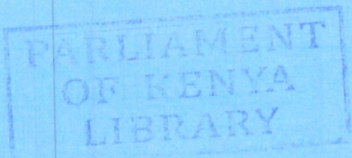
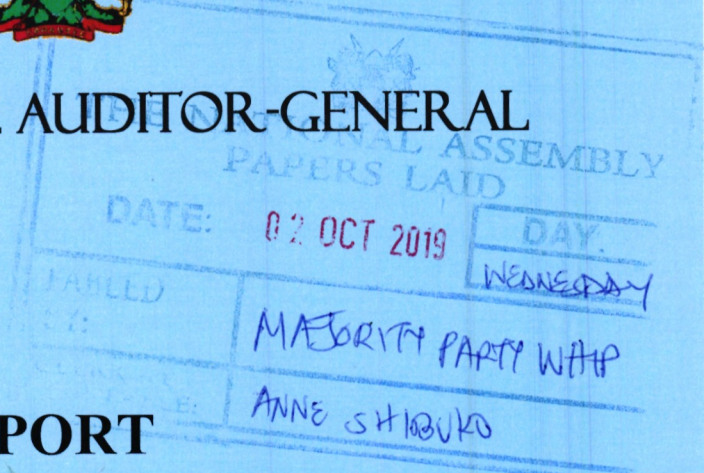


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

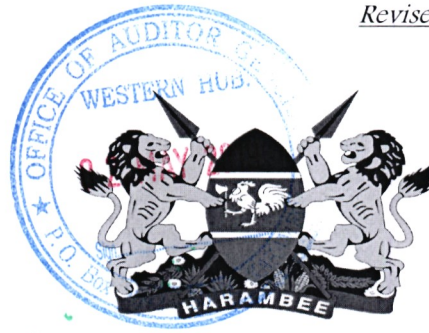
ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MATUNGU CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



Revised Template 30th June 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MATUNGU
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MATUNGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MATUNGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Christine Muyaka
3.	Sub-County Accountant	Lawrence Nyangoto
4.	Chairman NGCDFC	Japhary Nyangweso
5.	Member NGCDFC	James Shiundu

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF MATUNGU Constituency Headquarters

