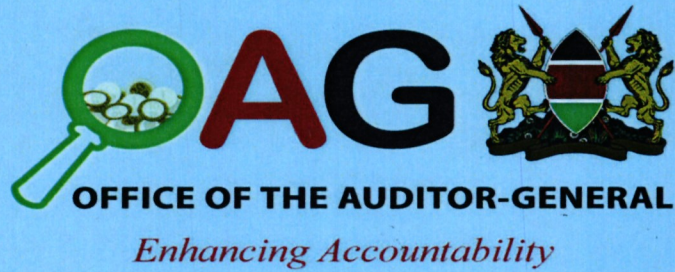


REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY	
OFF: 29 NOV 2022	
DAY: TUESDAY	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Moses Lemuna

**THE AUDITOR-GENERAL**

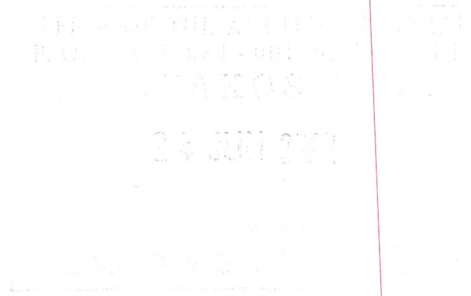
**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2021**



▲ 4



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**MATUNGULU CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

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

THE NATIONAL ASSEMBLY	
DATE: 209 NOV 2022	
TABLED BY:	
CLERK-AT THE-TABLE:	

*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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## **I. 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 2016. 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

*Matungulu Constituency  
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Reports and Financial Statements for The Year Ended June 30, 2021*

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**Core Values**

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

**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)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	
1.	A.I.E holder	<b>Kenneth Lemein</b>
2.	Sub-County Accountant	<b>Susan Muthoni Kabiro</b>
3.	Chairman NG-CDFC	<b>David Kilonzo Mbuvi</b>
4.	Secretary NG-CDFC	<b>Florence Mukonyo Muia</b>

**(d) 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.

**(e) NGCDF MATUNGULU Constituency Headquarters**

Matungulu NG-CDF Building  
Kangundo Road/Highway  
Nairobi, KENYA

**(f) NGCDF Matungulu Constituency Contacts**

Telephone: (254) 0704399179  
E-mail: [cdformatungulu@ngcdf.go.ke](mailto:cdformatungulu@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Matungulu Constituency Bankers**

Equity Bank  
Account number: 0900261817477  
P.O Box 343-90131  
Tala, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

II. NG-CDFC CHAIRMAN'S REPORT

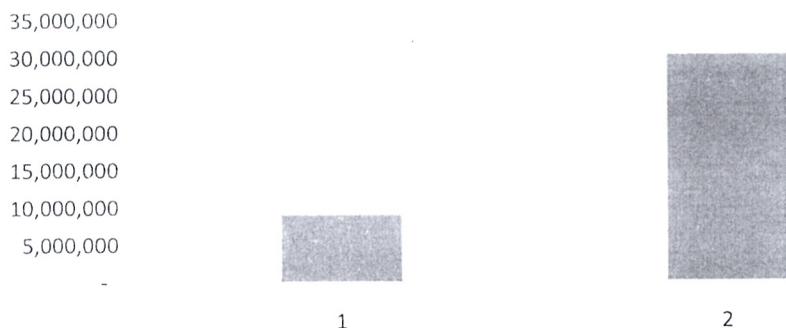


DAVID KILONZO MBUVI – MATUNGULU NGCDF CHAIRMAN

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

*Summary of the budget performance against actual amounts for current year based on economic classification and programmes*

Statement of Receipts and Payments 2020/2021  
against 2020/2021



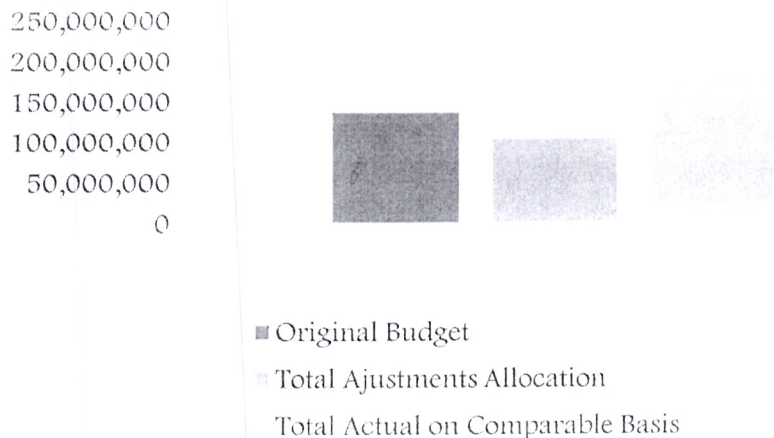
■ Statement of Receipts and Payments 2019/2020 against 2020/2021

**Key**

- 1- Surplus of FY 2019/2020
- 2- Surplus of FY 2020/2021

The above graph indicates slight decrease in performance in FY 2020/2021 compared to FY 2019/2020.

**Original Budget, Adjustments against Actual  
Utilization of Funds**

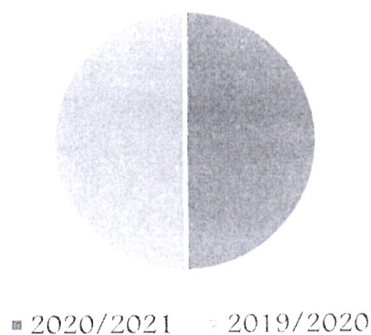


**Key**

- 1- Original Budget Allocation
- 2- Total Adjustment Allocation during the FY 2020/2021
- 3- Total Actual on Comparable Basis

The funds allocated during the financial year was implemented at **81%**

**FY 2020/2021 ALLOCATION AGAINST FY  
2019/2020 ALLOCATION**



**Key**

- 1- FY 2020/2021 Allocation (Ksh. **137,088,879**)
- 2- FY 2019/2020 Allocation (Ksh. **137,398,868**)

This shows an improvement as compared to the last financial year

The NG-CDF Matungulu received an allocation of Kshs.137,088,879 which has been assigned to the primary schools, Secondary schools and chiefs offices within the constituency, though the funds have not been disbursed in whole, the received amount has been of great help to facilitate on-going projects as new projects get started to completion.

The effect of Covid 19 has made most parents lose their jobs thus seeking for bursaries from the Ng-Cdf Office.

*Matungulu Constituency  
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There has been a lot of vulnerability occasioned by death due to Covid 19 which has led to more applicants applying for bursaries.

Pressure on infrastructure has been a challenge since most students dropped from private schools to join the public schools thus making the public schools lack enough infrastructures to accommodate all the students.

The utilization of funds was slowed by the end of financial year because of slow procurement processes, slow disbursement of funds etc.

