


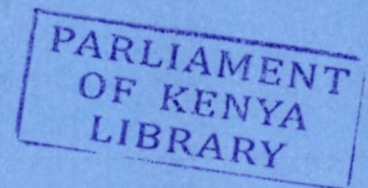
REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

 OF THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2024	DAY: WEDNESDAY
TABLED BY:	<b>THE AUDITOR-GENERAL</b> HON. SAMUEL CHEPKONG'A, MP
CLERK AT THE TABLE:	Anne Shibusko



ON

### NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGULU CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2023





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**MACHAKOS HUB.**  
18 APR 2024  
**RECEIVED**



---

**MATUNGULU CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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



Table of Content	Page
1. Acronyms and Abbreviations .....	ii
2. Key Constituency Information and Management .....	iii
3. NG- CDFC Chairman’s Report .....	vii
4. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xiii
5. Statement of Governance .....	xvi
6. Environmental and Sustainability Reporting .....	xxiii
7. Statement Of Management Responsibilities .....	xxvii
8. Report of the Independent Auditors on the NGCDF- Matungulu Constituency .....	xxix
9. Statement of Receipts and Payments for the Year Ended 30th June 2023 .....	1
10. Statement Of Assets and Liabilities as at 30th June, 2023 .....	2
11. Statement of Cash Flows for the Year Ended 30th June 2023 .....	3
12. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
13. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	7
14. Significant Accounting Policies .....	14
15. Notes To the Financial Statements .....	20
16. Annexes .....	33



1. Acronyms and Abbreviations

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

NGCDFC-National Government Constituency Development Fund Committee

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

PLWD-People living with disabilities



## 2. 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;



- 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 Matungulu 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)

### Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	John Munyau
2.	Sub-County Accountant	Purity Ngari
3.	Chairman NGCDFC	Pius N Wambua
4.	Member NGCDFC	Simon Ndolo

#### (c) Fiduciary Oversight Arrangements

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

P.O. Box 631-90131,  
Tala,  
KENYA.

#### (e) Matungulu Constituency NGCDF Contacts

Telephone: (254) 722445002  
E-mail: [cdfmatungulu@ngcdf.go.ke](mailto:cdfmatungulu@ngcdf.go.ke)



(f) Matungulu Constituency NGCDF Bankers

Equity Bank

Account Number: 0900261817477

P.O. Box 343-90131

Tala, Kenya

(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

### 3. NG- CDFC Chairman's Report



Pius Nzomo Wambua

**NGCDF CHAIRMAN**

Matungulu NGCDF has a vision of economically empowering its constituents through a mission of transforming livelihood by creating self-reliant opportunities. Therefore, this financial statement will show how government fund has been utilized on education, security, sports, and environment sectors as required by the law. The financial statement will also be a key communicator of how Matungulu constituency strives to achieve its goals of development, accountability, transparency, and equitable distribution of the NGCDF fund to the Matungulu constituents.

In the 2022-2023 financial year, Matungulu constituency had an allocation of Ksh.145, 087,603 but Ksh.87, 000,000 was disbursed by the board by the end of the financial year. Bursary kitty received the first precedence with the most vulnerable students considered and receiving a fair amount to enable them to continue with their education. The secondary schools received Ksh.29, 651,250, while tertiary institutions received Ksh.7, 209,496.

Four schools i.e., Muusini, Kingoti, Kyaume, and Kiatineni received the environment fund Of 3,501,751 and the projects were done successfully.

Sports sector is one of the most important sectors for creating cohesion and community integration. Matungulu NG-CDF actively engages young talented constituents in tournaments as well involving local communities and supporters in the games. The entity through the sports kitty awards the participating teams with sport gear, balls, and trophies.



Shown below is a pictorial demonstration of the budget allocated, actual on comparable basis, and the budget utilization. Fig 1 shows how much Matungulu, what was spent, and what was not utilized. Fig2. Shows expenditure per sector.

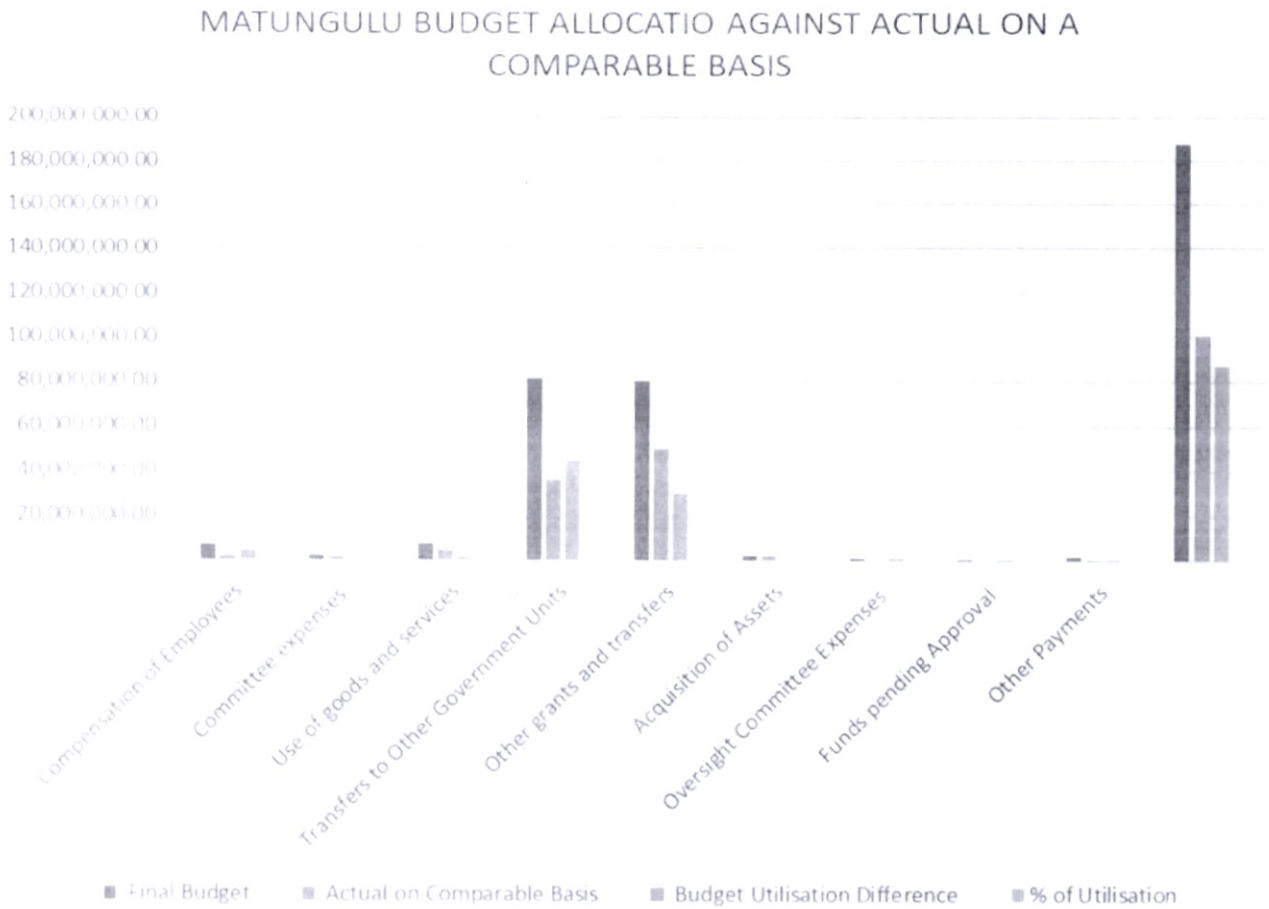


FIG 1. Shows funds allocation and the actual expenditure per sector as well as the budget utilization difference.

MATUNGULU EXPENDITURES PER SECTOR

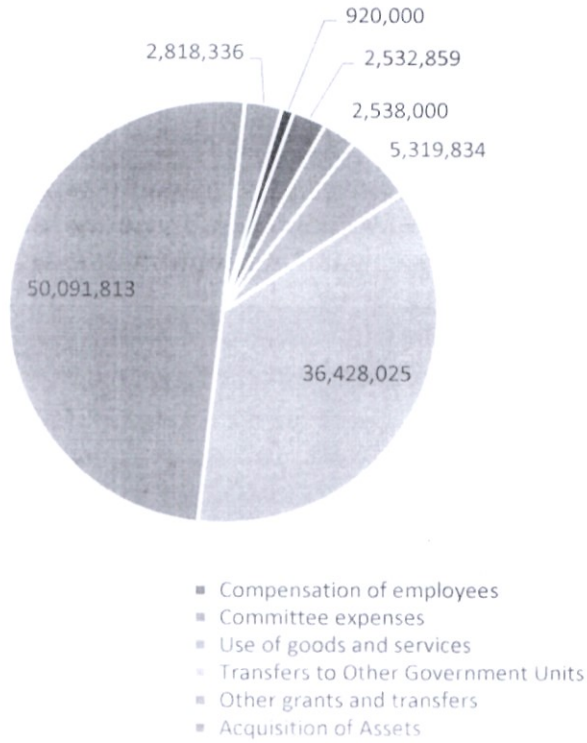


FIG 2. The figure above demonstrates the actual expenditures incurred in the financial year 2022-2023 in each sector.



• KEY ACHIEVEMENTS



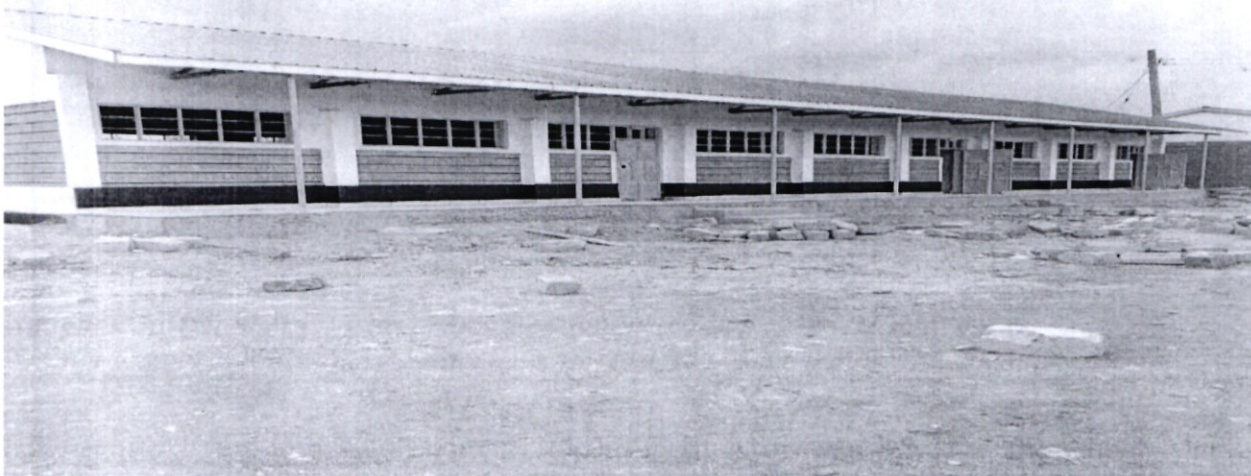
awaiting to be launched after 3 classroom and a laboratory are constructed. This project is pride of the Matungulu constituency because a higher learning institution for the local community students will be available. The project is a clear indication of the milestones Matungulu NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



The project is erected at Fr. Heeran girl's secondary school. It was an emergency project valued at Ksh.2,450,000. The school had an overflowing septic that was making the learning institution



nonconductive and unhygienic for the student to study or even reside in the school. Matungulu NG-CDFC visited and offered to construct a decent toilet block within the shortest time possible.