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

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

**Reports and Financial Statements
For the year ended June 30, 2018**

(f) NGCDF MATUNGU Constituency Contacts

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

(g) NGCDF MATUNGU Constituency Bankers

1. EQUITY BANK
MUMIAS BRANCH
A/No: 0680299140869

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

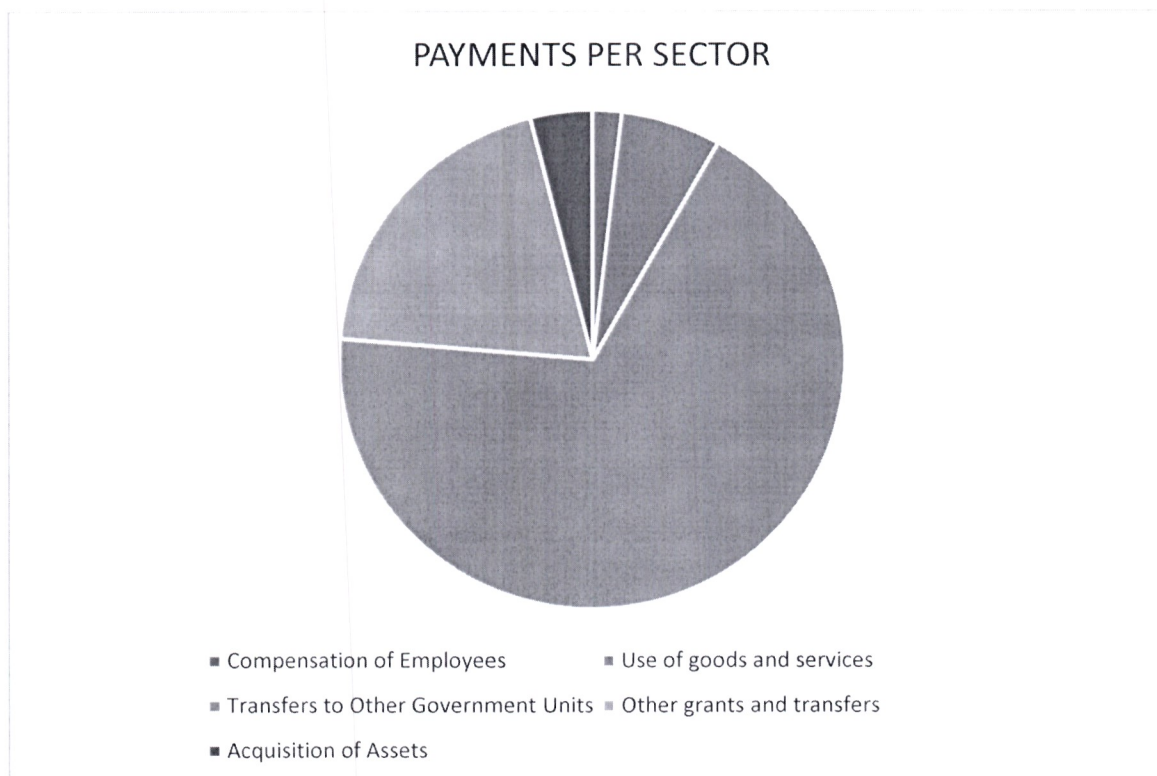
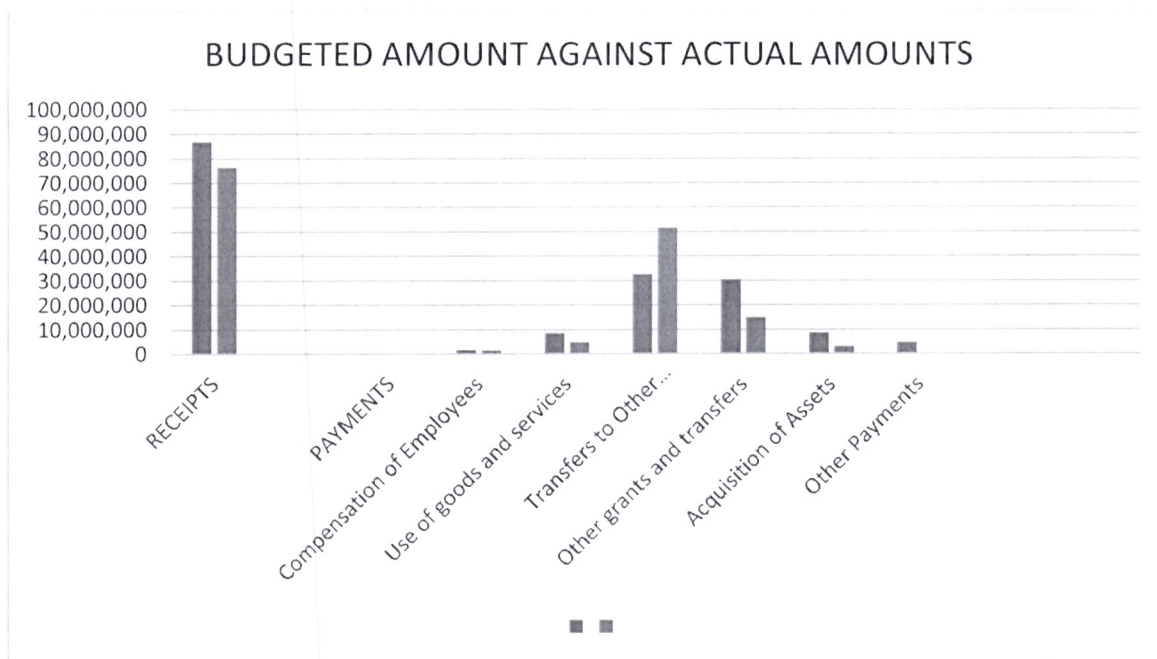


