,143.00	65,231
Matungu Special Primary School	Equity	0680265113188	808	807
Mwira Primary School	Equity	0680298172762	30,910	122,531
Namalasire Primary School	Equity	0680295414357	3,464	145,428
Namalenje Primary School	Equity	0680262649166	1,864,60	46,544
Namasanda Primary School	Equity	0680299895924	2,758	77,281
Nyapwaka Primary School	Equity	0680261547620	106,548	2,755
Koyonzo Special School	Equity	0680270336618	24,812	48,812
Eshikhonesi Primary School	Equity	0680287054872	6,657	6,657
Mukunyuku primary School	Equity	0680293988165	59,982	1,780
Secondary				
Makunda Muslim Sec School	Equity	0680294284402	7,372	106,314
Namalasire Secondary School	Equity	0680294730867	3,464	3,464

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Namulungu Muslim Secondary School	Equity	0680269921965	6,567	6,567
St. Cecilia Makokhwe Secondary School	Equity	0680299608063	24,922	119,855
St. Francis Shiyabo Secondary School	Equity	0680266541157	55,518	126,595
St. Johns Mukhweya Secondary School	Equity	0680293043463	19,459	79,742
St. Michael Eshirumbwe Secondary School	Equity	06802983556381	574,594	291,554
St. Maurice Mwira Sec School		0680293285625		
	Equity	0680267906321	3,213	14,358
St. Marks Imakale Sec School	Equity	0680280154081	1,731	1,468
Munanga Secondary School	Equity		29,084	29,084
Tertiary projects		0680279829487		
KMTC Matungu	Equity		11,724	1,256
Security /Other Projects		0680299199504		
Indangalasia Sub -Location AP Post	Equity	0680280921926	1	241,113
DCC Matungu	Equity	0680280922844	283,839	4,102,346
ACC Koyonzo	Equity	0680280922844	80,232	2,630
Total			1,717,315	5,731,562

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REF 1.1	Change in opening - It was noted in the financial statements had their comparative balances changed from previous confirmed figures without documentation supporting the changes in retention of statement of assets, Net financial assets, fund balances b/f.	The documentations supporting the changes in retention of statement of assets, net financial assets, fund balances b/f were availed	Resolved	
1.2	Figures not agreeing with schedules Figures of Compensation of employees, Acquisition of Assets, Bank balance cash book, Fund balance cf/wd, , Net increase in cash and cash Equivalent.- It was not possible to ascertain accuracy and completeness of figures reflected in financial statements.	The Revised financial statement figures were reconciled with the schedules appropriately	Resolved	
2.	Cash and Cash Equivalents Thu fund reported a figure of ksh. 23,288,939, under Cash and Cash Equivalent as reflected in statement of assets and Liabilities. However confirmed cash book balances had a figure of	The variance was resolved in the revised financial statement	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	23,514, 738resulting to unreconciled variance of Ksh. 225,799.			
3.0	<p>Other grants and Transfers Non receipt of Bursary disbursements-</p> <p>The Bursary disbursed to beneficiaries through various institutions totalling to Ksh. 19,444,769 as reported in financial statements. However only Ksh. 14, 354,669 was acknowledged through receipt raised by the respective to Matungu CDF, resulting to a variance of Ksh, 5,090,100 not acknowledged by the recipient Institutions.</p>	The bursary project was still ongoing and the missing acknowledgement letters were subsequently received	Resolved	
1	<p>Other Matters a) Budget Analysis During the year review, the National government Constituencies Develop. Fund Matungu Constituency had approved a budget of Ksh. 194, 856,978 compare the actual receipt of Ksh. 120, 486,876 including b/f in 2018/2019 of receipt Ksh. 2,402,378 from previous year resulting to a</p>	This had been caused by late disbursements from the exchequer. This was later funded and implemented appropriately	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	budget shortfall of Ksh. 71,967,724 translating to 36% budget under funding.			
2	<p>Delay in completion of projects Review project implementation status report of NG-CDF Matungu Constituency revealed that the management of the fund had approved to implement 109 worth Ksh. 85,423,369 in the year under review. Out of 109 projects, 68 projects worth Ksh. 53,291,643 (62%) Performance had been completed. 31 projects worth Ksh. 24,294,719 (9%) were ongoing and 10 environmental projects worth Ksh. 7, 837,006 had not started at the audit time. There is notable delay in completion of the projects</p>	<p>This had been caused by delayed funding from the exchequer. Funding was subsequently done and all the projects implemented.</p>	Resolved	
	<p>Other Transfers to the government units It was noted that the transfer to other government units figure of Ksh. 49,725,000 includes Ksh. 6,470,758 in respect to contract awarded in respect of a contract</p>	<p>The contractor completed the project, handed over and is in use</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	awarded to a local contractor for construction of administration block at Emanani Muslim Secondary School. Though the contract price has been fully paid and retention money released to the contractor in full, the project was poorly done and the roof of the building was leaking and there was the evidence of poor workmanship in the finishes and the fittings including doors, door frames, ceiling and plumbing works.			



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Mary Mwaki
Fund Account Manager.