AIC Nguluni primary school is located in Matungulu west ward. It is a 6no. classrooms project that is expected to accommodate over 300 students upon completion. This project depicts the commitment of Matungulu constituency in increasing structural development within education institution.

#### Emerging issue

- In the 2022-2023 financial year the economic hardship led to inflation of construction materials, therefore making the initial budget of projects appear insufficient. This has led to Matungulu NGCDF to review the bills of quantities to march the escalated building materials costs.
- The high university fees and the hard economic times has led to many students and parents to seek full sponsorships from the constituency bursary fund

#### Challenges and solutions

- Main challenge that Matungulu constituency faced was late fund disbursement that led to few projects to be implemented and others to stall while awaiting funding.
- Although little funding was availed, the constituency committee agreed to give priority to the most important sectors such as bursary to ensure that students are retained in school and the ones joining secondary and tertiary institutions secure their chances on time.

#### Successful projects within the constituency



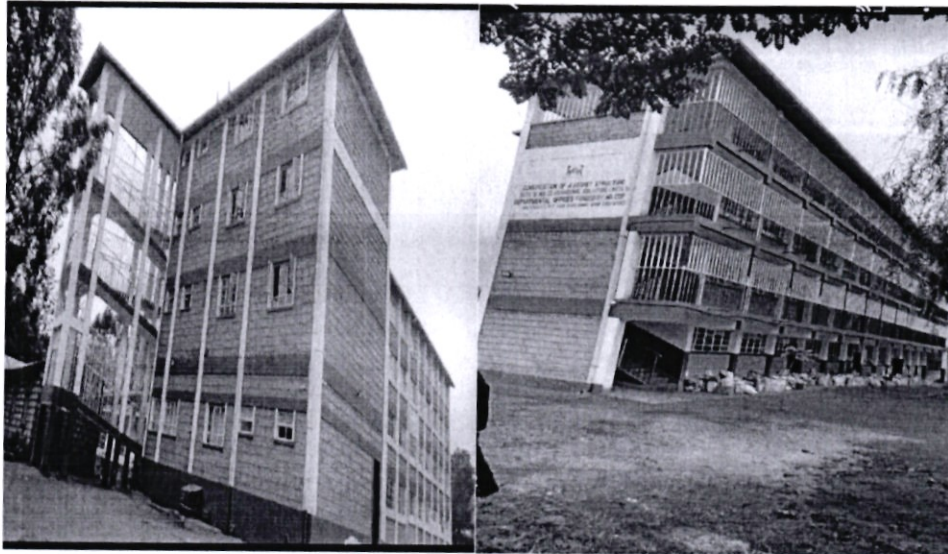


Fig 6. The figure show Matungulu Girls secondary school.

The project is a 16no. classroom that is intended to accommodate over 1200 students. This is one of the most successful projects in the constituency.

.....  
Name  
Pius Nzomo Wambua  
CHAIRMAN NGCDF COMMITTEE

#### 4. Statement Of Performance Against Predetermined Objectives for FY2022/23

##### 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 *Matungulu Constituency 2023-2028* Strategic plan are to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To Provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To Reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To Create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To Enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation I n subsequent planning and budgeting.
- vii. To Provide a framework for continuous monitoring and systematic evaluation of development projects.

##### Progress on attainment of Strategic development objectives

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

Constituency sector	Objective	Outcome	Indicator	Performance
Education	To ensure 100% transition to secondary education. To ensure more structural development is implemented so as to accommodate the CBC required number and	Increased bursary disbursement has led to many students to be retained in school. The education structural development has promoted the modernization	Increased secondary and tertiary student enrolment and retention. Newly initiated Matungulu KMTC	In the 2022-2023 financial year Matungulu constituency constructed 6 classrooms in AIC Nguluni primary, 16 door toilet block in Fr. Heeran secondary, 8 door toilet block in kivani primary, administration



	standards.	of the education structures and increase of basic facilities such as laboratories.		block in Kantafu primary and a dining hall in St. Joseph's Katheka.
Security	Matungulu constituency aims at achieving a crime free constituency. In the year 2022-2023 the constituency allocated Ksh.9,500,000 to the security kitty to promote structure that will accommodate security personnel.	Security personnel are hosted closer to the residence of the constituency.	Increased security and reduced crime rate.	Funds for the projects were disbursed late and the year closed when the procurement process of the projects were underway.
Environment	The constituency has put environmental activities as part of its development plan. In the 2022-2023 budget the sector was allocated Ksh.2,901,752 that was 100% utilized.	Improved environmental conservation through soil erosion prevention and proper water drainage, levelled school compounds, and improved water harvesting systems.	Sustainable water supply and storage, environmental conservation, and beautiful school compounds.	The 2022-2023 financial year the environmental sector received an allocation of Ksh.2,901,752 and four primary schools benefitted from the environment kitty. The schools had their school compounds landscaped, cleaned, gutters installed, and water tanks installed for water collection and storage.
Sports	Sports sector takes a precedent position in the constituency because it enhances	Community integration and talent identification among the youth.	Increased motivation of sports uptake among the youth that will lead to reduced idle time that make the youth engage in drug	The constituency allocated ksh.2,901,752 to the sports kitty and sponsored 2 tournaments where 56 teams



	community integration, and talent identification.		abuse and early pregnancies.	participated. The teams benefitted with sports gear, and trophies.
Emergency	To cater for the unforeseen occurrences within the constituency	Increased safety with schools and other education institutions.	Increased number of usable structures and modernized facilities.	Constructed two toilet blocks in Katine Technical training institute and Kivani primary.

## 5. Statement of Governance

### Appointment of NGCDFC Members

The NG-CDF ACT part 7 section 43 states how National Government Constituency Development Fund Committee shall be established.

Each Constituency Committee shall comprise of

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
- (d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) one member co-opted by the Board in accordance with Regulations made by the Board.

Matungulu NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022 read with NGCDF regulations 2016. The ten members comprise of seven gazetted members, a member coopted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member.

The gazetted members are appointed in accordance with the Provisions of section 5 Of the NGCDF Act 2015 which states that:

(1) The members of a Constituency Committee provided for Appointment of under section 43 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.

The committee shall comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications

from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board coopts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The selection panel in Matungulu constituency committee appointment consisted of the following members.

S/NO	NAME	DESIGNATION	GENDER
1	Gerald Omoke	DCC	Male
2	Rosalia Mumo	Member	Female
3	John Kyalo	Member	Male
4	Lemein Oltetia	FAM	Male

The above panel was tasked with the recruitment process where they advertised the posts of NGCDFC members, applications done and shortlisting conducted in the month of September 2022. In Matungulu constituency in the 2022-2023 we had a recruitment process where 10 committee members were appointed.

#### Categories of Selected Candidate

##### (a) Picked by the selection panel

S/N	NAME	CATEGORY	POSITION
0			
1	Pius N Wambua	Male Adult	Chairman
2	Rose Ndaka	Female Adult	Member
3	Thomas Munyao	Male Youth	Member
4	Rehema Suleiman	Female Youth	Member

##### (b) Constituency office nominees

S/N	NAME	CATEGORY	POSITION
0			
1	Simon M Ndolo	Constituency office	Member



		Nominee	
2	Fridah King'oo	Constituency office nominee	Member

S/NO	Name	Category	Position
1	Titus M Nthuka	PLWD	Member

The committee members comprise of:

S/NO	NAME	POSITION	WARD
1	Pius Wambua	Chairman	Matungulu west
2	Simon Ndolo	Secretary	Tala
3	Peter Kitoila	Member	Matungulu West
4	Rehema Suleiman	Member	Kyeleni
5	Fridah N King'oo	Member	Matungulu North
6	Rose Ndaka	Member	Matungulu West
7	Thomas Munyao	Member	Matungulu East
8	Titus M Nthuka	Member	Tala
9	Evelyne Wekesa	DCC	
10	John Munyau	FAM	

#### Removal of NG-CDF Committee

A member of the NGCDF may be removed from office due to any of the following reasons:

- a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

In the month of September 2022 the previous NGCDFC members in Matungulu Constituency were all faced due to the new regime taking power in office.

#### Roles and Functions of NGCDF Committee

1. Capacity building of the Project management committees and create awareness to the community on the functions of the fund
2. Consider and approve all the qualifying project proposals from all the wards and submit the same to the NGCDF Board
3. Consultation with relevant government departments to ensure all project cost estimates are reasonable
4. Negotiating with other constituencies when undertaking joint project implementation
5. Rank projects proposals in order of priority or urgency with priority given to ongoing projects.
6. Ensure adequate funding for completion of projects within three years
7. In collaboration with the officer of the board to maintain proper account records of the fund.
8. Recommend to the board removal of a committee member
9. Preparation and submission of reports to the board
10. Enter into performance contracting with the board annually
11. Record the names of the signatories to PMCs
12. Receive and address all complaints pertaining to projects and collectively address audit queries concerning the fund at the constituency level
13. Ensure project branding in accordance with the board guidelines

#### Induction and Training of NGCDF Committee Members

At the beginning of every new parliament term the board organizes an induction and training for the new Committee members on diverse topics related to the operations of the fund. The officer of the board also organizes locally the training and covered the following topics

1. Overview of the NGCDF Act
2. Overview of the public procurement and Assets disposal act
3. Overview of the Public finance management act
4. Risk management
5. Crosscutting issues

In Matungulu constituency in the FY 2022-2023, we held 2 trainings of NG-CDFC member in Sai Rock Hotel in Mombasa and Stoni Athi in Athi River.

Number of Meetings Held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Matungulu Constituency Held a total of 10 meetings in the financial year 2022-2023 and the attendance was as follows.

S/NO	NG-CDFC COMMITTEE MEMBERS	JULY 28 <sup>th</sup> 2022	August 4 <sup>th</sup> 2022	SEP 15 <sup>th</sup> 2022	JAN 18 <sup>th</sup> 2022	JAN 27 <sup>th</sup> 2022	MAR 3 <sup>rd</sup> 2022	MAR 23 <sup>rd</sup> 2022	APR 6 <sup>th</sup> 2022	MAY 24 <sup>th</sup> 2022	JUNE 22 <sup>nd</sup> 2022
1	Pius Wambua- chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Simon Ndolo- Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Peter Kitoila- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Rehema Suleiman- youth representative	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Fridah Mwaka- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Rose Ndaka- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Titus Nthuka- PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Thomas Munyao- youth representative	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



9	John Munyau-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Evelyne Wekesa-ACC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Policy on Conflict of Interest**

Matungulu NGCDF Committee has made it a policy that there should be no conflict of interest and any member has any interest on a matter before the committee, the member has to declare his interests and excuse him/herself.. Consequently, there is always an agenda of Declaration of interest in every meeting.