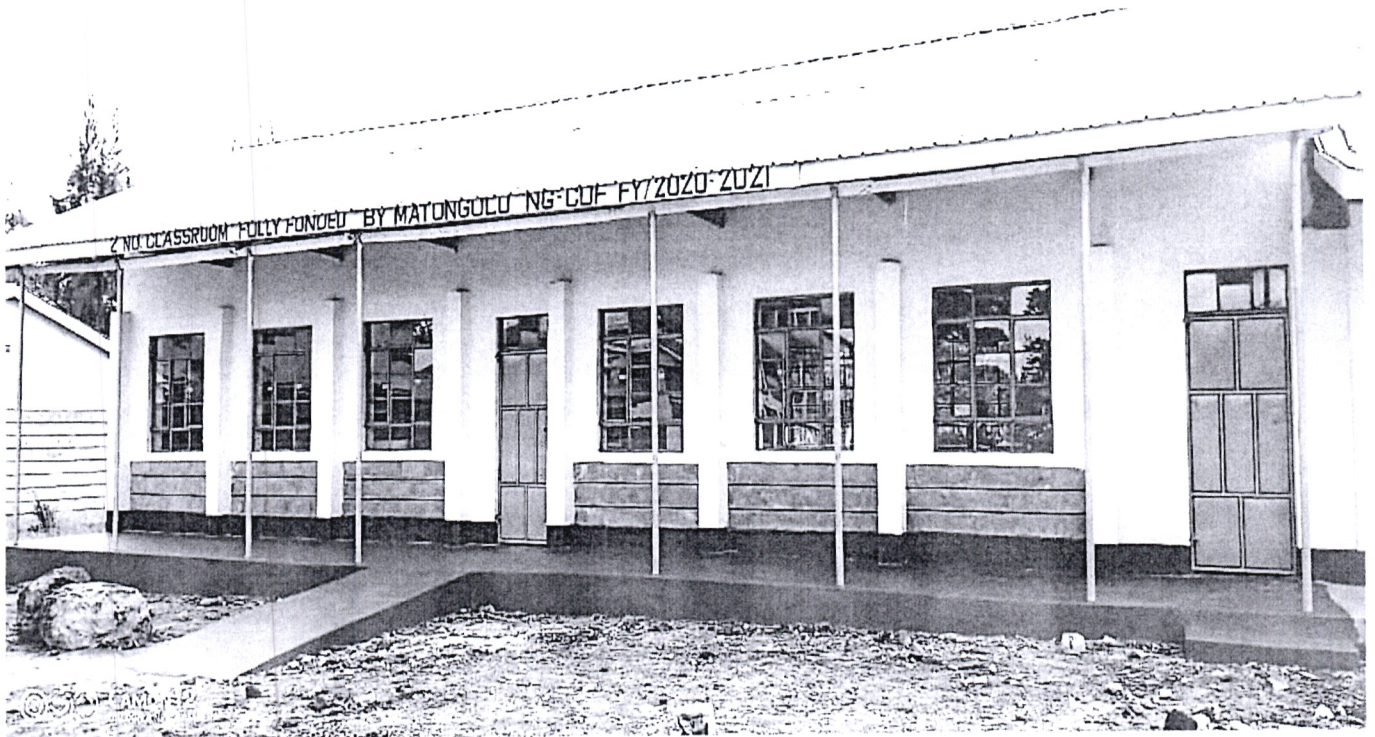
**Control Measures of the Effects of Covid 19**

- The Ng-Cdf Matungulu agreed to have virtual meetings to deliberate on issues.
- The Ng-Cdf Matungulu advised the parents to seek alternative sponsorship of bursaries from the County.
- The Ng-Cdf Matungulu purchased a thermo gun for measuring temperatures as and when visitors enter the organization.
- The Ng-Cdf further provided washing points for clients to wash and sanitize where necessary.

Due to the covid-19 pandemic, bursary funds benefited part of secondary school beneficiary as the others await for the re-opening of the school. Since most of the projects are within schools which remain closed at the moment, we intend to use the remaining funds to put up projects as we look forward to the re-opening of schools.

Below are some of the projects that were undertaken in the financial year.

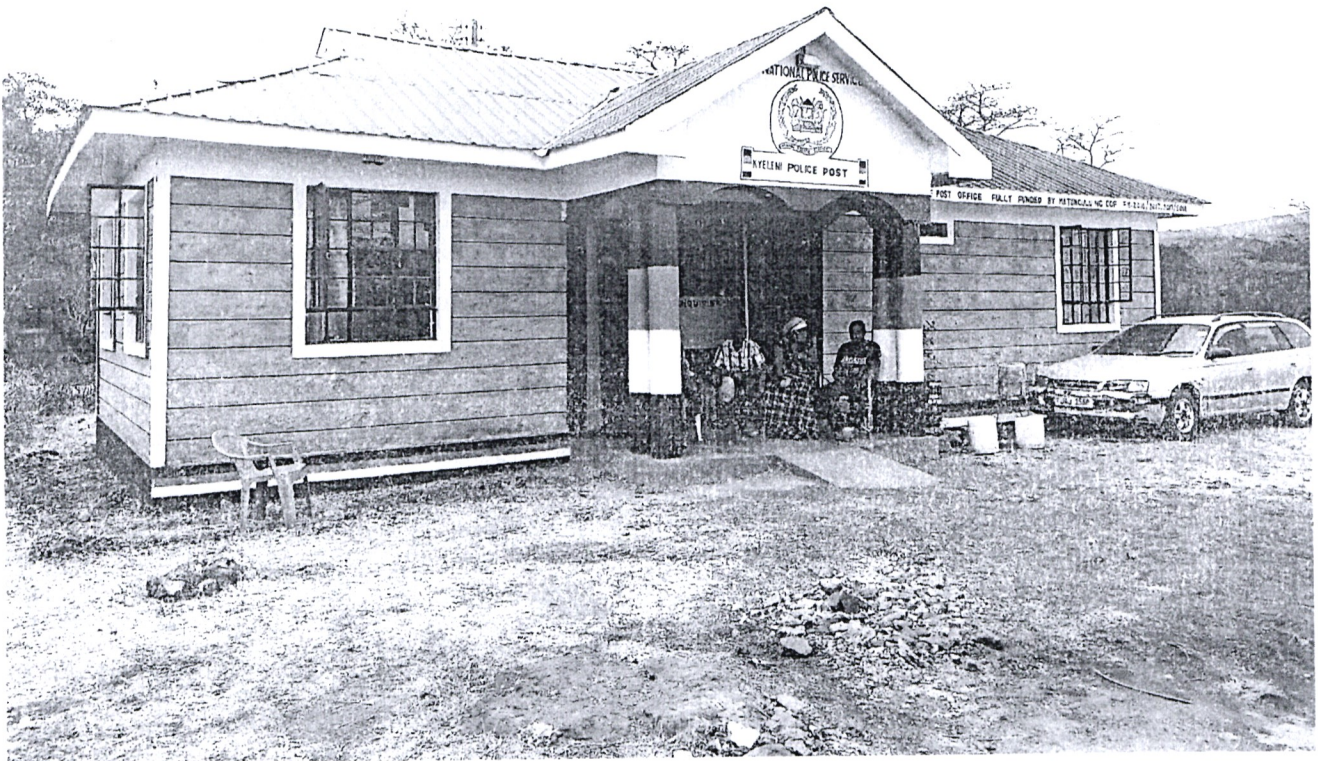
**1. Construction of 2No classroom at St Benedict Kimanza Secondary school**