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

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



Key achievements in the FY 2017/18



FIG 1.1: 2NO Classrooms at Ebutaliko Primary School

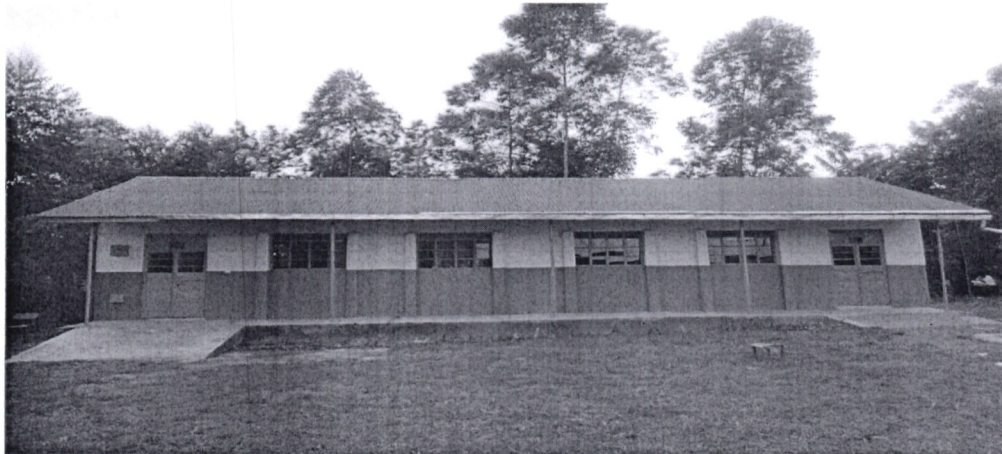


FIG 1.2: 2NO Classrooms at Shiyabo Secondary School



Fig 1.3: Teachers house at Koyonzo Secondary School



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

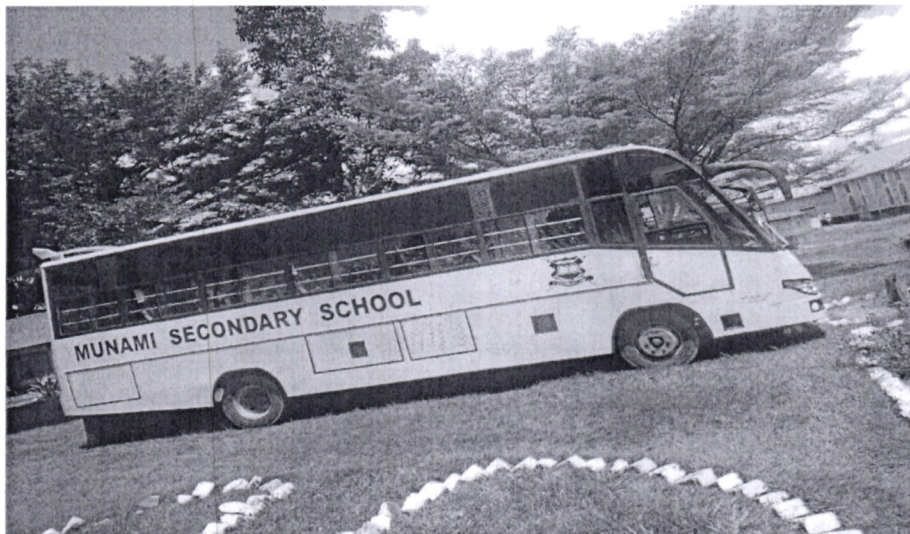


FIG 1.4: 51 Seater School Bus-Munami Secondary School

Implementation challenges


Many schools in the constituency 31 out of 39 are younger than 15 years for secondary schools, and 24 out of 69 for Primary schools. Each therefore is very needy against the limited budget.

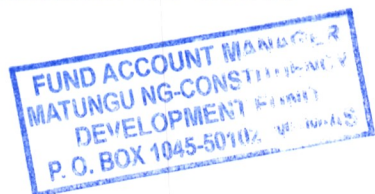
To overcome this, we have embarked on implementation of priority projects in individual schools through public participation.

Most of the schools lack very essential facilities that lead to poor performance. We have initiated very key projects in every ward such as modern Twin Science Laboratory, modern Dormitory, Multipurpose Hall, Modern Administration Block and modern standard classrooms with terrazzo floors.

There are no flagship projects to benefit the whole constituency such as TTI and KMTC. We have budgeted for them in 2018/19 FY.

High demand of bursaries. We have embarked on classification of applicants based on the level of need for effectiveness.


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



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

**Reports and Financial Statements
For the year ended June 30, 2018**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-MATUNGU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MATUNGU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-MATUNGU financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MATUNGU Constituency further confirms the completeness of the accounting records maintained for the NGCDF-MATUNGU, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

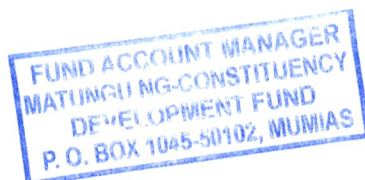
The Accounting Officer in charge of the NGCDF-MATUNGU Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.


Approval of the financial statements

The NGCDF-MATUNGU Constituency financial statements were approved and signed by the Accounting Officer on 25/9/ 2018.