**Members Remuneration**

NGCDF Committee members are not salaried but are paid allowances for meetings attended in accordance with the provisions of the NGCDF act and regulations. The chairman is entitled to an allowance of Ksh 7,000 for every meeting attended while the other members are entitled to an allowance of Ksh 5,000 for meeting attended.

**Ethics and Conduct**

NGCDF Committee are bound by the cord of conduct of public officers, them being gazetted officers.

- i. Confidentiality-the NGCDFC members have an obligation to ensure secrecy unless in other circumstances as required by law.
- ii. Honesty and integrity-NGCDFC members have a responsibility to declare any cloistered interest relating to their public obligations and to take steps to resolve any conflict arising in a way that shields the public interest.
- iii. Leadership- NGCDFC members should encourage good and eminence leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Matungulu observed to the above ethical issues.

**Risk Management**

Risk management has been joined in the constituency operations through the following; training of the NGCDF staff in their respective routine areas of service to warrant efficient and effective delivery on their mandate. Matungulu NG-CDF took the initiative of training of the NGCDFCs and the PMCs to equip them with extra knowledge to carry out their duties. The Fund account manager

avails himself to all the workshops to support and avail required resources to ensure that the identified risk does not hinder services delivery.

The risk mitigation policies that NGCDFC Matungulu has applied include the following: Executing audit findings and recommendations, observance and compliance with NGCDF act 2015 and additional laws and guidelines to ensure smooth operations. The constituency has also ensured projects are well implemented and overall fund utilization. The NGCDFC staff are also required to ensure adherence to statutory requirements such as deductions and timely remittance, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

## 6. Environmental and Sustainability Reporting

Matungulu 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 Matungulu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Matungulu 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.

Matungulu NG-CDF has committed to support the education sector by allocating Ksh. 32,765,159 towards primary, Ksh.19,400,000 toward secondary, and Ksh.3,500,839 towards tertiary institutions infrastructural development in the 2022-2023 financial year. The constituency has committed also to retain needy students in their respective institutions of learning and allocated Ksh.45,000,000 towards the bursary kitty to facilitate school fees payment for such students.

- b. **Security Sector Support:** Among its key pillars; NGCDF 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.

In the Matungulu constituency strategic plan 2023-2028, security takes precedence as a key objective that should be attained for the benefit of the constituents. Therefore, Ksh.9,500,000 was allocated towards construction of new chief's and assistant chief's



offices to ensure adequate structures to accommodate security personnels, so as to enhance security and reduce crime level within the constituency.

- 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.

In the 2022-2023 financial year, Matungulu constituency allocated Ksh. 2,901,752 towards the environment kitty. Four schools benefitted with the fund with each receiving Ksh.725,438 that was used for landscaping of the school compounds, water harvesting and drainage system. This shows that the constituency is in support of environmental conservation and has made the sector part of its development agenda.

- 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

Despite the limited funding in the 2022-2023 financial year, Matungulu constituency allocated Ksh.2,901,752 towards the sports sector. Tournaments were held and 75 participants benefitted with sports gear i.e., footballs, sports uniforms, and trophies. The constituency also came and supported the teams and offered professional counselling to the youth. This is an indicator that the constituency does not lag behind in terms of community integration, youth motivation, and talent recognition and promotion.

## 2. Environmental performance

- Due to the limited funding received in the 2022-2023 financial year, the Matungulu constituency could not engage in tree planting activities, but the allocated funds were used to conserve soil, create sustainable water conservation system by purchasing water tanks.
- The sports allocated funds were used in organizing tournaments in the constituency where local youths participated. The constituency fully sponsored the activities and motivated the teams by giving them quality sportswear and gears. The tournaments were gender inclusive because female teams also participated and also benefited with the sponsorship.

## 3. Employee welfare

We invest in providing the best working environment for our employees. Matungulu 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 are based on performance appraisal.

Employees are encouraged and supported to continually build on their skills and knowledge. Matungulu 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-

Matungulu 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 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-**

Matungulu 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 organized public meetings at the ward level to collect the views of the Constituents on their preferred projects for funding, 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**

Matungulu has fully embraced the board policy of branding of all projects to showcase what the NGCDFC is doing in its development agenda for the constituency

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.

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



.....  
Name: John Munyau

Fund Account Manager.



## 7. 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-Matungulu 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, 2023. 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-Matungulu 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- Matungulu 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 Matungulu 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 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- Matungulu Constituency financial statements were approved and signed by the Accounting Officer on 28<sup>th</sup> July 2023.



.....  
Name: Pius N Wambua

Chairman – NGCDF Committee



.....  
Name: John Munyau

Fund Account Manager



# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGULU 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 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 - Matungulu Constituency set out on pages 1 to 68,



which comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, statement of cash flows and the summary statement of 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Matungulu 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **1. Unpresented and Stale Cheques**

The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs.29,411,709 as disclosed in Note 12A to the financial statements. However, review of the bank reconciliation statement for the month of June, 2023 revealed unpresented cheques amounting to Kshs.10,422,454 out of which Kshs.1,670,000 related to bursaries payments whose cheques had not been presented to the banks. No explanation was provided for bursaries cheques that had remained unpresented as at 30 June, 2023 some of which dated back to August, 2022.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.29,411,709 as at 30 June, 2023 could not be confirmed.

#### **2. Unsupported Bursary payments**

The statement of receipts and payments reflects an amount of Kshs.50,091,813 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. Included in the amount are bursaries disbursements of Kshs.29,651,250 and Kshs.7,209,496 for Secondary schools and Tertiary institutions respectively. However, the acknowledgment receipts were not provided for audit.

Further, review of the bursary award records revealed that the Management did not have an approved criteria for selection and award of bursaries to the beneficiaries. Further, the documents provided to support the payments revealed the following anomalies:

- i. Management did not provide the vetting and approval committee minutes indicating how the beneficiaries were selected, list of beneficiaries showing all beneficiaries selected to support how the bursaries were disbursed.



- ii. Lack of summary of disbursement schedules to institutions for confirmation of the amount disbursed to each institution and beneficiary.
- iii. The final list of the beneficiaries who were vetted and awarded bursaries was not provided. The names in the payment schedules provided could not be confirmed to be of those vetted and awarded beneficiaries during identification of needy students.

In the circumstances, the accuracy and completeness of bursaries disbursements amounting to Kshs.36,860,746 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Matungulu 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 receipts on comparable basis amounts of Kshs.183,502,118 and Kshs.110,170,075 respectively, resulting in an under-funding of Kshs.73,332,043 or 40% of the budget. However, the Fund spent Kshs.100,648,867 against actual receipts of Kshs.130,060,576 resulting to an under-utilization of Kshs.29,411,709 or 23% of the actual 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report on in the year under audit.

#### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and

Governance. Management's report on the progress made in resolving the issues, indicates that the issues relating to the financial statements had not been resolved as at 30 June, 2023.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Unsatisfactory Implementation of Project

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other government units amount of Kshs.36,428,025 which includes transfers to secondary schools of Kshs.14,220,000. However, physical inspection of the projects conducted in the month of March, 2024 revealed the following anomalies:

##### i. The Matheini Secondary School Project

The project involved renovation of two (2) classrooms at a contract sum of Kshs.1,400,000. The renovation works were however poorly done as the floors were in a dilapidated state. In addition, the tie beams, rafters, collar plate used were smaller than the size indicated in the bill of quantities.

##### ii. The SA Nguluni Secondary School Project

The project entailed construction of two (2) classrooms at a contract sum of Kshs.3,700,000. However, the project under construction was a three (3) classroom storey and ablution block, which was incomplete. Further, the Fund Management varied the scope of project without the approval of the Constituency Development Fund Board. In addition, the project had no signage within the construction zone indicating the contractor, the tender, contract period and the financier.

In the circumstances, the public did not obtain value for money from the expenditures incurred on the two (2) projects.

#### 2. Failure to Commence a Project at Kenya Medical Training Campus Matungulu

The statement of receipts and payments reflects an amount of Kshs.36,428,025 under transfers to other Government units. During the year under review, the Fund allocated an



amount of Kshs.3,500,839 for the construction of administration block at the Kenya Medical Training Campus Matungulu. However, there was no information on scheduled timelines for the implementation of the Project. Physical inspection conducted during the month of March, 2024 revealed that no construction was going on as the contractor was not on site.

Further, review of correspondences between the Fund and the Management of Kenya Medical Training College (KMTC) showed that the Fund had to provide ten (10) acres of land in the name of KMTC and inspection of the site by Management of KMTC before express authority to establish a campus could be granted. However, review of records revealed that the land where the administration block has been constructed is not registered under the name of KMTC and details on the size of the land was not provided for audit. In addition, there is no evidence that KMTC Management was ever invited for site meetings and inspections.

In the circumstances, the Fund did not obtain value for the money allocated to the Project.