**2. Construction of an Administration Block at Mbuni secondary school**



**3. Construction of Kyeleni Police Post at Kyeleni**



Signature

**CHAIRMAN NGCDFCOMMITTEE**

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

#### Introduction

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

The key development objectives of *Matungulu-Constituency 2018-2022* plan are to:

- a) To act as an overarching Constituency development framework for guiding socio-economic transformation between 2018 and 2022.
- b) To provide a local framework for actualizing the achievement of the Big Four (4) Agenda and the Kenya Vision 2030.
- c) To reduce inequality through equitable distribution of resources across the wards within the constituency.
- d) To create a firm foundation for socioeconomic transformation through education and security infrastructural development.
- e) To enhance local resource mobilization from other development partners and actors within and outside the Constituency.
- f) To facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and
- g) To facilitate annual review of plans and budgets to track progress on implementation and draw lessons for incorporation in subsequent planning and budgeting.
- h) 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 Program	Objective	Outcome	Indicator	Performance
Education	To create a firm foundation for socioeconomic transformation through education and security infrastructural development.	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Increased number of usable physical infrastructure build in primary, secondary, and tertiary institutions - Increased number of bursary beneficiaries.	In FY 19/20 We constructed 40 classrooms and improved the condition of 30 classrooms in different institutions. Increase in the number of Bursary Beneficiaries to 5310
Security	To Increase	Develop and	Number of usable	Construction of two

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	Investments in security infrastructure	enhance provincial administration and other security organs infrastructure to enhance service delivery	physical infrastructure built in locations, sub locations and police stations	Police Posts and 3 chiefs offices
Environment	To promote environmental sustainability in the constituency	Planting of trees in most of the Institutions	High number of Trees Planted in most Institutions	High number of Trees Planted (2000) in most Institutions
Sports	To harness talent and empower youth	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 25 teams
Disaster Management	To cater for any unforeseen occurrences in the constituency	Reduce loss of lives and properties	Number of staircases and ramps put in place.	Construction of structures with spacious staircases and Rumps to enable easier exit in case of an emergency

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

MATUNGULUNG-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 MATUNGULUNG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** MATUNGULUNG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; 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.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

##### **2. Environmental performance**

We undertake football tournaments in the constituency to sensitize on the importance of environmental conservation in the constituency. Matungulu constituency encourages the planting of trees to help in the preservation of soil erosion and also to improve on the water catchment areas.

##### **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

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time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. 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 organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

#### **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 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.

*Matungulu Constituency  
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**Public Awareness**

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

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

*Matungulu Constituency  
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Reports and Financial Statements for The Year Ended June 30, 2021*

**V. 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.

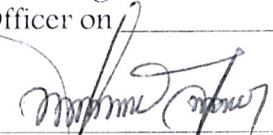
The Accounting Officer in charge of the NGCDF-Matungulu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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, 2021, and of the entity's financial position as at that date. The Accounting Officer in 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**

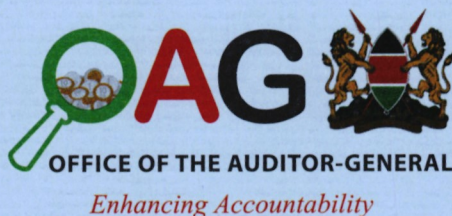
The NGCDF-Matungulu Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2021.

  
\_\_\_\_\_  
Chairman NGCDF Committee  
Name: David Kilonzo Mbuvi

  
\_\_\_\_\_  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGULU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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### 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 intended purpose.
- C. Report on 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, the risk management environment, and the 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 17 to 58,

which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Matungulu Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Misstated Cash and Cash Equivalents Balance**

The statement of assets and liabilities and Note 10A to the financial statements reflects cash and cash equivalents balance of Kshs.43,954,258. Review of bank reconciliation statement revealed that the unrepresented cheques schedule includes a cheque for VAT of Kshs.1,852 dated 12 September, 2020 which was stale as at 30 June, 2021. Further, the bank reconciliation statement reflects receipts of Kshs.96,594 in the bank statements but not recorded in the cashbook. The receipts relates to financial years 2017, 2018 and 2019 .

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.43,954,258 could not be confirmed.

#### **2. Lack of Land Ownership Documents**

Annex 4 to the financial statements reflects the historical cost balance for fixed assets of Kshs.15,486,660 as at 30 June, 2021. The Annex include land with a Nil balance. The Management did not provide valuation report and title deed to confirm ownership.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.15,486,660 could not be confirmed.

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

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

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.241,508,049 and Kshs.161,601,724 respectively, resulting to an underfunding of Kshs.79,906,325 or 33% of the budget. Similarly, the Fund expended Kshs.152,464,912 against the actual receipts of Kshs.161,601,724 resulting to an under-absorption of Kshs.9,136,812.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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. Lack of Public Participation in Projects Identification**

The statement of receipts and payments and Notes 6 and 7 to the financial statements reflects expenditure on transfer to other Government entities and other grants and transfers of Kshs.98,740,207 and Kshs.41,822,028 respectively being funds for implementation of projects during the period under review. However, evidence of public participation in the identification and prioritization of the projects and programmes as required under Article 232(d) of the Constitution of Kenya, 2010 was not provided for audit.

In the circumstances, it was not possible to establish implemented projects and programmes were prioritized by the Public.

## **2. Lack of Appointment Letters for Tender Opening and Evaluation Committees**

The statement of receipts and payments reflects expenditure of Kshs.98,740,207 on transfers to other government units as disclosed in Note 6 to the financial statements. Included in the balance is an expenditure on transfers to Primary Schools' projects of Kshs.43,222,582. However, review of project files and tender documents for six (6) projects, Donyo Coffee, Koma Ranch, Koma Hill, Kithayooni, Kwa Kisinga and Kambusu Primary Schools revealed that there were no appointment letters for tender opening and evaluation committee members.

In the circumstances, it was not been possible to confirm regularity of tender openings and evaluations committee.

## **3. Project Implementation**

Review of projects implementation files revealed that Management planned to implement seventy-six (78) projects with total allocation of Kshs.133,821,257 during the period under review. Out of this, sixty-four (64) projects with an allocation of Kshs.89,362,564 were completed, nine (9) projects with an allocation of Kshs.41,823,249 were on-going. There were five (5) projects with a total allocation of Kshs.2,635,444 which were not started. Further, the approved code list for the financial year 2020/2021 indicated that seventy-one (71) projects with an allocation of Kshs.134,088,880 were approved for implementation. The Management projects implementation report and the budget are at variance.

In addition, physical inspection conducted on 8 April, 2022 revealed that construction of student laboratory at St. Joseph Kikuyuni Secondary School at a cost of Kshs.2,225,000 was at 55% completion level. However, the project lacked signage indicating the name of the project and financier. It was also noted that, construction of 8 door emergency toilet at St. Martin Matuu Wendano Secondary School at a cost of Kshs.2,400,000 was poorly implemented as it had major crack on the floor and wall an indication of poor workmanship.

In the circumstances, value for money was not realized due to the substandard work.