Christine Muyaka
Fund Account Manager





Lawrence Nyangoto
Sub-County Accountant



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Matungu Constituency set out on pages 9 to 37, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Matungu Constituency as at 30 June 2018, 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.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Matungu Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
- Matungu Constituency for the year ended 30 June 2018*

Other Matter

1. Budget Performance and Analysis

The Fund had an approved budget of Kshs.131,160,430 for the year under review. During the same period, the Fund recorded expenditure of Kshs.76,029,999 resulting in an under expenditure of Kshs.55,130,432 or 42% of the budget as analysed below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Budget Under-Absorption (Kshs)	Under Absorption %
Compensation of Employees	2,082,317	1,440,494	641,823	31
Use of goods and services	9,053,114	4,807,607	4,245,507	47
Transfers to Other Government Units	62,000,000	51,700,000	10,300,000	17
Other grants and transfers	32,268,662	14,986,585	17,282,077	54
Acquisition of Assets	9,700,000	3,095,313	6,604,687	68
Other Payments	4,677,027	-	4,677,027	100
Allocation awaiting approval	11,379,310	-	11,379,310	100
Total	131,160,431	76,029,999	55,130,432	42

Failure to utilise funds is an indication that services and approved programs were not delivered, and therefore the budget did not meet the intended objectives of improving delivery of goods and services to the residents of Matungu Constituency.

2. Project Implementation Status

According to the project implementation status report availed for audit review, the Fund budgeted to spend Kshs.98,189,653 to implement forty-nine (49) projects during the year under review. The provided records indicated that thirty (30) projects were complete while nineteen (19) were still on going as shown below.

	Sector	Total Project Cost (Kshs)	Ongoing	Completed	Total	% Of Complete Projects
1	Administration	8,837,068	0	7	7	100%
2	Bursary	21,942,241	0	2	2	100%
3	Education	42,300,000	15	3	18	17%
4	Emergency	5,137,931	0	15	15	100%
5	CDF Offices	15,877,027	3	2	5	40%
6	Environment	1,000,000	0	1	1	100%
7	Sports	1,095,386	0	0	1	0%
8	Security	2,000,000	1	0	1	0%
	Total	98,189,653	19	30	49	61%

Delay in implementation and completion of planned projects may have affected service delivery to the Matungu Constituents.

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. Transfers to Other Government Units

1.1 Namulungu Muslim Secondary School

The transfers to other government units figure of Kshs.51,700,000 includes transfers to secondary schools amount of Kshs.33,100,000 as disclosed in note 6 to the financial statements which in turn includes a transfer of Kshs.1,145,453 to Namulungu Muslim Secondary School on 5 March 2018 for construction of one classroom. The tender for construction of the classroom was awarded to a contractor and the agreement signed on 26 July 2018 and the contract was to take a period of 24 weeks.

Audit verification of the project in March 2019 showed that although the classroom was in use, some works had not been done. The PVC vent with galvanized mosquito gauze wire, painting works (windows, walls), glazing works and ceiling had not been done. In addition, the matching ridge cover had not been done.

In the circumstances the propriety of Kshs.1,145,453 spent on the construction of the classroom for the year ended 30 June 2018 could not be confirmed.

1.2 Koyonzo Special School

Included in the transfers to other government units balance of Kshs.51,700,000 as disclosed in note 6 to the financial statements is transfers to primary schools of Kshs.18,600,000 which in turn includes Kshs.3,000,000 transferred to Koyonzo Special School on 2 May 2018 for completion of two classrooms.

Subsequently a construction company was engaged to do the work of which an amount of Ksh.1,450,000 had been paid as at the time of audit in March 2019. However, the works had not been completed and the following works valued at Kshs.489,000 as per the bills of quantities were still outstanding while the funds were still lying in the account:

No	Activities Not Done	Value (Kshs)
1	Plinth finishes	35,100
2	Vents & painting works on metal surfaces of walls	38,500
3	Glazing	21,000
4	Painting of windows & window sills	9,400
5	Painting and glazing of doors	29,195
6	Plastering of floors and walls	111,630
7	Ceiling finishes	149,175
8	Blackboard fitting & painting	28,900
9	Electrical works	70,000
	Total	489,000

In the circumstances the propriety and effectiveness in use of public resources in respect of the transfer of Kshs.3,000,000 for the year ended 30 June 2018 could not be confirmed.

2. Purchase of Land for Schools

Included in the transfers to other government units reflects a figure of Kshs.51,700,000 is transfers to secondary schools of Kshs.33,100,000 as disclosed in note 6 to the financial statements which in turn includes a transfers of Kshs.3,000,000 each to Eshibanze Secondary School and Mungore Secondary School and which further includes Kshs.1,000,000 for purchase of 1 acre of land for each of the two schools. However, the ownership documents, search certificates, valuation reports and sale agreements for the land acquired were not availed for audit review.