### **3. Failure to Report Emergency Projects to the National Government Constituency Development Board**

The statement of receipts and payments reflects other grants and transfers of Kshs.50,091,813 and as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.1,682,000 in respect to emergency expenses. However, the expenditure from emergency reserve was not reported to the National Government Constituency Development Board within thirty days of the occurrence of the emergency contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, 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 and 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 the International Standards for Supreme Audit Institutions 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 the Management and those Charged with Governance**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as the 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 controls, risk management and overall governance.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty




exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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

15 May, 2024




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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	135,000	119,594
<b>TOTAL RECEIPTS</b>		<b>87,135,000</b>	<b>182,297,352</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,532,859	3,123,173
Committee expenses	5	2,538,000	-
Use of goods and services	6	5,319,834	13,289,353
Transfers to Other Government Units	7	36,428,025	89,754,041
Other grants and transfers	8	50,091,813	69,404,613
Acquisition of Assets	9	2,818,336	587,700
Oversight Committee Expenses	10	-	-
Other Payments	11	920,000	7,167,154
<b>TOTAL PAYMENTS</b>		<b>100,648,867</b>	<b>183,326,034</b>
<b>SURPLUS/DEFICIT</b>		<b>(13,513,867)</b>	<b>(1,028,682)</b>

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 28<sup>th</sup> July 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: John Munyau	Name: Purity Ngari ICPAK M/No: 20993	Name: Pius N Wambua



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

10. Statement Of Assets and Liabilities as at 30th June, 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	29,411,709	42,925,576
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>29,411,709</b>	<b>42,925,576</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	0	0
<b>Total Financial Assets</b>		<b>29,411,709</b>	<b>42,925,576</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	0	0
Gratuity	14B	0	0
<b>Total Financial Liabilities</b>		<b>0</b>	<b>0</b>
<b>Net Financial Assets</b>		<b>29,411,709</b>	<b>42,925,576</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	42,925,576	43,954,358
Prior Year Adjustments	16	-	-
<b>Surplus/Deficit for The Year</b>		<b>(13,513,867)</b>	<b>(1,028,682)</b>
<b>Net Financial Position</b>		<b>29,411,709</b>	<b>42,925,676</b>

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 28<sup>th</sup> July 2023 and signed by:

  
 Fund Account Manager

Name: John Munyau

  
 National Sub-County  
 Accountant

Name: Purity Ngari  
 ICPAK M/No: 20993

  
 Chairman NG-CDF  
 Committee

Name: Pius N Wambua

**11. Statement of Cash Flows for the Year Ended 30th June 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	135,000	119,594
<b>Total Receipts</b>		<b>87,135,000</b>	<b>182,297,352</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,532,859	3,123,173
Committee expenses	5	2,538,000	-
Use of goods and services	6	5,319,834	13,289,353
Transfers to Other Government Units	7	36,428,025	89,754,041
Other grants and transfers	8	50,091,813	69,404,613
Oversight Committee Expenses	10	-	-
Other Payments	11	920,000	7,167,154
<b>Total Payments</b>		<b>97,830,531</b>	<b>182,738,334</b>
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
Net Adjustments		-	-
<b>Total Receipts less total payments</b>			
<b>Net cash flow from operating activities</b>		<b>(10,695,531)</b>	<b>(440,982)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(2,818,336)	(587,700)
<b>Net cash flows from Investing Activities</b>		<b>(2,818,336)</b>	<b>(587,700)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(13,513,867)</b>	<b>(1,028,682)</b>
Cash and cash equivalent at BEGINNING of the year	12	42,925,576	43,954,258
Cash and cash equivalent at END of the year		29,411,709	42,925,576

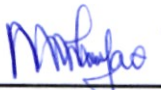

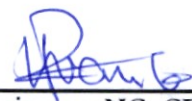


*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

---

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 28<sup>th</sup> July 2023 and signed by:

 _____	 _____	 _____
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: John Munyau	Name: Purity Ngari ICPAK M/No: 20993	Name: Pius N Wambua

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

12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> 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 %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	145,087,603	42,925,576	-	188,013,179	129,925,576	58,087,603	69.1%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	135,000	-	135,000	135,000	-	100.0%
<b>TOTAL RECEIPTS</b>	<b>145,087,603</b>	<b>43,060,576</b>	<b>-</b>	<b>188,148,179</b>	<b>130,060,576</b>	<b>58,087,603</b>	<b>69.1%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,843,725	2,705,020	-	7,548,745	2,532,859	5,015,886	33.6%
Committee expenses	2,256,000	372,946	-	2,628,946	2,538,000	90,946	96.5%
Use of goods and services	5,958,159	3,032,721	-	8,990,880	5,319,834	3,671,046	59.2%
Transfers to Other Government Units	55,665,998	25,770,515	-	81,436,513	36,428,025	45,008,488	44.7%
Other grants and transfers	67,939,694	6,648,880	-	74,588,574	50,091,813	24,496,761	67.2%
Acquisition of Assets	-	2,967,329	-	2,967,329	2,818,336	148,993	95.0%
Oversight Committee Expenses	1,451,000	-	-	1,451,000	-	1,451,000	0.0%
Other Payments	6,973,027	-	-	6,973,027	920,000	6,053,027	13.2%
Funds pending Approval	-	1,563,164	-	1,563,164	-	1,563,164	0.0%
<b>TOTAL</b>	<b>145,087,603</b>	<b>43,060,576</b>	<b>-</b>	<b>188,148,179</b>	<b>100,648,867</b>	<b>87,499,312</b>	<b>53.5%</b>



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

- In the FY 2022-2023 Matungulu constituency received Ksh.87,000,000 million out of the expected Ksh.145,087,603 which accounts for 69.1% of the total budget.
- Compensation of employees indicates utilization of up to 33.6%. this is because majority of the officers were on attachment and internship basis.
- Use of goods and services was consumed to 59.2% due to late disbursement from the board.
- Transfer to other government entities shows a utilization of up to 44,7% due to the delayed disbursement that hindered fund transfer as planned.
- Over sight committee expenses and funds pending approval had a 0% utilization. This is because there was no disbursement to the kitty and the funds pending approval were yet to be declared.
- Other payments that include capacity building and strategic plan had a utilization of up to 13.2% due to late disbursement of funds.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	87,499,312
	58,087,603
Increase/(decrease) Accounts payable	29,411,709
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	29,411,709


The Constituency financial statements were approved by NG CDFC on 28<sup>th</sup> July 2023 and signed by:

  
 Fund Account Manager

Name: John Munyau

  
 National Sub-County Accountant

Name: Purity Ngari  
 ICPAK M/No: 20993

  
 Chairman NG-CDF Committee

Name: Pius N Wambua

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

13. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> 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
<b>Administration</b>						
1.1 Compensation of employees	4,843,725	2,705,020		7,548,745	2,532,859	5,015,886
1.2 Committee allowances	1,128,000	69,030		1,197,030	1,135,030	62,000
1.3 Use of goods and services	2,733,531	1,650,856		4,384,387	3,308,834	1,075,553
<b>Total</b>	<b>8,705,256</b>	<b>4,424,906</b>		<b>13,130,162</b>	<b>6,976,723</b>	<b>6,153,439</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building		1,278,365		1,278,365		1,278,365
2.2 Committee allowances	1,128,000	303,916		1,431,916	1,402,970	28,946
2.3 Use of goods and services	3,224,628	103,500		3,328,128	2,011,000	1,317,128
<b>Total</b>	<b>4,352,628</b>	<b>1,685,780</b>	-	<b>6,038,408</b>	<b>3,413,970</b>	<b>2,624,438</b>
<b>3.0 Emergency</b>						
3.0 3.1 Primary Schools	5,090,000			5,090,000	850,000	4,240,000
3.2 Secondary schools	2,450,000			2,450,000		2,450,000
3.3 Tertiary institutions		840,997		840,997	832,000	8,997
3.4 Security projects			-	-		-
3.5 Unutilised	96,190			96,190		96,190
<b>Total</b>	<b>7,636,190</b>	<b>840,997</b>		<b>8,477,187</b>	<b>1,682,000</b>	<b>6,795,187</b>



*Matungulu 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			
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	36,000,000	1,597		36,001,597	29,651,250	6,350,347
4.2 Tertiary Institutions	8,000,000	59,000		8,059,000	7,209,496	849,504
4.3 Social Security	-			-		-
4.4 Special Needs	1,000,000			1,000,000	-	1,000,000
<b>Total</b>	<b>45,000,000</b>	<b>60,597</b>	<b>-</b>	<b>45,060,597</b>	<b>36,860,746</b>	<b>8,199,851</b>
5.0 Sports				-		-
5.1	2,901,752	1,345,565		4,247,317	4,247,316	1
<b>Total</b>	<b>2,901,752</b>	<b>1,345,565</b>		<b>4,247,317</b>	<b>4,247,316</b>	<b>1</b>
6.0 Environment						
	2,901,752	600,721		3,502,473	3,501,751	722
<b>Total</b>	<b>2,901,752</b>	<b>600,721</b>	<b>-</b>	<b>3,502,473</b>	<b>3,501,751</b>	<b>722</b>
7.0 Primary Schools Projects						-
7.1 Katuluni Primary School	2,400,000			2,400,000		2,400,000
7.2 Kantafu Primary School	2,500,000					

*Matungulu 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			
				2,500,000		2,500,000
7.3 Aic Nguluni Primary	7,200,000			7,200,000	7,199,992	8
7.4 Tala SA Primary School	2,400,000			2,400,000		2,400,000
7.5 Katine SA Primary School	2,400,000			2,400,000		2,400,000
7.6 Mililu Primary School	2,400,000			2,400,000		2,400,000
7.7 Kitooni Primary School	2,400,000			2,400,000		2,400,000
7.8 Mithini Primary School	2,400,000			2,400,000		2,400,000
7.9 Kikuyuni Primary School	915,159			915,159		915,159
7.10 Kivani Primary School	2,400,000			2,400,000		2,400,000
7.11 Kisekini Primary School	2,400,000			2,400,000		2,400,000
7.12 Mbuni Primary School	300,000	-	-	300,000		300,000
7.13 Kyekoyo Primary School	250,000			250,000	250,000	-
7.14 Wendano DEB Primary School	2,400,000.00			2,400,000		2,400,000
7.15 Kinyui SA Primary School		700,000		700,000	700,000	-
7.16 Sengani Primary School		1,400,000		1,400,000	1,400,000	-
7.17 Ngunga Primary School		1,200,000		1,200,000	1,200,000	-
7.18 Kiliku Primary Primary School		1,200,000		1,200,000	1,200,000	-
7.19 Mithini Primary School		2,400,000		2,400,000	2,400,000	-
7.20 Mbiiani primary School		73,346		73,346	73,346	-



*Matungulu 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			
7.21 Kyekoyo Primary School		1,200,000		1,200,000	1,200,000	-
7.23 Tala SA Primary School		2,400,000		2,400,000	2,400,000	-
7.23 Kisukioni Primary School		683,848		683,848	683,848	-
<b>Total</b>	<b>32,765,159</b>	<b>11,257,194</b>	<b>-</b>	<b>44,022,353</b>	<b>18,707,186</b>	<b>25,315,167</b>
Secondary school projects						
8.1. Katwanyaa Secondary School	5,000,000	3,320,588		8,320,588		8,320,588
8.2. Matheini Secondary School	700,000			700,000	700,000	-
8.3. St. Josephs Katheka secondary	6,000,000			6,000,000	2,000,000	4,000,000
8.4. AIC Kiamba Secondary	2,400,000			2,400,000		2,400,000
8.5. Kyaume secondary secondary	500,000			500,000	500,000	-
8.6. Kinyui Girls Secondary Shool	4,800,000			4,800,000		4,800,000
8.7. Uamani Secondary school		1,600,000		1,600,000	1,600,000	-
8.8. S.A Nguluni Secondary school		3,700,000		3,700,000	3,700,000	-
8.9. Matheini Secondary School		700,000		700,000	700,000	-
8.11. Matungulu Girls Secondary School		5,020,000		5,020,000	5,020,000	-
<b>Total</b>	<b>19,400,000</b>	<b>14,340,588</b>		<b>33,740,588</b>	<b>14,220,000</b>	<b>19,520,588</b>
9.0 Tertiary institutions				-		-