## **4. Overpayment of Leave Allowances**

The statement of receipts and payments reflects compensation of employees expenditure of Kshs.2,988,452. The expenditure includes an amount of Kshs.126,632, being leave allowance paid to eight (8) employees. However, review of employment contracts revealed that the employees were paid Kshs.94,632 above their entitlement contrary to Regulation 43(b) of the Public Finance Management (National Government) Regulation, 2015, which requires Accounting Officers to ensure funds entrusted to their care are properly safeguarded and applied for purposes for only which they were intended and appropriated by the National Assembly.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Lack of Internal Audit Function and Audit Committee**

The Fund has not established an internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function. As such, the Fund did not benefit from the assurance and advisory services from the internal audit function.

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

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 Fund's policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


19 September, 2022


*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

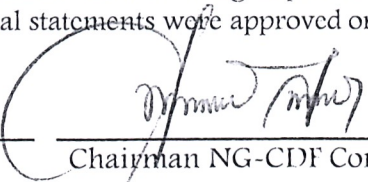
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020-2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,367,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	234,000	37,500
<b>TOTAL RECEIPTS</b>		<b>161,601,724</b>	<b>123,078,376</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,988,452	2,029,559
Use of goods and services	5	8,914,225	8,001,198
Transfers to Other Government Units	6	98,740,207	45,051,858
Other grants and transfers	7	41,822,028	37,277,773
Acquisition of Assets	8	-	400,000
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>152,464,912</b>	<b>92,760,388</b>
<b>SURPLUS/(DEFICIT)</b>		<b>9,136,812</b>	<b>30,317,988</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Matungulu Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
Fund Account Manager  
Name: Kenneth Lemein

  
National Sub-County  
Accountant  
Name: Susan Muthoni Kabiro  
ICPAK M/No: 20403

  
Chairman NG-CDF Committee  
Name: David Kilonzo Mbuvi

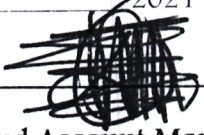
22 JUN 2021

*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*


**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	43,954,258	34,817,445
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>43,954,258</b>	<b>34,817,445</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>43,954,258</b>	<b>34,817,445</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>43,954,258</b>	<b>34,817,445</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	13	34,817,445	4,499,458
Prior year adjustments	14	-	-
Surplus/Deficit for the year		9,136,812	30,317,988
<b>NET FINANCIAL POSITION</b>		<b>43,954,258</b>	<b>34,817,445</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Matungulu Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
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22 JUN 2022

  
National Sub-County  
Accountant  
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ICPAK M/No: 20403

  
Chairman NG-CDF Committee


Name: David Kilonzo Mbuvi

*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**IX. STATEMENT OF CASHFLOW**

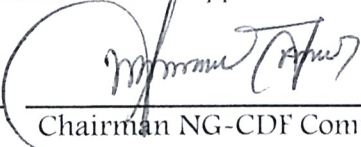
		<b>2020-2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,367,724	123,040,876
Other Receipts	3	234,000	37,500
<b>Total receipts</b>		<b>161,601,724</b>	<b>123,078,376</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,988,452	2,029,559
Use of goods and services	5	8,914,225	8,001,198
Transfers to Other Government Units	6	98,740,207	45,051,858
Other grants and transfers	7	41,822,028	37,277,773
Other Payments	9	-	-
<b>Total payments</b>		<b>152,464,912</b>	<b>92,360,388</b>
<b>Total Receipts Less Total Payments</b>		<b>9,136,812</b>	<b>30,717,988</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>9,136,812</b>	<b>30,717,988</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(400,000)
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(400,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>9,136,812</b>	<b>30,317,988</b>
Cash and cash equivalent at BEGINNING of the year	10	34,817,445	4,499,458
Cash and cash equivalent at END of the year		43,954,258	34,817,445

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

  
Fund Account Manager  
Name: Kenneth Lemein

22 JUN 2022

  
National Sub-County  
Accountant  
Name: Susan Muthoni Kabiro  
ICPAK M/No: 20403

  
Chairman NG-CDF Committee  
Name: David Kilonzo Mbuvi

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## X. SUMMARY STATEMENT OF APPROPRIATION


Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis D	Budget utilization difference e=c-d	% of Utilization f=d/c %
	A	B	b	c				
<b>RECEIPTS</b>	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	Kshs	Kshs
Transfers from NGCDF Board	137,088,879		34,817,445	69,367,724	241,274,049	161,367,724	79,906,325	67%
Proceeds from Sale of Assets								0%
Other Receipts			234,000		234,000			0%
<b>TOTALS</b>	<b>137,088,879</b>		<b>35,051,445</b>	<b>69,367,724</b>	<b>241,508,049</b>	<b>161,601,724</b>	<b>79,906,325</b>	<b>67%</b>
<b>PAYMENTS</b>								
Compensation of Employees	2,950,000		1,240,235	1,912,654	6,102,889	2,988,452	3,114,437	49%
Use of goods and services	9,387,999		5,328,398	1,005,000	15,721,398	8,914,225	6,807,173	57%
Transfers to Other Government Units	72,446,019		20,069,200	58,292,636	150,807,855	98,740,207	52,067,647	65%
Other grants and transfers	51,162,038		7,692,112	7,062,435	65,916,584	41,822,028	24,094,556	63%
Acquisition of Assets	-		450,000	370,000	820,000	-	820,000	0%
Other Payments	1,142,824		-	725,000	1,867,824	-	1,867,824	0%
Funds pending approval**	-		271,500	-	271,500	-	271,500	0%
<b>TOTALS</b>	<b>137,088,879</b>		<b>35,051,445</b>	<b>69,367,724</b>	<b>241,508,049</b>	<b>152,464,912</b>	<b>89,043,137</b>	<b>63%</b>


**Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

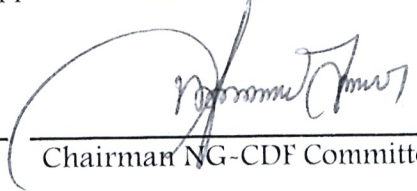
- i. The under-utilization under compensation of employees at 44%, use of goods and services at 58%, Transfers to other Government Units at 65%, other grants and transfers at 63% was generally due to the fact that Matungulu NGCDF received only part of the budgeted funds during the financial year. With this it meant that full budget implementation was not practical.
- ii. The difference between the original and the final budget was brought about by the opening cashbook and AIA balance that was not yet received from the Board at the closure of the financial year. These funds were available for utilization during the financial year under review and thus the difference in the budget.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
Description	Amount
Budget utilisation difference totals	89,043,137
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	(45,088,879)
	43,954,258
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	43,954,258

The NGCDF-MATUNGULU Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Kenneth Lemein

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Susan Muthoni Kabiro  
ICPAK M/No: 20403

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: David Kilonzo Mbuvi

## XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,800,000	1,158,759	1,762,654	5,721,413	2,847,042	2,874,371
1.2 Committee allowances	2,300,000	1,001,690		3,301,690	2,674,800	626,890
1.3 Use of goods and services	2,975,333	2,075,410	1,005,000	6,055,743	2,525,325	3,530,418
1.5 NSSF	150,000	81,476	150,000	381,476	141,410	240,066
Sub total	8,225,333	4,317,336	2,917,654	15,460,322	8,188,577	7,271,745
2.0 Monitoring and evaluation						
2.1 Capacity building	1,612,666	1,621,032		3,233,698	1,200,100	2,033,598
2.2 Committee allowances	2,200,000	215,266		2,415,266	2,408,300	6,966
2.3 Use of goods and services	300,000	415,000		715,000	661,500	53,500
Sub Total	4,112,666	2,251,298		6,363,964	4,269,900	2,094,064
3.0 Emergency						
3.1 Primary Schools	7,192,207	1,100,000	791	8,292,998	1,100,000	7,192,998
3.2 Secondary schools						