Consequently, the propriety of Kshs.2,000,000 incurred on purchase of land could not be confirmed for the year ended 30 June 2018.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, 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 the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi


23 August 2019

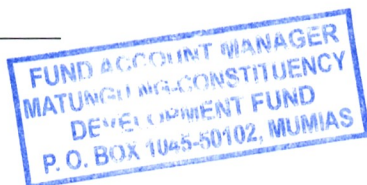
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**


V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	76,375,947	110,956,094
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	117,000	-
TOTAL RECEIPTS		76,492,947	110,956,094
PAYMENTS			
Compensation of employees	4	1,440,494	3,959,780
Use of goods and services	5	4,807,607	5,787,885
Transfers to Other Government Units	6	51,700,000	73,800,000
Other grants and transfers	7	14,986,585	28,300,009
Acquisition of Assets	8	3,095,313	-
Other Payments	9	-	-
TOTAL PAYMENTS		76,029,999	111,847,674
SURPLUS/DEFICIT		462,948	(891,581)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on 25/9/2018 2018 and signed by:


Christine Muyaka
Fund Account Manager





Lawrence Nyangoto
Sub-County Accountant

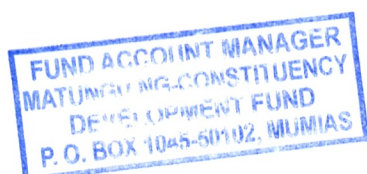
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	579,487	2,518
Cash Balances (cash at hand)	10B	-	-
Total Cash and cash Equivalents		579,487	2,518
Current Receivables -Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		579,487	2,518
FINANCIAL LIABILITIES			
Accounts Payables - Retention	12	114,021	-
NET FINANCIAL ASSETS		465,466	2,518
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,518	894,099
Surplus/Deficit for the year		462,948	(891,581)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		465,466	2,518

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on 25/9/ 2018 and signed by:


Christine Muyaka
Fund Account Manager




Lawrence Nyangoto
Sub-County Accountant

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MATUNGU CONSTITUENCY

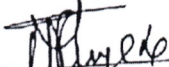
Reports and Financial Statements

For the year ended June 30, 2018


V. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	76,375,947	110,956,094
Other Receipts	3	117,000	-
		76,492,947	110,956,094
Payments for operating expenses			
Compensation of Employees	4	1,440,494	3,959,780
Use of goods and services	5	4,807,607	4,153,885
Transfers to Other Government Units	6	51,700,000	73,800,000
Other grants and transfers	7	14,986,585	28,300,009
Other Payments	9	-	1,634,000
		72,934,686	111,847,674
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		3,558,261	(891,581)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	2,981,292	-
Net cash flows from Investing Activities		2,981,292	-
NET INCREASE IN CASH AND CASH EQUIVALENT		576,969	(891,581)
Cash and cash equivalent at BEGINNING of the year	13	2,518	894,099
Cash and cash equivalent at END of the year		579,487	2,518

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUNGU Constituency financial statements were approved on 25/9/ 2018 and signed by:


Christine Muyaka
Fund Account Manager

**FUND ACCOUNT MANAGER
MATUNGU NG-CONSTITUENCY
DEVELOPMENT FUND
P. O. BOX 1045-50102, MUMIAS**


Lawrence Nyangoto
Sub-County Accountant

Reports and Financial Statements
For the year ended June 30, 2018

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	44,350,085	131,160,430	76,375,947	54,784,483	58.2%
Proceeds from Sale of Assets	-	-	-	117,000		
Other Receipts – AIA	-	-	-	-		
TOTAL RECEIPTS	86,810,345	44,350,085	131,160,430	76,492,947	54,784,483	58.3%
PAYMENTS						
Compensation of Employees	1,752,000	330,317	2,082,317	1,440,494	641,823	69.2%
Use of goods and services	8,560,931	492,183	9,053,114	4,807,607	4,245,507	53.1%
Transfers to Other Government Units	32,700,000	29,300,000	62,000,000	51,700,000	10,300,000	83.4%
Other grants and transfers	30,420,387	1,848,275	32,268,662	14,986,585	17,282,077	46.4%
Acquisition of Assets	8,700,000	1,000,000	9,700,000	3,095,313	6,604,687	31.9%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
Allocation awaiting approval	-	11,379,310	11,379,310	-	11,379,310	0.0%
TOTAL	86,810,345	44,350,085	131,160,430.64	76,029,999	55,130,432	58.0%