*Matungulu 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			
Projects						
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 KMTc Matungulu	3,500,839	172,733		3,673,572	3,500,839	172,733
10.0 Security Projects				-		-
10.1 Kingoti chiefs office	1,800,000			1,800,000		1,800,000
10.2 Kwa mutu chiefs office	1,800,000			1,800,000		1,800,000
10.3 Matungulu Dcc office	1,700,000			1,700,000		1,700,000
10.4 Nguluni Chiefs office	1,800,000			1,800,000		1,800,000
10.5 Tala chiefs office	2,400,000	-	-	2,400,000	-	2,400,000
10.6 Tala police post		2,000,000		2,000,000	2,000,000	-
10.7 Sengani chiefs office		1,800,000		1,800,000	1,800,000	-
10.8 KBC police station		1,000		1,000		1,000
<b>Total</b>	<b>9,500,000</b>	<b>3,801,000</b>		<b>13,301,000</b>	<b>3,800,000</b>	<b>9,501,000</b>
11.0 Acquisition of assets				-		-
11.1 Construction of NGCDF office- Renovation Works		2,305,029		2,305,029	2,299,350	5,679
11.2 Motor Cycle Yamaha DT175 JAPAN				-		-
11.3 Purchase of Generator		370,000		370,000	368,998	1,002
11.4 Matungulu NG-CDF Office Furniture		100,000		100,000		100,000



*Matungulu 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			
11.5 Purchase of NG-CDF Office computers		34,100		34,100		34,100
11.6 Matungulu NG-CDF Office photocopier		8,200		8,200		8,200
11.7 NG- CDF Wifi Connection		150,000		150,000	149,988	12
Total	-	2,967,329	-	2,967,329	2,818,336	148,993
12.0 Oversight Committee Expenses (itemize)						
Advertising, awareness, and publicity	200,000			200,000		200,000
Catering services	50,000			50,000		50,000
Constituency oversight Committee sitting Allowances	300,000			300,000		300,000
Domestic accommodation Allowances	300,000			300,000		300,000
Domestic Travel	151,000			151,000		151,000
General office supplies	30,000			30,000		30,000
Hire of training facilities	50,000			50,000		50,000
Publishing and printing	50,000			50,000		50,000
Refined fuels	150,000			150,000		150,000
Sundry items	20,000			20,000		20,000
Telephone and mobile phone expenses	50,000			50,000		50,000
Travel costs	100,000			100,000		100,000

*Matungulu 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			
	-		-	-		
Sub-total	1,451,000		-	1,451,000		1,451,000
13.0 Others						
Matungulu primary school revision materials	1,262,547			1,262,547		1,262,547
matungulu secondary school revision materials	4,710,480		-	4,710,480	-	4,710,480
strategic Plan	1,000,000			1,000,000	920,000	80,000
Funds pending approval**						
Total	6,973,027	-	-	6,973,027	920,000	6,053,027
14.0 unallocated fund						
Reversed V.A.T Cheque		6,570		6,570		6,570
AIA		1,421,594		1,421,594		1,421,594
AIA 2022-2023		135,000		135,000		135,000
PMC savings						
Total		1,563,164.00		1,563,164.00	-	1,563,164.00
GRAND TOTAL	145,087,603.00	43,060,576.07	-	188,148,179.07	100,648,867.00	87,499,312.07



#### 14. Significant Accounting Policies

The principal 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-Matungulu 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.

**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.



#### 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.

**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.

**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.

**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 30th June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> 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.

**13. Subsequent Events**

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

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

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.



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

---

15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
B185178	7,000,000.00	
B206268	26,000,000.00	
B206478	12,000,000.00	
B205823	12,000,000.00	
B20775	15,000,000.00	
B207585	15,000,000.00	
<b>TOTAL</b>	<b>87,000,000</b>	
AIE NO. B105211		33,000,000
AIE NO. B1055112		44,000,000
AIE NO. B105966		22,000,000
AIE NO. B128622		5,000,000
AIE NO. B128935		12,000,000
AIE NO. B154132		12,000,000
AIE NO. B164376		18,000,000
AIE NO. B155893		24,088,879
AIE NO. B155997		12,088,879
<b>TOTAL</b>		<b>182,177,758</b>

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

2. Proceeds From Sale of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	135,000	119,594
Hire of plant/equipment/facilities	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>135,000</b>	<b>119,594</b>

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,958,857	2,137,037



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

Casual Labor		176,000
Personal allowances paid as part of salary		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	500,970	657,398
Employer Contributions Compulsory national social security schemes	73,032	152,738
<b>Total</b>	<b>2,532,859</b>	<b>3,123,173</b>

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	2,538,000	4,1510,90
Other committee expenses	-	3,062,700
<b>Total</b>	<b>2,538,000</b>	<b>7,213,790</b>

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

6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	61,264	2,285,958
Communication, supplies and services	2,955,600	7,223,240
Domestic travel and subsistence	52,680	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	777,000	2,561,900
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	423,969	-
Fuel , oil & lubricants	600,000	500,000
Other operating expenses	-	-
Bank Charges	-	15,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	449,321	703,255
Routine maintenance- other assets	-	-
<b>Total</b>	<b>5,319,834</b>	<b>13,289,353</b>



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

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	18,707,186	42,860,588
Transfers To Secondary Schools (See Attached List)	14,220,000	36,924,514
Transfers To Tertiary Institutions (See Attached List)	3,500,839	9,968,939
Total	36,428,025	89,754,041

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,651,250	25,284,000
Bursary – tertiary institutions (see attached list)	7,209,496	12,011,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	3,800,000	14,028,047
Sports projects (see attached list)	4,247,316	3,272,637
Environment projects (see attached list)	3,501,751	1,264,722
Emergency projects (see attached list)	1,682,000	13,544,207
Roads projects (see attached list)	-	-
Total	50,091,813	69,404,613

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

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	2,299,350	587,700
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	518,986	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>2,818,336</b>	<b>587,700</b>

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0



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

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	920,000	0
ICT Hub	0	0
Matungulu education office		1,867,823
Rural Electrification and Renewable Energy Corporation		5,299,331
<b>TOTAL</b>	<b>920,000</b>	<b>7,167,154</b>

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2023
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Main account)</i>	29,411,709	42,925,576
<i>Name of Bank, account No. ( Deposits account)</i>	-	0
<b>Total</b>	<b>29,411,709</b>	<b>42,925,576</b>
<b>12 B: Cash on Hand</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

13. Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
N/A	N/A	0	0	0
N/A	N/A	0	0	0
N/A	N/A	0	0	0
N/A	N/A	0	0	0
N/A	N/A	0	0	0
N/A	N/A	0	0	0

14. Retention and Gratuity

<b>14 A. Retention</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	0	0

<b>14 B. Gratuity</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	0	0



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

15. Fund Balance B/F

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	42,925,576	43,954,258
Cash in hand	0	0
Imprest	0	0
Total	0	0
Less		
Payables: - Retention	0	0
Payables – Gratuity	0	0
Fund Balance Brought Forward	42,925,576	43,954,258

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	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
Total	0	0	0

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Net changes in accounts Receivables D - A	0	0

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	0	0



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

Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Net changes in accounts payables D-A	0	0

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	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
Total	0	0

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	5,015,886	2,947,662
Use of goods and services	2,392,681	2,899,421
committee expenses	90,946	
Amounts due to other Government entities (see attached list)	45,008,488	25,770,517
Amounts due to other grants and other transfers (see attached list)	24,496,762	7,480,882
Acquisition of assets	148,993	3,435,999
Oversight Committee Expenses	1,451,000	
Others ( <i>specify</i> )strategic plan	7,331,392	
Funds pending approval -sale of tender AIA	1,563,164	391,094
Total	87,499,312	42,925,576



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

---

19.4 PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	5,818,281	29,703,238
Total	5,818,281	29,703,238

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

**16. 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					



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

---

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
1.1 Compensation of employees	payment of staff salaries	5,015,886	2,705,020	Majority of workers were interns and attachees
1.2 Committee allowances	committee sitting allowance	62,000	69,030	Postponed meeting
1.3 Use of goods and services	payment for goods and service	1,075,553	1,650,856	late AIE funding
Total		6,153,439	4,424,906	
2.0 Monitoring and evaluation				
2.1 Capacity building	Training expenses	1,278,365	1,278,365	late AIE funding
2.2 Committee allowances	committee sitting expenses	28,946	303,916	balance after meeting at the end of the year
2.3 Use of goods and services	Payment of goods and services	1,317,128	103,500	
total		2,624,438	1,685,780	
Amounts due to other Government entities				
7.0 Primary Schools Projects				
7.1 Katuluni Primary School	construction of 2 no. classrooms	2,400,000		Delayed funds
7.2 Kantafu Primary School	construction of an adm block	2,500,000		Delayed funds
7.3 Aic Nguluni Primary	construction of 6no class rooms	8		implemented
7.4 Tala SA Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.5 Katine SA Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds



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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
7.6 Mililu Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.7 Kitooni Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.8 Mithini Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.9 Kikuyuni Primary School	renovation	915,159		Delayed funds
7.10 Kivani Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.11 Kisekini Primary School	construction of 2no. Classrooms	2,400,000		Delayed funds
7.12 Mbuni Primary School	completion of 1 no classroom	300,000		Delayed funds
7.14 Wendano DEB Primary School	completion of 1 no classroom	2,400,000		Delayed funds
7.15 Kinyui SA primary school			700,000	
7.16 sengani primaty school			1,400,000	
7.17 ngunga primary school			1,200,000	
7.18 Kiliku primary school			1,200,000	
7.19 Mithini primary school			2,400,000	
7.20 Mbiiani primary school			73,346	
7.21 Kyekoyo primary school			1,200,000	
7.22 Kisukioni Primary school			683,848	
7.23 Nguluni SA primary school			2,400,000	
<b>Total</b>		<b>25,315,167</b>	<b>11,257,194</b>	
Secondary school projects				
8.1. Katwanyaa Secondary School	construction of storey building	8,320,588	3,320,588	Delayed funds
8.3. St. Josephs Katheka secondary	200 capacity dining hall	4,000,000		Delayed funds

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
8.4. AIC Kiamba Secondary	construction of 2no. Classrooms	2,400,000		Delayed funds
8.6. Kinyui Girls Secondary Shool	construction of an adm block	4,800,000		Delayed funds
8.7 Uamani secondary school			1,600,000	
8.8 SA nguluni secondary school			3,700,000	
8.9 Matheini secondary			700,000	
8.10 Matungulu girls			5,020,000	
<b>TOTAL</b>		<b>19,520,588</b>	<b>14,340,588</b>	
<b>Tertiary Institution</b>				
9.1 KMTC Matungulu	construction of an adm block	172,733	172,733	Balance after project implementation
<b>Total</b>		<b>172,733</b>	<b>172,733</b>	
<b>Amounts due to other grants and other transfers</b>				
<b>Bursary</b>				
4.1 Secondary Schools	bursary awards	6,350,347	1,597	delayed funds
4.2 Tertiary Institutions	bursary awards	849,504	59,000	delayed funds
Special	bursary awards	1,000,000		delayed funds
Emergency	Cater for unforeseen occurrences	6795187	840,998	delayed funds
Environment	facilitate environmental activities	722	600,721	balance after implementation
<b>SECURITY</b>				
10.1 Kingoti chiefs office	construction of chiefs office	1,800,000		delayed funds
10.2 Kwa mutu chiefs office	construction of	1,800,000		delayed funds