*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

3.3 Tertiary institutions					-					
3.4 Security projects					-					
Sub Total	7,192,207	1,100,000	791	4,831,643	8,292,998	1,100,000				7,192,998
4.0 Bursary and Social Security										
4.1 Primary Schools					-					
4.2 Secondary Schools	22,272,220	742,364	4,831,643	27,846,227	25,342,600					2,503,627
4.3 Tertiary Institutions	12,000,000	3,088,000	230,000	15,318,000	14,323,250					994,750
4.4 Universities										
4.5 Social Security										
Sub Total	34,272,220	3,830,364	5,061,643	43,164,227	39,665,850					3,498,377
5.0 Sports										
5.1 Sports Activities	1,370,889	2,001,748		3,372,637	42,000					3,330,637
Sub Total	1,370,889	2,001,748	-	3,372,637	42,000					3,330,637
6.0 Environment										
6.1 Constituency Environmental Activities		400,000		400,000	-					400,000
6.2 Kyeleni Police post	171,361.00			171,361.00						171,361

**Matungulu Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Reports on Financial Statement, for the year ended June 30, 2021**

6.3 Nguluni Police Post	171,361.00			171,361.00		171,361
6.4 Muusini Primary School	342,722.40			342,722.40		342,722
Sub Total	685,444	400,000		1,085,444		1,085,444
7.0 Primary Schools Projects (List all the Projects)						
7.1 Kianzabe Primary School						
7.2 Kwale Primary School						
7.3 Tala Boys Primary School						
7.4 Tala Girls Primary School						
7.5 Kisitimani Primary School						
7.6 Kikaatini Primary School						
7.7 Muusini Primary School	249,427.50			249,428	249,427	1
7.8 Kisukioni Primary School	852,544.00	1,225,000.00		2,077,544	1,393,696	683,848
7.9 Itheuni Primary School						
7.10 Wendano DEB Primary school	2,500,000.00			2,500,000		2,500,000
7.11 Matuu Estate Primary school						
7.12 Katine HGM Primary School						
7.13 Kasioni Primary School						

*Matungulu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

7.14	Kiatineni Primary School				-	-	-	-
7.15	St. Philip Kayatta Primary School				550,000.00	550,000	550,000	-
7.16	Kitambaaye Primary School	1,200,000.00			-	1,200,000	1,200,000	1,200,000
7.17	Kantafu Primary School	83,664.00			600,000.00	683,664	683,664	-
7.18	Matungulu DEB Primary School			-		-	-	-
7.19	Nguluni Township Primary School			-		-	-	-
7.20	Kyeleni Primary School			-		-	-	-
7.21	Mbiani Primary School	73,346.00			550,000.00	623,346	550,000	73,346
7.22	SA Katine Primary School	256,187.40			1,825,000.00	2,081,187	2,081,187	0
7.23	Koma Hill Kiamba Primary School	181,395.20			1,320,000.00	1,501,395	1,501,395	0
7.24	Kwa Kasivi Primary School	328,972.00	2,375,000.00			2,703,972	2,703,972	-
7.25	Kwa Ngii Primary School	328,559.00	1,825,000.00		550,000.00	2,703,559	2,703,559	-
7.26	Kambusu Primary School	251,966.40	1,825,000.00			2,076,966	2,076,966	-
7.27	Kanzalu Primary School	251,405.00			1,825,000.00	2,076,405	2,076,405	-
7.28	Kinyui Primary School	167,475.00			1,225,000.00	1,392,475	1,392,475	-
7.29	Koma Ranch Primary School	3,785,326.00			1,825,000.00	5,610,326	5,610,326	-
7.30	Katwanyaa Primary School	139,400.80			1,025,000.00	1,164,401	1,164,400	1
7.31	Mbuni Primary School	125,699.00	1,200,000.00		925,000.00	2,250,699	2,250,699	-
7.33	Iletani Primary School	251,902.00			1,825,000.00	2,076,902	2,076,902	-
7.34	Kithaayoni Primary School	251,767.60			1,825,000.00	2,076,768	2,076,767	1

7.35	Kitooni Primary School	251,468.00		1,825,000.00	2,076,468	2,076,468	-
7.36	Mwisyani Primary School	708,284.30		1,025,000.00	1,733,284	1,733,284	0
7.38	Mililu Primary School	1,667,622.00		1,225,000.00	2,892,622	1,492,622	1,400,000
7.39	Donyo Coffee Primary School	2,651,776.00	1,825,000.00		4,476,776	2,076,776	2,400,000
7.40	Kwa Ken AIC Primary School	251,889.40		1,825,000.00	2,076,889	2,076,889	-
7.41	Kwa Tombe Primary School			400,000.00	400,000	400,000	-
7.42	Kwa Mutu Primary School	167,202.00		1,225,000.00	1,392,202	1,392,202	-
7.43	Donyo Sabuk Primary School	1,400,000.00			1,400,000	1,400,000	1,400,000
7.44	Katulye Primary School	1,200,000			1,200,000	1,200,000	1,200,000
7.45	Kisekini Primary School	1,200,000			1,200,000	1,200,000	1,200,000
7.46	Kwa Kisinga Primary School	3,232,500			3,232,500	832,500	2,400,000
7.47	Mukalwa Primary School	1,200,000			1,200,000	1,200,000	1,200,000
7.48	Muumoni Primary School	2,400,000			2,400,000	2,400,000	2,400,000
7.49	Nguluni SA Primary School	2,400,000			2,400,000	2,400,000	2,400,000
7.50	Retention b/f				-	-	-
					-	-	-
	Sub Total	30,009,779	10,275,000	23,395,000	63,679,779	43,222,582	20,457,197
	8.0 Secondary Schools Projects (List all the Projects)						



8.30 St Francis of Assisi Kwa Tombe Secondary School	251,753.60	1,825,000.00	2,076,753.60	2,076,753.60	-
8.32 St. Joseph's Katheka secondary school	251,988.60	1,825,000.00	2,076,988.60	2,076,988.60	-
8.35 AIC Mwatati Secondary school	160,379.80	1,180,000.00	1,340,379.80	1,340,379.80	-
8.37 St. Benedict Kimanza Secondary school	251,615.00	1,825,000.00	2,076,615.00	2,076,615.00	-
8.39 St.Martins Kithuani Sec School	2,400,000.00	-	2,400,000.00	-	2,400,000
8.40 Syanthe Secondary School	1,400,000.00	-	1,400,000.00	-	1,400,000
8.38 Retention b/f					
Sub Total	42,436,240	9,794,200	87,128,076	55,517,625	31,610,450
9.0 Tertiary institutions Projects (List all the Projects)					
Sub Total	-	-	-	-	-
10.0 Security Projects					
10.1 Nzambani Chief's Office					
10.2 Matheini Chief's office					
10.3 Matuu Market Chiefs office					
10.7 KBC Police station		300,000.00	300,000.00	300,000.00	300,000.00
10.8 Tala Administration AP) Office					