**Reports and Financial Statements
For the year ended June 30, 2018**


Reasons for utilization below 90%

- i. *Underutilization of Transfers from the NGCDFB is due to the fact that the fund hasn't yet fully received all transfers from the Board for the FY 2017/18.*
- ii. *Underutilization of Compensation of Employees is due to the fact that the fund has only received half of the allocation from the Board for the FY 2017/18.*
- iii. *Underutilization of Use of goods and services includes 2,500,000 for preparation of 5yr strategic plan and the fund hasn't received funds from the Board.*
- iv. *Underutilization of Transfers to Other Government Units is due to the fact that the fund had not received the entire funding for FY 2017/18.*
- v. *Underutilization of Other grants and transfers is due to the fact that not received the entire funding for FY 2017/18.*
- vi. *Underutilization of acquisition of assets is for purchase of CDF Motor vehicle and the fund hasn't received funds from the Board.*
- vii. *Underutilization of Other Payments is for Constituency Innovation Hubs which the fund hasn't received funds from the Board.*

N/B: Allocation awaiting approval refers to the additional project proposal of 11,379,310 submitted on 31st May 2018 pending approval.

The changes between the original and final budget is as a result of AIEs for 15/16 and 16/17 of Ksh. 2,022,500 and 30,948,275 respectively was received in 2017/18 and the additional budget for 17/18 proposal of Kshs. 11,379,310 had not been approved.

The NGCDF-MATUNGU Constituency financial statements were approved on 25/9/ 2018 and signed by:


Christine Muyaka
Fund Account Manager


Lawrence Nyangoto
Sub-County Accountant



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

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-MATUNGU Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



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

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-18 Kshs	2016 - 2017 Kshs
Normal Allocation	A855931	5,500,000.00	
	A892600	30,948,275.10	
	A892674	2,022,500.00	
	A896769	37,905,172.00	
	A825876		60,007,817.00
	A829925		4,094,827.60
	A855062		36,853,449.00
	A839689		10,000,000.00
Conditional grants	AIE NO...		
Receipt from other Constituency			
TOTAL		76,375,947	110,956,094

2. PROCEEDS FROM SALE OF ASSETS

Description		2017-18 Kshs	2016 - 2017 Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
TOTAL		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2017-18 Kshs	2016 - 2017 Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	117,000	-
Other Receipts Not Classified Elsewhere (specify)	0	-
TOTAL	117,000	-

4. COMPENSATION OF EMPLOYEES

Description	2017-18 Kshs	2016 - 2017 Kshs
Basic wages of contractual employees	1,043,290	3,864,620
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	117,583	95,160
Gratuity-contractual employees	279,620	-
TOTAL	1,440,494	3,959,780

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017-18	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	70,000	223,440.00
Electricity	38,038	-
Water & sewerage charges	13,834	-
Office rent	-	-
Communication, supplies and services	197,220	-
Domestic travel and subsistence	143,200	-
Printing, advertising and information supplies & services	432,060	270,000
Rentals of produced assets	-	-
Training expenses	492,600	-
Hospitality supplies and services	-	-
Other committee expenses	208,500	- 3,754,000
Committee allowance	2,727,500	-
Insurance costs	0	919,000
Specialised materials and services	0	-
Office and general supplies and services	180,200	616,000
Fuel , oil & lubricants	0	-
Other operating expenses	300000	-
Bank service commission and charges	4,455.00	5,445
Security operations	0	-
Routine maintenance - vehicles and other transport equipment	0	-
Routine maintenance- other assets	-	-
TOTAL	4,807,607	5,787,885



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-18 Kshs	2016 - 2017 Kshs
Transfers to Primary schools	18,600,000	25,000,000
Transfers to Secondary schools	33,100,000	43,800,000
Transfers to Tertiary institutions	0	5,000,000
Transfers to Health institutions	0	-
TOTAL	51,700,000	73,800,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017-18 Kshs	2016 - 2017 Kshs
Bursary -Secondary	8,380,760	12,861,550
Bursary -Tertiary	2,355,825	7,311,000
Bursary-Special schools	-	-
Mocks & CAT	-	1,100,000
Water	-	-
Food security	-	-
Electricity	-	-
Security	1,600,000	-
Roads and Bridges	-	-
Sports	-	530,000
Environment	-	476,433
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	2,650,000	6,021,026
TOTAL	14,986,585	28,300,009