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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	chiefs office			
10.3 Matungulu Dcc office	construction of toilet block and carshed	1,700,000		delayed funds
10.4 Nguluni Chiefs office	construction of adm block for the chief	1,800,000		delayed funds
10.5 Tala chiefs office	construction of chiefs office	2,400,000		delayed funds
10.8 KBC police station	construction of police post	1,000	1,000	balance after implementation
10.9 Tala police post			2,000,000	
10.10 Sengani police post			1,800,000	
Sports		2	1,345,565	
<b>Total</b>		<b>24,496,762</b>	<b>5,146,565</b>	
Purchae of NGCDF office Furniture	purchase of office furniture	100,000	100,000	awaiting more funding
purchae of NGCDF office Computers	instalation of office computers	34,100	34,100	awaiting more funding
Office renovation	office renovation	5,679	2,305,029	awaiting more funding
Connection of NGCDF office WIFI	instalation of office wifi	12	150,000	balance after implementation
Purchase NGCDF office Photocopier	purchase of office photocopier	8,200	8,200	balance after implementation
Purchase of Generator	purchase of office generator	1,002	370,000	balance after implementation
<b>Total</b>		<b>148,993</b>	<b>2,967,329</b>	
Oversight Committee Expenses (itemize)				

*Matungulu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Advertising, awareness, and publicity	Payment of publicity expenses	200,000		Late AIE funding
Catering services	Payment of catering services	50,000		Late AIE funding
Constituency oversight Committee sitting Allowances	Sitting allowances	300,000		Late AIE funding
Domestic accommodation Allowances	Payment of accommodation	300,000		Late AIE funding
Domestic Travel	Travel expenses	151,000		Late AIE funding
General office supplies	Office supply expenses	30,000		Late AIE funding
Hire of training facilities	Payment of training facilities	50,000		Late AIE funding
Publishing and printing	Printing expenses	50,000		Late AIE funding
Refined fuels	Fuel expenses	150,000		Late AIE funding
Sundry items	Sundry expenses	20,000		Late AIE funding
Telephone and mobile phone expenses	Telephone charges	50,000		Late AIE funding
Travel costs	Travel expenses	100,000		Late AIE funding
		1,451,000		
Others ( <i>specify</i> )				
Matungulu primary school revision materials	purchase of matungulu revision materials	1,262,547		conditionally approved
Matungulu secondary school revision materials	purchase of matungulu revision materials	4,710,480		conditionally approved
strategic plan	review and typesetting of strategic plan	80,000	6,570	balance after implementation



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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Sub-Total		6,053,027		
Reversed VAT cheque	reversed VAT Cheque	6,570		reversed VAT cheque
Funds pending approval-Sale of tender AIA	undeclared AIA Revenue	1,563,164	1,421,594	undeclared AIE
Sub-Total		1,563,164		
<b>Grand Total</b>		<b>87,499,312</b>	<b>42,925,576</b>	

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

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				
Buildings and structures	10,187,700	2,299,350		12,487,050
Transport equipment	4,200,000			4,200,000
Office equipment, furniture and fittings	1,161,360			1,161,360
ICT Equipment, Software and Other ICT Assets	499,500	149,988		649,488
Other Machinery and Equipment	25,800	368,998		394,798
Heritage and cultural assets				-
Intangible assets	0			-
	0			-
<b>Total</b>	<b>16,074,360</b>	<b>2,818,336</b>		<b>18,892,696</b>



*Matungulu Constituency**National Government Constituencies Development Fund (NGCDF)**Annual Report and Financial Statements for The Year Ended June 30, 2023*Annex 5 –PMC Bank Balances as at 30<sup>th</sup> June 2023

PMC	Bank	Account number	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
NDONYO COFFEE PRIMARY SCHOOL	EQUITY	0900262572269	46,281	200,488
NDONYO SABUK PRIMARY SCHOOL	EQUITY	0900299360506	180,087	180,267
ITETANI PRIMARY SCHOOL	EQUITY	0900293962868	1,283	1,283
KITOONI PRIMARY SCHOOL	EQUITY	0900280234763	102,051	2,390,579
MILILU PRIMARY SCHOOL	EQUITY	0900262559064	55,174	123,906
KISUKIONI PRIMARY SCHOOL	EQUITY	0900262134178	25,718	25,720
KWA MUTU PRIMARY SCHOOL	EQUITY	0900294391004	22,002	22,002
AIC ITHEUNI SEC SCHOOL	EQUITY	0900263728211	1,259,775	2,070,369
KANZALU SA PRIMARY SCHOOL	EQUITY	0900262599055	19,006	19,006
KWA NGII PRIMARY SCHOOL	EQUITY	0900296342182	7,947	7,947
ABC KAMBUSU SEC SCHOOL	EQUITY	0900297298331	3,590	3,590
KINYUI SA PRIMARY SCHOOL	EQUITY	0900294542354	668	850
KWA TOMBE PRIMARY SCHOOL	EQUITY	0900294525431	13	13
KIATINENI PRIMARY SCHOOL	EQUITY	0900262558502	1,045	1,045
KWA KENI AIC PRIMARY SCHOOL	EQUITY	0900294513812	50	47
KOMA HILL KIAMBA PRIMARY SCHOOL	EQUITY	0900271391103	60	60
KATWANYAA PRIMARY SCHOOL	EQUITY	0900263155133	24,621	24,621
KWA MWAURA POLICE STATION	EQUITY	0900280285641	532	114,582

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

PMC	Bank	Account number	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
ST. JOSEPH KIKUYUNI SEC SCHOOL	EQUITY	0900262434944	546	2,038,063
KOMARANCH PRIMARY SCHOOL	EQUITY	0900266397839	141	232,826
KWA KISINGA PRIMARY SCHOOL	EQUITY	0900298580610	97,824	227,818
MUKALWA PRIMARY	EQUITY	0900271104834	10,816	10,869
MUUMONI SA PRIMARY SCHOOL	EQUITY	0900265410990	17,279	172,005
MWISYANI PRIMARY SCHOOL	EQUITY	0900262568450	59,489	140,215
KYUMBUNI SEC SCHOOL	EQUITY	0900279283711	57,027	160,027
MATHEINI MIXED SEC SCH	EQUITY	0900266759538	12,186	
KINYUI GIRLS SEC SCH	EQUITY	0900297752538	920	79,981
SYANTHI SEC SCHOOL	EQUITY	0900264488156	626	1,273,270
MBUNI SA SEC SCHOOL	EQUITY	0900263913013	113,832	113,832
KINGOTI PRIMARY SCHOOL	EQUITY	0900298671522	798	195,058
KATULUNI SA PRIMARY SCHOOL	EQUITY	0900262589084	19,347	214,280
KITHUIANI PRIMARY SCHOOL	EQUITY	0900264186783	114,655	
NGOMENI SA PRIMARY SCHOOL	EQUITY	0900262599321	62	680
THE SA KATINE SEC FONDARY SCHOOL	EQUITY	0900266591868	3,631	
NGALALYA PRIMARY SCHOOL	EQUITY	0900294811646	1,095	1,254,893



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

PMC	Bank	Account number	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
KWA SYOKIMANZA PRIMARY SCHOOL	EQUITY	0900262558258	535,611	1,192,852
NDOVOINI PRIMARY SCHOOL	EQUITY	0900276813319	213,151	1,297,380
KASIONI PRIMARY SCHOOL	EQUITY	0900263768276	32,164	1,200,282.00
NGUNGA PRIMARY SCHOOL	EQUITY	0900261942406	45,603	4,821
KILIKU PRIMARY SCHOOL	EQUITY	0900263617618	(25)	1,320
KIVANI PRIMARY SCHOOL	EQUITY	0900263641552	816	522,233
MITHINI COMMUNITY PRIMARY SCHOOL	EQUITY	0900266397465	(41)	14,671
KYEKOYO PRIMARY SCHOOL	EQUITY	0900294425591	11,262	19,292
UAMANI SEC SCHOOL	EQUITY	0900280295074	307,855	2,772,446
KALANDINI SEC SCHOOL	EQUITY	0900277645366	47,021	183,663
MATHEINI SA SECONDARY SCHOOL	EQUITY	0900266759538	32,186	154,000
KMTC MATUNGULU	EQUITY	0900282256559	167,553	2,316,943
KYUMBUNI SEC SCHOOL	EQUITY	0900279283711	2,027	
ST. JOSEPHS KATHEKA SEC SCHOOL	EQUITY	0900263316929	29,478	111,540
KWA KASIVI PRIMARY SCHOOL	EQUITY	0900266397601	19,999	2,478
MATUNGULU HG SPORTS	EQUITY	0900277308034	139,227	15,443

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

PMC	Bank	Account number	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
TALA POLICE STATION	EQUITY	0900272923637	4,568	156,620
TALA SA PRIMARY SCHOOL	EQUITY	0900297374389	12,125	
NGULUNI AIC PRIMARY SCHOOL	EQUITY	0900297172099	519,622	
SA NGULUNI SEC SCHOOL	EQUITY	0900284012644	639,608	
ST. FRANCIS OF ASSIS KWATOMBE SEC SCHOOL	COOPERATIVE	1141341142101	331,173	331,174
KYAUME SECONDARY SCHOOL	COOPERATIVE	1141342155200	3,099	974,543
AIC MWATATI MIXED SECONDARY SECONDARY	COOPERATIVE	1141342170300	100,981	100,981
MATUNGULU EDUCATION OFFICE	KCB	1280613785	112,080	
MBIIANI PRIMARY SCHOOL	KCB	1112089330	312	30,667
MATUNGULU GIRLS SECONDARY	KCB	1109688342	63,749	714,498
KITHUANI PRIMARY SCHOOL	KCB	1109686757	186,907	36
KATHEKA PRIMARY SCHOOL	KCB	1109687419		1,632
KITHAAYONI HGM PRIMARY SCHOOL	KCB	1280282509		41,835
MBUNI PRIMARY SCHOOL	KCB	1205132724		594
SA NGULU SECONDARY SCHOOL	KCB	1113799862		3,693
SENGANI GIRLS SECONDARY SCHOOL	KCB	1109687494		314,242
ST, BENEDICT KIMANZA SEC SCHOOL	KCB	1109700482		268,138
ST. MARTIN KITHUANI MIXED SEC SCHOOL	KCB	1136837647		445,073