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10.9 Kwa Mwaura Police Station	2,000,099.68	60,000.00	2,000,000.00	60,000.00	60,000.00
10.9 Kyeleni Police Post	902,458.00	-	-	902,458.00	4,000,099.68
10.9 Nguluni Administrative Police Post	111,720.00	-	-	111,720.00	-
10.9 Tala Police Post	4,627,000.00	-	-	4,627,000.00	-
10.9 Retention b/f	-	-	-	-	4,627,000.00
Sub Total	7,641,278	360,000	2,000,000	10,001,278	8,987,100
11.0 Acquisition of assets					
11.1 Motor Vehicles					
11.2 Construction of NGCDF office					
11.3 Matungulu NG-CDF Office Furniture			100,000.00	100,000.00	100,000.00
11.4 Purchase of NG-CDF Office computers			300,000.00	300,000.00	300,000.00
11.5 Matungulu NG-CDF Office photocopier			270,000.00	270,000.00	270,000.00
11.6 Purchase of land			-	-	-
11.7 NG- CDF Wifi Connection			150,000.00	150,000.00	150,000.00
Sub Total	-	450,000	370,000	820,000	820,000
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					



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## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

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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 30<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 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 2021.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. 041093	1		55,040,876
AIE NO. 041136	2		4,000,000
AIE NO. 047614	3		20,000,000
AIE NO. 049383	4		14,000,000
AIE NO. 047976	5		6,000,000
AIE NO. 104406	6		15,000,000
AIE NO. 096615	7		9,000,000
AIE NO. B104768	1	40,000,000	
AIE NO. B104828	2	29,367,724	
AIE NO. B124614	3	9,000,000	
AIE NO. B119571	4	10,000,000	
AIE NO. B119963	5	12,000,000	
AIE NO. B128204	6	6,900,000	
AIE NO. B129166	7	6,000,000	
AIE NO. B132259	8	6,000,000	
AIE NO. B138928	9	12,000,000	
AIE NO. B126221	10	7,000,000	
AIE NO. B140659	11	12,000,000	
AIE NO. B105016	12	11,100,000	
<b>TOTAL</b>		<b>161,367,724</b>	<b>123,040,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	234,000	37,500
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
<b>Total</b>	<b>234,000</b>	<b>37,500</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,087,368	1,506,589
Basic wages of casual labour	148,500	218,000
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	611,174	253,138
Employer Contributions Compulsory national social security schemes	141,410	51,832
<b>Total</b>	<b>2,988,452</b>	<b>2,029,559</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	1,346,183	1,426,477
Electricity	103,988	
Water & sewerage charges	43,200	19,770
Office rent	-	
Communication, supplies and services	9,450	
Domestic travel and subsistence	120,000	0
Printing, advertising and information supplies & services	-	142,680
Rentals of produced assets		-
Training expenses	1,200,100	
Hospitality supplies and services	-	8,300
Other committee expenses	2,674,800	416,000
Committee allowance	2,408,300	4,923,500
Insurance costs	-	
Specialized materials and services		-
Office and general supplies and services	-	
Fuel , oil & lubricants	400,000.00	400,000
Other operating expenses	-	0
Bank service commission and charges	48,850	16,660
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	559,354	647,811
Routine maintenance- other assets		0
<b>TOTAL</b>	<b>8,914,225</b>	<b>8,001,198</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to primary schools (see attached list)	43,222,582	29,079,136
Transfers to secondary schools (see attached list)	55,517,625	15,972,722
Transfers to tertiary institutions (see attached list)		
<b>TOTAL</b>	<b>98,740,207</b>	<b>45,051,858</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	25,342,600	18,165,377
Bursary -Tertiary ( see attached list)	14,323,250	4,654,000
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
Social Security Programmes (NHIF)		
Security Projects ( see attached list)	1,014,178	6,870,946
Sports Projects ( see attached list)	42,000	
Environment Projects ( see attached list)	-	
Emergency Projects ( see attached list)	1,100,000	7,587,450
<b>TOTAL</b>	<b>41,822,028</b>	<b>37,277,773</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	0	400,000
Purchase of computers ,printers and other IT Equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
<b>TOTAL</b>	<b>0</b>	<b>400,000</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Equity Bank, Tala MATUNGULU NG-CDF- A/C no.0900261817477</i>	<b>43,954,258</b>	<b>34,817,445</b>
<b>Total</b>	<b>43,954,258</b>	<b>34,817,445</b>
<b>10B: CASH IN HAND</b>		
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**12B. GRATUITY**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	34,817,445	4,499,458
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>34,817,445</b>	<b>4,499,458</b>

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\*

	2020-2021	2019-2020
	Kshs	Kshs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020– 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	3,114,437	3,635,089
Use of goods and services	6,807,173	3,233,506
Amounts due to other Government entities (see attached list)	52,067,647	78,361,836
Amounts due to other grants and other transfers (see attached list)	24,094,556	17,372,238
Acquisition of assets	820,000	820,000
Others ( <i>Strategic Plan</i> )	1,867,824	725,000
Funds pending approval-Sale of tender	271,500	37,500.00
	<b>89,043,137</b>	<b>104,185,169</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	19,700,711	11,609,909
<b>Total PMC Balance</b>	<b>19,700,711</b>	<b>11,609,909</b>

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	A	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
	<b>Sub-Total</b>				
<b>Construction of civil works</b>					
4.					
5.					
6.					
	<b>Sub-Total</b>				
<b>Supply of goods</b>					
7.					
8.					
9.					
	<b>Sub-Total</b>				
<b>Supply of services</b>					
10.					
11.					
12.					
	<b>Sub-Total</b>				
	<b>Grand Total</b>				

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
	<b>Sub-Total</b>			
	<b>Grand Total</b>			

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
<b>Compensation of Employees</b>				
		3,389,569	3,152,889	
	<b>Sub-Total</b>	<b>3,389,569</b>	<b>3,152,889</b>	
<b>Use of goods &amp; services</b>				
ADM- Committee allowances		1,536,090	1,001,690	
ADM-Use of goods and services		2,441,786	3,080,410	
M&E Capacity building		2,033,598	1,621,032	
M&E Committee allowances		467,066	215,266	
M&E Use of goods and services		53,500	415,000	
	<b>Sub-Total</b>	<b>6,532,041</b>	<b>6,333,398</b>	
<b>Amounts due to other Government entities</b>				
7.1 Kianzabe Primary School		-	-	
7.2 Kwale Primary School		-	-	
7.3 Tala Boys Primary School		-	-	
7.4 Tala Girls Primary School		-	-	
7.5 Kisitimani Primary School		-	-	
7.6 Kikaatini Primary School		-	-	
7.7 Muusini Primary School		1	1,225,000.00	
7.8 Kisukioni Primary School		683,848	-	