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2017-18	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	2,499,913	-
Purchase of Vehicles	0	-
Purchase of Bicycles & Motorcycles	0	-
Overhaul of Vehicles	0	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipment	369,000	-
Purchase of photocopier	0	-
Purchase of other office equipment	226,400	-
Purchase of soft ware	0	-
Acquisition of Land	0	-
TOTAL	3,095,313	-

9 Other Payments

Capacity Building	-	-
specify	-	-
specify	-	-
TOTAL	-	-

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2017-18	2016 - 2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank, Mumias Branch . Matungu NG-CDF A/C NO. 0680299140869</i>		579,487	2,518

10B: CASH IN HAND)

	2017-18	2016 - 2017
	Kshs	Kshs (30/6/2017)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken Kshs</i>	<i>Amount Surrendered Kshs</i>	<i>Balance (30/6/2018) Kshs</i>
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

12. RETENTION

<i>Supplier/Contractor</i>	<i>PV No.</i>	<i>2017-18 Kshs</i>	<i>2016 - 17 Kshs</i>
Ngarwe Building Contractors	110	114,021	-
TOTAL		114,021	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	<i>2017-18 Kshs (1/7/17)</i>	<i>2016 - 2017 Kshs (1/7/16)</i>
Bank accounts	2,518	894,099
Cash in hand	-	-
Imprest	-	-
TOTAL	2,518	894,099

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017-18	2016 - 2017
	Kshs	Kshs
Bank accounts		
Cash in hand	-	-
Imprest	-	-
TOTAL	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017-18	2016 - 2017
	Kshs	Kshs
Construction of buildings	2,000,000	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	2,000,000	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2017-18	2016 - 2017
	Kshs	Kshs
Senior management		
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-18	2016 - 2017
	Kshs	Kshs
Compensation of employees	961,647	-
Use of goods and services	5,206,939	-
Amounts due to other Government entities (see attached list)	19,900,000	-
Amounts due to other grants and other transfers (see attached list)	17,687,249	-
Acquisition of assets	6,814,107	-
Others (AIA)	4,677,027	-
TOTAL	55,246,969	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATUNGU CONSTITUENCY
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	24,655,819.43	1,711,822.28
	24,655,819.43	1,711,822.28

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. CDF Office Block	2,182,145	2012	182,145	2,000,000		Pending debt on industrial materials supplied on CDF office Block
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total	2,182,145	2012	182,145	2,000,000		

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



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

Name	Brief Transaction Description	Outstanding Balance 2017/18	Bal c/f 2017/18	Comments
Amounts due to other Government entities				
1.	Primary Schools	4,600,000	0	
2.	Secondary Schools	15,300,000	0	
	Sub-Total	19,900,000	0	
Amounts due to other grants and other transfers				
3.	Security Projects	2,000,000	0	
4.	Bursary Fund	10,942,241	11,690	
5.	Environmental Projects	1,000,000	0	
6.	Sports Activities	1,095,387	0	
7.	Emergency Funds	2,632,759	5,172	
	Sub-Total	17,670,387	16,862	
8.	Use of Goods and Services	4,899,893	307,046	
9.	Compensation of Employees	937,176	24,471	
	Sub-Total	5,837,069	331,517	
10.	Acquisition of Assets	6,700,000	114,107	
11.	Other Payments	4,677,027	-	
	Sub-Total	11,377,027	114,107	
	Grand Total	54,784,483	462,486	



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	2016/17	2017/18			(Kshs)	2017/18
Land	0	0	0	0	0	0
Buildings and structures	18,000,000.00	2,499,913.00	2,499,913.00	0	20,499,913	20,499,913
Transport equipment	0	0	0	0	0	0
Office equipment, furniture and fittings	0	0	0	0	0	0
ICT Equipment, Software and Other ICT Assets	690,000.00	369,000.00	369,000.00	0	1,059,000	1,059,000
Other Machinery and Equipment	616,000.00	226,400.00	226,400.00	0	842,400	842,400
Heritage and cultural assets	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0
Total	19,306,000	3,095,313	3,095,313		22,401,313.00	22,401,313.00