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

PMC	Bank	Account number	Bank Balance 2022-2023 FY	Bank Balance 2021-2022 FY
KANTAFU PRIMARY SCHOOL	COOPERATIVE	01141341991400		2,399
KISEKINI PRIMARY SCHOOL	EQUITY	0900268794402		73,422
SENGANI PRIMARY SCHOOL	EQUITY	0900264186783		1,480
SUBCOUNTY EDUCATION OFFICE	KCB	1280613785		152,849
KATINE SA PRIMARY SCHOOL	EQUITY	0900266591868		3,631
KATWANYAA SECONDARY SCHOOL	KCB	1109688288		2,639,916
KYAUME SECONDARY SCHOOL	COOPERATIVE	01141342155200		176,622
KITAMBAASYE PRIMARY	EQUITY	0900262434944		51,665.75
<b>TOTAL</b>			<b>5,818,281</b>	<b>29,703,238</b>

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

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)
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>Note 7 to the financial statements and Annex 5 reflect PMC Bank balances of Kshs.26,038,729 as at 30 June 2022 which includes balances totalling to Kshs.4,641,654.27 whose bank statements were not provided for audit review as detailed in Appendix 1.</p> <p>The PMC account balances were casted to Kshs.26,038,728.81 instead of Kshs.26,615,169.77 resulting into a variance of Kshs.576,440.96. Further, review of the bank statements revealed that transactions amounting to Kshs.4,445,750.49 were omitted from the financial statements as detailed in Appendix II.</p> <p>In addition, the PMC account</p>	<p>The missing bank statements here by presented (see Appendix 1). The PMC bank balances are hereby correctly stated as Ksh29,703,238 (see Appendix 13). Matungulu NGCDFC will liaise with the concerned PMCs to ensure that the balances are transferred to the Matungulu NGCDF main Account</p>	RESOLVED	N/A



*Matungulu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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)
	balance of Kshs 26,038,728.81 included bank balances for fifteen (11) projects, totalling to Kshs 19,207,298.81, which had been completed but unspent amounts had not been transferred back to the Main NGCDF Account as required by law. The details are as per Appendix III			
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The Statement of Receipts and Payments for the year ended 30 June 2022, reflects Transfers to Other Government Units amount of Kshs.89,754,041, which includes Transfers to Secondary Schools of Kshs.36,924,514 for implementation of identified projects.</p> <p>Inspection of a sampled secondary school projects revealed issue noted below.</p> <p>(i) The Itheuni Secondary School project, scope included construction of one classroom and a perimeter wall, at a total cost of Kshs.1,950,000. As</p>	<p>The AIC Itheuni Secondary School project, whose scope included construction of one classroom and a perimeter wall, at a total cost of Kshs.1,950,000, had an issue with the land where the classroom was to be constructed but the issue has since been resolved and construction work started. Ksh750,000 for construction of perimeter wall is awaiting approval for reallocation from land buying to construction of perimeter wall (see letter from school</p>	RESOLVED	N/A

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

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)
	<p>at the time of audit, construction of the classroom was still at foundation and thus implementation was slow.</p> <p>(ii) The Katwanyaa Secondary School project was awarded to M/s Nibrotec Limited to construct two classrooms at a cost of Kshs.2,179,411 but the project was yet to be started.</p> <p>(iii) The Matungulu Girls Secondary School project for the construction of 32 classrooms and an ablution block was awarded to Savo Enterprises at a contract sum of Kshs.31,874,486.60. The project was started in the year 2012 and during the financial year 2021/2022, an amount of Kshs.11,150,450 was transferred to</p>	<p>appendix 2) .</p> <p>The Katwanyaa Secondary School project has never awarded to any contractor. The project was allocated ksh5,500,000 (see abstract code list for 2021/2022 appendix 3) in the financial year 2021/2022 out of which Kshs.2,179,411 was transferred to the school account (see bank statement appendix 4) and the balance is yet to be transferred. The school wanted a 9 classroom and it was felt that the Ksh 5,500,000 was inadequate to commence the construction. However the project has been allocated Ksh5,000,000 in the financial year 2022/2023 (see abstract code list for 2022/2023 appendix</p>		



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

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)
	<p>the PMC account. The inspection revealed that classrooms, verandas, staircases, tiling of floors, painting, electrical works, and washroom areas were incomplete. Regulation 11 (j) of the National Government Constituency Development Fund however, requires a constituency committee to ensure that all projects receive adequate funding and are completed within three years.</p> <p>In addition, the contractor had not erected a (signage) publicity signboard within the construction zone indicating the contractor, the tender, contract period and the</p>	<p>5) and the project is commencing soon.</p> <p>The Matungulu Girls Secondary School project for the construction of 16 classrooms and an ablution block, was awarded to Savo Enterprises at a contract sum of Kshs.31,874,486.60 has been completed and is in the process of being handed over to the user (see photo of the classroom block matungulu girls appendix 6).</p> <p>The St Joseph Katheka secondary school project was implemented in the financial year 2019/2020 and the floors are dilapidated and cracked. The contractor has already left the site and was paid his retention after the expiry of defect liability</p>		

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

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)
	<p>financier.</p> <p>(iv)The St Joseph Katheka project was awarded to Tomalin Investment for construction of classrooms and was paid an amount of Kshs.2,051,988.60 during the financial year. The project was to be implemented in the financial year 2019/2020 and inspection revealed that, the floors are dilapidated and cracked.</p> <p>(v) The St Martin Kithuani, project was implemented to acceptable standards at a cost of Kshs.2,400,000 by Skoline Contractors.</p>	<p>period hence we are not able to hold him responsible for the dilapidation. Matungulu NGCDF will consider this case with a view to blacklisting the contractor in future contracts.</p>		
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The statement of receipts and payments reflects Other Grants and Other Transfers of Kshs.69,404,613 which include Bursary disbursement to Secondary schools of Kshs.25,284,000 as disclosed in Note 7 to the financial statements. A review of the payments revealed the</p>	<p>There are acknowledgement letters from some institutions to confirm receipt of the fee payments made to the schools (See sample acknowledgement letters appendix 7). However, some</p>	RESOLVED	N/A



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

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)
	<p>following anomalies:</p> <p>There were no acknowledgement letters from the institutions to confirm receipt of the fee payments made to the schools.</p> <p>Lack of summary of disbursement schedules to each school for confirmation of the amount disbursed to each school and beneficiary.</p> <p>The final list of the beneficiaries who were vetted and awarded bursaries was not provided. The names in the payment schedules provided could not be confirmed to be of those vetted and awarded beneficiaries during identification of needy students.</p> <p>Payments totalling Kshs.680,000 made to various students had no admission numbers of the students as detailed at Appendix IV.</p>	<p>institutions did not acknowledge receipts. Matungulu NGCDF is dealing with this by engaging Postal corporation to deliver cheques and collect acknowledgement letters but the cost of doing is prohibitive</p> <p>Ssummary of disbursement schedules to each school together with list of beneficiaries, who were vetted, for confirmation of the amount disbursed to each school is hereby provided (see schedules appendix 8)</p> <p>Payments totaling Ksh.680,000 made to various students without admission numbers was bursary awards to form one student who had not reported to school.</p>		

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

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)
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>Review of the approved code list and project implementation documents revealed that the Fund had budgeted to implement a total of forty (42) projects worth Kshs.81,940,888.29. Review of implementation status revealed that funds for eight (8) projects valued at Kshs.24,369,331 were not disbursed, eight (8) projects valued at Kshs.15,600,304 were completed, three (3) projects worth Kshs.9,676,224 were ongoing and the remainder of twenty-three (23) projects with a combined allocation of Kshs.32,295,029 had not started as detailed at Appendix V.</p>	<p>All the projects budgeted for implementation in the financial year 2021/2022 have been successfully implemented (See attached payment vouchers and certificates appendix 9) except the following three projects.</p> <p>i. Katwanyaa Secondary school Ksh5,500,000 for construction of 3 classrooms which has not been implemented because the desire of the school is to have a block of six nine classrooms and this allocation is considered inadequate to start the project. However there is an additional allocation of Ksh5,000,000 in</p>	RESOLVED	N/A



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

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)
		<p>the financial year 2022/2023 (see abstract code list appendix 10) and the project will therefore commence forthwith.</p> <p>ii. Rural electrification and renewable energy Ksh5,299,330.69. Payment has been made to REREC and they are yet to commence the work.</p> <p>iii. NGCDF Office Generator Ksh370.000 -The generator has already been delivered to the office (see delivery note appendix 11).</p>		

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

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)
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The statement of receipts and payments reflects Other Grants and Transfer of Kshs.69,404,613 which include Security Projects amount of Kshs.14,028,047 as disclosed in Note 7 to the financial statements. The inspection of the projects revealed the anomalies noted below.</p> <p>ii) The Kwa Mwaura Police Post project was awarded to Stewiloh Agencies at a contract sum of Kshs.6,827,712. The inspection revealed that latrines were not branded contrary to Section 15(1)(f) of the National Government Constituency Fund Regulations, 2016.</p> <p>iii) The Tala Police Post project was awarded to Samtech Building Contractors E.A Limited at a contract sum of Kshs.6,790,335.20. The inspection however revealed the following defects.</p>	<p>The Kwa Mwaura Police Post project was awarded to Harness Building Contractors Ltd, and not Stewiloh Agencies, at a contract sum of Ksh7,705,170.08. however the total allocation to this project was Ksh 2,000,000 in 2019/2020 FY, ksh 2,000,099.68 in 2020/2021 FY and Ksh 2,827,612.32 in 2021/2022 totaling to Kshs.6,827,712. The project has been completed and branding has since been done (see code list, award letter and photograph appendix 12)</p> <p>The Tala Police Post project which was awarded to Samtech Building Contractors E.A Limited at a contract sum of Kshs.6,790,335.20 has been completed.</p>	RESOLVED	N/A



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

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>
	<ul style="list-style-type: none"> <li>• The records office walls had cracks which were under repair by the contractor. The finished walls had not been repainted.</li> <li>• The male cell had no ventilation and inmates could suffocate.</li> <li>• The cell toilet was supposed to be inside the cell but was constructed separately and the inmates cannot directly access it without the cell door being opened for them.</li> <li>• The window stays were not installed and pieces of wood are used for windows to remain open.</li> <li>• The entrance half door open on the wrong side and access is inhibited.</li> </ul>	<p>However, the contractor will have to make good all the defects before being his retention money.</p>		

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

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)
	<ul style="list-style-type: none"> <li>• The two half door bolts are short and they only touch the floor, hence not reinforcing the required security.</li> <li>• The building columns were constructed using 4 D12 metal rods instead of the 6 that were recommended through a Presidential directive for storied buildings.</li> </ul>			
OAG/LER/NGCDF/MTL/2021-2022(8)	The statement of receipts and payments and Note 8 to the financial statements reflects Refurbishment of Buildings amount of Kshs.587,700. The payment voucher number 152 in support of the expenditure is for the purchase of office printer, desktop and 2 laptops which should have been charged to Purchase of ICT Equipment, Software and Other ICT Assets.	Note 8 to the financial statements reflects Refurbishment of Buildings amount of Kshs.587,700. However, the payment was for acquisition of ICT equipment. This correction has already been done (see revised financial statements appendix 13)	RESOLVED	N/A