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7.9 Itheuni Primary School	-	-	-
7.10 Wendano DEB Primary school	2,500,000	-	-
7.11 Matuu Estate Primary school	-	-	-
7.12 Katine HGM Primary School	-	-	-
7.13 Kasioni Primary School	-	-	-
7.14 Kiatineni Primary School	-	550,000.00	-
7.15 St. Philip Kayatta Primary School	-	-	-
7.16 Kitambaasye Primary School	1,200,000	600,000.00	-
7.17 Kantafu Primary School	-	-	-
7.18 Matungulu DEB Primary School	-	-	-
7.19 Nguluni Township Primary School	-	-	-
7.20 Kyeleni Primary School	-	550,000.00	-
7.21 Mbiiani Primary School	73,346	1,825,000.00	-
7.22 SA Katine Primary School	0	1,320,000.00	-
7.23 Koma Hill Kiamba Primary School	0	2,375,000.00	-
7.24 Kwa Kasivi Primary School	-	2,375,000.00	-
7.25 Kwa Ngii Primary School	-	1,825,000.00	-
7.26 Kambusu Primary School	-	1,825,000.00	-
7.27 Kanzalu Primary School	-	1,225,000.00	-
7.28 Kinyui Primary School	-	1,825,000.00	-

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7.29 Koma Ranch Primary School	-	1,025,000.00	
7.30 Katwanyaa Primary School	1	2,125,000.00	
7.31 Mbuni Primary School	-	1,825,000.00	
7.33 Itetani Primary School	-	1,825,000.00	
7.34 Kithaayoni Primary School	1	1,825,000.00	
7.35 Kitooni Primary School	-	1,025,000.00	
7.36 Mwisayani Primary School	0	1,225,000.00	
7.38 Mililu Primary School	1,400,000	1,825,000.00	
7.39 Donyo Coffee Primary School	2,400,000	1,825,000.00	
7.40 Kwa Ken AIC Primary School	-	400,000.00	
7.41 Kwa Tombe Primary School	-	1,225,000.00	
7.42 Kwa Mutu Primary School	-	-	
7.43 Donyo Sabuk Primary School	1,400,000	-	
7.44 Katulye Primary School	1,200,000	-	
7.45 Kisekimi Primary School	1,200,000	-	
7.46 Kwa Kisinga Primary School	2,400,000	-	
7.47 Mukaliwa Primary School	1,200,000	-	
7.48 Mutumoni Primary School	2,400,000	-	
7.49 Nguluni SA Primary School	2,400,000	-	
8.5 Matungulu Girls Secondary School	16,170,450	10,050,000.00	

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8.28 Matheini Secondary school	-	1,125,000.00
8.7 Kalandini Secondary School		1,202,636.00
8.9 AIC Itheuni Secondary School	1,950,000	930,000.00
8.10 Kyaume Secondary school	-	925,000.00
8.11 Kambusu Secondary school	-	925,000.00
8.12 Uamani Secondary school	3,000,000	1,825,000.00
8.13 St. Phillips Kayatta Secondary School	-	620,692.00
8.14 St. Joseph Kikuyuni Secondary school	-	2,225,000.00
8.15 Sengani Girls Secondary School	-	2,000,000.00
8.17 S.A Nguluni Secondary school	-	1,825,000.00
8.18 Mbuni Secondary school	-	695,000.00
8.19 Katulye Secondary school	-	1,825,000.00
8.21 Mukaa SA Secondary school	5,490,000	5,490,000.00
8.22 Kisukioni Secondary School		1,825,000.00
8.38 Kinyui Girls Secondary school	-	418,508.00
8.24 Tala Girls Secondary school	1,200,000	2,400,000.00
8.27 ACK Mukengesa Secondary school	-	1,100,000.00
8.29 Kyumbuni Secondary school	-	630,000.00
8.30 St Francis of Assisi Kwa Tombe Secondary School	-	1,825,000.00
8.32 St. Joseph's Katheka secondary school		1,825,000.00

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8.35 AIC Mwatati Secondary school	-	1,180,000.00	
8.37 St. Benedict Kimanza Secondary school	-	1,825,000.00	
8.39 St.Martins Kithuani Sec School	2,400,000	-	
8.40 Syanathi Secondary School	1,400,000	-	
<b>Sub-Total</b>	<b>52,067,647</b>	<b>78,361,836</b>	
<b>Amounts due to other grants and other transfers</b>			
Bursary	3,498,377	8,892,007	
Sports	3,330,637	2,001,748	
Environment	1,085,444	400,000	
Emergency	7,192,998	1,100,791	
10.7 KBC Police station	300,000	300,000	
10.8 Tala Administration AP} Office	60,000	60,000	
10.9 Kwa Mwaura Police Station	4,000,100	2,000,000	
10.9 Kyeleeni Police Post	-	-	
10.9 Nguluni Administrative Police Post	-	-	
10.9 Tala Police Post	4,627,000	-	
<b>Sub-Total</b>	<b>24,094,556</b>	<b>14,754,547</b>	
<b>Acquisition of assets</b>			
11.3 Matungulu NG-CDF Office Furniture	100,000	100,000	
11.4 Purchase of NG-CDF Office computers	300,000	300,000	
11.5 Matungulu NG-CDF Office photocopier	270,000	270,000	

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11.7 NG- CDF Wifi Connection		150,000	150,000
<b>Sub-Total</b>		<b>820,000</b>	<b>820,000</b>
<b>Others (specify)</b>			
ICT Hubs			
Matungulu Subcounty Education Office	1,867,824		725,000
Strategic plan	-		-
<b>Sub-Total</b>	<b>1,867,824</b>		<b>725,000</b>
Sale of tender documents	271,500		271,500
<b>Sub-Total</b>	<b>271,500</b>		<b>37,500</b>
<b>Grand Total</b>	<b>89,043,136</b>		<b>104,185,170</b>

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/20</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/21</b>
Land				-
Buildings and structures	9600000			9,600,000
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			499,500
Other Machinery and Equipment	25800			25,800
Heritage and cultural assets	0			-
Intangible assets	0			-
<b>Total</b>	<b>15,486,660</b>	<b>-</b>	<b>-</b>	<b>15,486,660</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

PMC	Bank	Account Number	Bank Balance 2020/21	Bank Balance 2019/20
TALA GIRLS PRIMARY SCHOOL	EQUITY	0900262571269		60,67
TALA GIRLS PRIMARY SCHOOL	EQUITY	0900262600575	691	
KIKAATINI AIC PRIMARY SCHOOL	EQUITY	0900294458052	74,842	188,84
KISUKIONI PRIMARY SCHOOL	EQUITY	0900263403427	45,548	51,997
KIATINENI PRIMARY SCHOOL	EQUITY	0900262558502	1,045	45,99
ACK MUKENGESYA SECONDARY SCHOOL	EQUITY	0900261999009	426	8,696
MATHEINI SA SECONDARY SCHOOL	EQUITY	0900266759538	262,815	214,36
MUUSINI SECONDARY SCHOOL	EQUITY	0900294442014	16,150	1,829,81
NGULUNI PRIMARY SCHOOL	EQUITY	0900262566809	4,880	4,88
KITULUNI PRIMARY SCHOOL	EQUITY	0900266542836	2,216	354,37
KIANZABE PRIMARY SCHOOL	EQUITY	0900266555329	279,705	279,70
KWALE PRIMARY SCHOOL	EQUITY	0900264350146	115,893	115,89
TALA BOYS PRIMARY SCHOOL	EQUITY	0900262544986	9,861	76,887
KISITIMANI PRIMARY SCHOOL	EQUITY	0900262599481	460	10,46
ITHEUNI SECONDARY SCHOOL	EQUITY	0900263728211		111,683
ITHEUNI PRIMARY SCHOOL	EQUITY	0900294795928	11,862	
WENDANO DEB PRIMARY SCHOOL	EQUITY	0900266150615	9,621	99,663
KASIONI PRIMARY SCHOOL	EQUITY	0900263768276	289	96,91
KITAMBAASYE PRIMARY SCHOOL	EQUITY	0900262434944	1,349	93,872
MATUNGULU DEB PRIMARY SCHOOL	EQUITY	0900262599081	36,035	141,05
MBUNI SA SECONDARY SCHOOL	EQUITY	0900263913013	187,817	747,185
KYUMBUNI SECONDARY SCHOOL	EQUITY	0900279283711	144,374	395,06
MATHENI SA MIXED SECONDARY SCHOOL	EQUITY	0900266759538	262,815	214,36
DONYO COFFEE PRIMARY SCHOOL	EQUITY	0900262571269	489,786	118,36
KWA MUTU SECONDARY SCHOOL	EQUITY	0900273014472	15,871	48,2
MUUMONI PRIMARY SCHOOL	EQUITY	0900265410990	63	6

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MC	Bank	Account Number	Bank Balance 2020/21	Bank Balance 2019/20
NGULUNI TOWNSHIP PRIMARY SCHOOL	EQUITY	0900266142510	153	198,535
KALANDINI PRIMARY SCHOOL	EQUITY	0900262170665	2,441	155,332
DONYO SABUK PRIMARY SCHOOL	EQUITY	0900299360506	101,760	101,760
KIVANI PRIMARY SCHOOL	EQUITY	0900263641552	258,019	258,019
JITHUANI PRIMARY SCHOOL	EQUITY	0900264186783	2,804	224,041
TALA GIRLS SECONDARY SCHOOL	EQUITY	0900266658999	1,267,252	67,432
JINYUI GIRLS SECONDARY SCHOOL	EQUITY	0900297752538	1,664,970	42
MATUNGULU NG-CDF SPORTS	EQUITY	0900277308034	10	54,310
NYELENI POLICE POST	EQUITY	0900272583898	70,724	550,752
NGULUNI AP CAMP	EQUITY	0900272924865	6,265	7,167
TALA POLICE POST	EQUITY	0900272923637	3,298,770	3,319,340
MWATATI PRIMARY SCHOOL	EQUITY	0900265166992	111,516	111,516
KWAKISINGA PRIMARY SCHOOL	EQUITY	0900298580610	103,009	55,595
IDOVOINI PRIMARY SCHOOL	EQUITY	0900276813319	249,715	249,715
METANI PRIMARY SCHOOL	EQUITY	0900293962868	104,119	34,786
MATUNGULU STRATEGIC PLAN	EQUITY	0900276640826	973	973
KINGOTI PRIMARY SCHOOL	EQUITY	0900298671522	571	328,036
AKULUTUINI PRIMARY SCHOOL	EQUITY	0900262676311	66	66
THE SA KATINE SECONDARY SCHOOL	EQUITY	0900266591868	3,631	3,631
ILULUINI PRIMARY SCHOOL	EQUITY	0900264528999	461	461
MUKALWA PRIMARY SCHOOL	EQUITY	0900271104834	(9,853)	(8,657)
MIGALALYA PRIMARY SCHOOL	EQUITY	0900294811646	6,247	6,247
NGOMENI SA PRIMARY SCHOOL	EQUITY	0900262599321	680	680
MWA MUTU PRIMARY SCHOOL	EQUITY	0900294391004	22,182	123
MUKWA TOMBE PRIMARY SCHOOL	EQUITY	0900294525431	193	12,141
NYELENI SECONDARY SCHOOL	EQUITY	0900262584602	70,793	70,793
MITHINI COMMUNITY PRIMARY SCHOOL	EQUITY	0900266397465	14,671	14,671

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PMC	Bank	Account Number	Bank Balance 2020/21	Bank Balance 2019/20
SA KIAMBA MUUMONI SEC SCHOOL	EQUITY	0900264544026	4,550	4,550
SENGANI AIC PRIMARY SCHOOL	EQUITY	0900294041577	1,480	1,480
ST. JOSEPH KETHEKANI SECONDARY SCHOOL	EQUITY	0900263316929		43,133
ST. MARTINS MATUU WENDANO SEC SCHOOL	EQUITY	0900278965287		1,300
KYUMBUNI PRIMARY SCHOOL	EQUITY	0900262570854		180
KAMBUSU PRIMARY SCHOOL	EQUITY	0900294786683		1,620
MWISYANI PRIMARY SCHOOL	EQUITY	0900262568450		25,167
MATHEINI CHIEFS OFFICE	EQUITY	0900279379814		96,800
NZAMBANI PRIMARY SCHOOL	EQUITY	0900263996161		880
KWA KASIVI PRIMARY SCHOOL	EQUITY	0900266397601		160
NZAMBANI CHIEFS CAMP	EQUITY	0900279287907		92,060
KALANDINI SECONDARY SCHOOL	EQUITY	0900277645366		12,800
UAMANI PRIMARY SCHOOL	EQUITY	0900266624763		46,400
KYAMULENDU PRIMARY SCHOOL	EQUITY	0900265993472		120
KYAMULENDU SECONDARY SCHOOL	EQUITY	0900262360981		39,500
KIKAATINI SECONDARY SCHOOL	EQUITY	0900265991300		95,376
KATULUNI SA PRIMARY SCHOOL	EQUITY	0900262589084		5,600
KATULYE SECONDARY SCHOOL	EQUITY	0900294790053		16,000
KAYATTA SECONDARY SCHOOL	EQUITY	900276998561		
MUKENGESYA SECONDARY SCHOOL	EQUITY	900261999009		
SA KINYUI GIRLS HIGH SCHOOL	EQUITY	900297752538		
ST. PHILIPS KAYATTA PRIMARY SCHOOL	EQUITY	900262574106		
KATHEKA PRIMARY SCHOOL	KCB	1109687419		
MBUNI PRIMARY SCHOOL	KCB	1205132724		
KITHUANI PRIMARY SCHOOL	KCB	1109687974		
MATUNGULU GIRLS SCHOOL	KCB	1109688342		
KANTAFU PRIMARY SCHOOL	KCB	1141341991400		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		project is anticipated to be fully complete by 31 <sup>st</sup> August 2019.		
	2. Construction of classrooms at Mbuni Primary school	The classrooms are in construction as at 30 <sup>th</sup> June 2019.	Resolved	
	Unsatisfactory Works-Renovation of classrooms at Ndovoini Primary School	The office has retention funds which is a leverage for correction of the unsatisfactory works	Not Resolved	30 <sup>th</sup> November 2019
	Failure to date and sign bank reconciliation statements	All bank reconciliation documents will be dated and signed appropriately	Resolved	
	Failure to maintain Motor vehicle records	Fuel registers and service log books are being maintained	Resolved	