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

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)
OAG/LER/NGCDF/MTL/2021-2022(8)	The Summary Statement of Appropriation; Recurrent and Development Combined, reflects final expenditure budget and actual expenditure on comparable basis of Kshs.226,251,611 and Kshs.183,326,034 respectively, resulting into an under absorption of Kshs.42,925,577 (equivalent to 19% of the budget).	The under absorption of Kshs.42,925,577 (equivalent to 19% of the budget) came as a result of delayed disbursement of funds by the NGCDF Board which was done towards the end of the financial year totaling to Ksh 36,177,758.30 (see the two AIEs B155893 and B 155997 Appendix 14)	RESOLVED	N/A
OAG/LER/NGCDF/MTL/2021-2022(8)	The statement of receipts and payments reflects Other Payments amount of Kshs.7,167,154 which include payment to Rural Electrification and Renewable Energy Corporation (ReReC) of Kshs.5,299,331, for electricity installation at St John Manza Katine, Kivani Kwa Kumbu, Utooni and Kavumbu Syanthy villages. Funding of the project, was shared between Matungulu NG-CDF and ReReC.  As at the time of audit in March 2023, the works had not begun.	The payment to Rural Electrification and Renewable Energy Corporation (ReReC) of Kshs.5,299,331, for electricity installation at St John Manza Katine, Kivani Kwa Kumbu, Utooni and Kavumbu Syanthy villages was made as the Matungulu NGCDF share of the co-funding of the project, between Matungulu NG-CDF and ReReC. The Project has not fully commenced despite	RESOLVED	N/A

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

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)
	The detailed contract, outlining timelines and the scope of work to be carried out and project implementation reports stating the overall progress and activities of the project were not provided for audit review.	concerted by Matungulu NGCDF Management and the area member of Parliament. Matungulu NGCDF Management is still pushing for the project implementation. A detailed contract, outlining the scope of work to be carried out and project implementation reports stating the overall progress and activities of the project are hereby attached (see correspondence with ReReC appendix 15)		
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The Summary of Fixed Asset Register at Annex 4 discloses a balance of Kshs.6,074,360 as historical cost for Assets held by the Fund. The Fund maintained an Assets Register but the assets were not tagged for purposes of identification and avoidance of theft.</p> <p>A motorcycle with a purchase price of Kshs.660,000,</p>	Some of the Fund assets as indicated in the Assets Register are tagged while others are not. The tags are normally provided by the NGCDF board and have not been availed hence some assets are not tagged. As an office we are still following up the issue with the board.	RESOLVED	N/A



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

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)
	<p>YAMAHA XTZ 150, was not included in the register and the log book was not provided to confirm ownership.</p> <p>The ownership documents for the land on which the CDF offices were constructed were not provided and the cost of land was not stated in the financial statements.</p> <p>The Fund has a motor vehicle included in the Assets Register at a historical cost of Kshs.4,200,000 under Transport Equipment. However, there was no logbook provided to confirm the ownership of the motor vehicle.</p>	<p>A motorcycle, YAMAHA XTZ 150, with a purchase price of Kshs.660,000, had not been included in the register has now been included (see updated Assets register appendix 16).</p> <p>The log book for the Motor cycle is with NGCDF board since the NGCDF Assets are assets of the Board.</p> <p>The ownership documents for the land on which the CDF offices were constructed are not available because the land has not yet been transferred to the NGCDF board. However, the office is built on public land and Matungulu NGCDFC fast tracking the process of transferring the land to the NGCDF Board (see correspondence between cdf and Kangundo town council</p>		

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

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)
		<p>appendix 17) The Fund has a motor vehicle included in the Assets Register at a historical cost of Kshs.4,200,000 under Transport Equipment. The logbook for the motor vehicle is with the NGCDF Board, however a copy of the same is hereby provided (See Photo copy of the logbook appendix 18).</p>		
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The statement of receipts and payments reflects Other Grants and Transfers of Kshs.69,404,613 which includes bursaries disbursed to Secondary Schools and Tertiary Institutions amounts of Kshs.25,284,000 and Kshs.12,011,000 respectively as disclosed in Note 7 to the financial statements. The Fund management did not however, provide an approved criterion for selection and award of bursaries to the beneficiaries. Without a clear</p>	<p>Matungulu NGCDF has a policy of ensuring that bursary is awarded in a fair and transparent manner by ensuring publicity of the bursary issuing exercise and public participation in the issuing of bursary forms. The criterion is giving bursaries to all the applicants in High Schools and Tertiary Institutions.</p>	RESOLVED	N/A



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

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)
	criterion, needy students are likely to miss out on the much needed bursaries			
OAG/LER/NGCDF/MTL/2021-2022(8)	The Fund lacks a Business Continuity Plan and a Disaster Recovery Plan hence the business continuity is not guaranteed as required by the regulations	Matungulu NGCDF Management will endeavour to comprehend and ensure there is a business continuity and disaster recovery plans in place.	RESOLVED	N/A
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>Review of the presentation of the Financial Statements revealed the following stated anomalies:</p> <p>i. Under the Fiduciary Management at Page v, the financial year is stated as 2021 instead of 2022.</p> <p>ii. The chairman's report title states NG-CDFC instead of NG-CDF. In addition, the graph presented does not indicate what the vertical columnar bars represent. Further, funds allocated were the same as previous year and the basis of the reported improvement is</p>	<p>Under the Fiduciary Management at Page v, the financial year is now correctly stated as 2022 (see revised Financial statement appendix 13). The chairman's report is in my view correctly titled because he is the chairman of NGCDF committee hence NG-CDFC Chairman's report is the correct title. The branding indicates the renovation of Sub-County Education Office was a project for 2020/2021 because that was the year of funding which should</p>	RESOLVED	N/A

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

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)
	<p>not clear.</p> <p>i. Heading for projects was omitted and the school funded names were not included.</p> <p>7. The branded indicate the renovation of Sub-County Education Office was a project for 2020/2021.</p> <p>7. The chairman stated Matungulu NG-CDF received an allocation of 137,088,879 while Note 1 to the financial statements reflects Kshs.182,177,758.,</p> <p>i. The Key Constituency Information and Management at page iv have the name of the entity is in upper instead of lower case.</p>	<p>be displayed in the branding even though renovation was done in the year 2021/2022.</p> <p>The chairman in his speech was referring to the allocation for the financial year which is correctly stated as 137,088,879 but Kshs.182,177,758 is the total receipts during the financial year which includes receipts pertaining to previous years' allocations as well as the 2021/2022 allocation (see Abstract code list and AIEs appendix 19).</p> <p>In the Key Management Information at page iv, the name of the entity has now been written in lower case in the financial statement (see revised Financial statement Appendix 13).</p> <p>The Statement of Performance Against Predetermined</p>		



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

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)
	<p>i. The Statement of Performance Against Predetermined Objectives for financial year 2021/2022 indicate construction of 40 classrooms, renovation of 30 classrooms, planting of 2000 trees to improve environment and 25 sporting teams which cannot be confirmed as no documentary evidence was provided.</p> <p>ii. In the Statement of Management Responsibilities at page xvi and xvii, the word constituency is in italics font instead of the financial statement font.</p> <p>c. Transfers from NGCDF Board at Note 1 does not indicate period of the A.I.E received, hence funds received after the year end,</p>	<p>Objectives for financial year 2021/2022 indicate construction of 40 classrooms, renovation of 30 classrooms, Matungulu NGCDF actually constructed 33 classrooms (see abstract code list, the section of Primary and secondary school projects appendix 20) and completed 7 others which had been started in previous years (see photo of the classroom block matungulu girls annex). Matungulu NGCDF also renovated 23 classrooms see abstract code list, the section of Primary and secondary school projects appendix 20) The word constituency written in italics in the Statement of Management Responsibilities at page xvi and xvii of the financial statement has</p>		

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

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)
	<p>could be included in the current year.</p> <p>In the Summary Statement of Appropriation for the year ended 30 June 2022, it was not clear how Previous Years' Outstanding disbursements of Kshs.44,817,379 and the actual on comparable basis of Kshs.225,860,516 were arrived at.</p> <p>The financial statements have amounts whose monetary value was inclusive of cents contrary to the accounting policy.</p> <p>In Note 17.3 and Annex 3 to the financial statements, the opening balances were stated at Kshs.63,967,132 which include 2 components that differed with those certified in 2020/2021 financial year. The Compensation of</p>	<p>now been rectified (see revised Financial statement appendix 13). The IPSAS template does not provide a column for financial year however copies of the AIEs are hereby provided for purpose of verification (see copies of AIEs Appendix 19}</p> <p>In the Summary Statement of Appropriation for the year ended 30 June 2022,</p> <p>Previous Years' Outstanding disbursements of Ksh.44,817,379 comprised of two disbursements of 33,000,000 and 12,088,879.30 via AIE Nos B 105512 and B 155997 respectively for the financial 2020-2021, less Ksh 271,500 which represented funds pending approval as at 30<sup>th</sup> June 2021 but</p>		



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

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)
	<p>employees was stated at Kshs.3,114,437 instead of Kshs.3,389,569, Use of goods and services was stated as Kshs.6,807,173 instead of Kshs.6,807,173 each differing with Kshs.275,132.</p>	<p>approved in the year 2021-2022(see abstract of Financial statements for 2020-2021 and copies of the above two AIEs appendix 22). The actual on comparable basis of Ksh225,860,516 is just the total of 2021/2022 allocation of Ksh137,088,879, opening cash book balance of Ksh43,954,258 and previous year's outstanding disbursements of Ksh44,817,379 as they are indicated in he Summary Statement of Appropriation. . The financial statements amounts whose monetary value were inclusive of cents contrary to the accounting policy have now been rectified (see revised Financial statement appendix 13).</p>		

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

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)
OAG/LER/NGCDF/MTL/2021-2022(8)	<p>The Statement of receipts and payments and note 7 reflect Other Grants and Transfers of Kshs.69,404,613 which includes Security Projects expenditure of Kshs.14,028,046.80. The Code list provided indicates that Security Projects had been budgeted at Kshs.7,400,947.20 resulting into a variance of Kshs.6,627,099.60. No documentary evidence was availed to confirm if the projects had been budgeted for in the prior years or not.</p>	<p>The Security Projects expenditure of Kshs.14,028,046.80 as shown in the financial statements is correct and it comprises project expenditures totaling to Ksh2,000,000, Ksh4,627,099.60 and Ksh7,400,947.20 for 2019/2020, 2020/2021 and 2021/2022 financial years respectively. The total security projects budget for 2021/2022 is not 7,400,947.20 as stated in the observation but it was Ksh9,200,947,20 including one project, Sengani police post which was implemented in 2021/2022 (see abstract code lists and Payment Vouchers Appendix 23</p>	RESOLVED	N/A





.....  
Name

John Munyau

Fund Account Manager.