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

A/C NUMBER	PMC NAME	BANK BALANCE 2017/18	BANK BAL 2016/17
680260797357	BULANDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	129,055.50	26,462.50
680293183001	BULIMBO PRIMARY SCHOOL	7,802.00	14,802.00
680299832978	BULONGA PRIMARY SCHOOL CDF PROJECT ACCOUNT	1,830.00	1,830.00
680294186889	BUSOMBI MUSLIM SECONDARY SCHOOL	878.15	878.15
680294187720	BUSOMBI PRIMARY SCHOOL	2,642.38	2,642.38
680297518622	CHIBANGA PRIMARY SCHOOL	4,803.85	8,183.90
680193218674	EBUBAMBULA PRIMARY SCHOOL	4,464.95	8,464.95
680265127457	EBUSAMBE PRIMARY ACHOOL - CDF PROJECT	700,525.00	525
680299267935	EBUSAMBE SECONDARY SCHOOL CDF PROJECT	742.85	742.85
680294289555	EBUTALIKO PRIMARY SCHOOL CDF PROJECT	409,114.00	8,423.00
680294295611	EJINJA MIXED DAY SECONDARY SCHOOL	724.00	63,164.00
680264282155	EJINJA PRIMARY SCHOOL CDF PIC ACCOUNT	697,995.10	1,755.50
680298971186	EMAKALE PRIMARY SCHOOL-CDF ACCOUNT	5,332.50	10,332.50
680299843789	EMANANI PRIMARY SCHOOL CDF PROJECT ACCOUNT	1,860.00	1,860.00
680298163925	EMUBERI PRIMARY SCHOOL	878.00	75,988.00
680299679677	ESHIBANZE MUSLIM MIXED SECONDARY SCHOOL CDF PROJECT ACCOUNT	1,973,974.35	1,814.35
680260748181	ESHIBANZE PRIMARY SCHOOL CDF ACCOUNT	700,617.00	617
680264348817	ESHIKHONDI PRIMARY SCHOOL - CDF PROJECT ACCOUNT	4,495.00	8,495.00
680298466211	ESHIKONDI SECONDARY SCHOOL	28,425.00	28,425.00
680293439159	ESHIRUMBWE PRIMARY SCHOOL CDF PROJECT	701,601.25	1,601.25
680263751723	HARAMBEE POLICE CDF PROJECT ACCOUNT	680.00	680
680299635258	IKULU MWOYO PRIMARY SCHOOL CDF PROJECT ACCOUNT	865.00	865
680261352385	INDANGALASIA PRIMARY SCHOOL	707,616.00	14,616.00
680299199504	INDANGALASIA SUB-LOCATION AP POST-CDF PROJECT ACCOUNT	255.00	255
680298963957	ITETE PRIMARY SCHOOL-CDF PROJECT ACCOUNT	707,247.50	16,417.50
680294214553	KADIMA PRIMARY SCHOOL CDF PROJECT	317.00	317
680297143120	KANDAI PRIMARY SCHOOL	3,905.00	7,405.00

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680293135078	KHABUKOSHE PRIMARY SCHOOL	507.20	507.2
680299835470	KHALABA PRIMARY SCHOOL CDF PROJECT ACCOUNT	905.00	45,015.00
680298779502	KOYONZO GIRLS SECONDARY SCHOOL	12,241.20	115,713.20
680293951883	KOYONZO MIXED SECINDARY SCHOOL	8,497.35	8,497.35
680264323104	KOYONZO PRIMARY SCHOOL CDF PROJECT ACCOUNT	4,025.00	8,025.00
680270336618	KOYONZO SPECIAL SCHOOL FOR THE VISUALLY IMPAIRED - CDF ACCOUNT	3,000,495.00	16,605.00
680295751340	LUBANGA AC PRIMARY SCHOOL CDF PROJECT	251.00	136
680299859513	LUNGANYIRO PRIMARY SCHOOL CDF PROJECT ACCOUNT	218,211.00	43,440.00
680293754860	LUNGANYIRO YOUTH POLYTECHNIC	306.00	306
680293145780	MAKOKHWE PRIMARY SCHOOL	945.00	945
680299608063	MAKOKHWE SECONDARY SCHOOL CDF PROJECT ACCOUNT	73.10	38,375.00
680294215084	MAKUNDA PRIMARY SCHOOL	34,692.00	134,802.00
680294284402	MAKUNDA SECONDARY SCHOOL	3,001,706.80	2,036.80
680299466748	MALANGA PRIMARY SCHOOL CDF PROJECT ACCOUNT	5,738.75	10,738.75
680299432951	MARINDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	25.00	25
680299054488	MARY SEAT OF WISDOM BULIMBO GIRLS SECONDARY-CDF PROJECT ACCOUNT	319.50	12,819.50
680293869150	MATUNGU CDF OFFICE PROJECT	2,529.40	2,529.40
680294211900	MATUNGU PRIMARY SCHOOL	8,348.50	16,953.50
680265113188	MATUNGU SPECIAL PRIMARY SCHOOL - CDF PROJECT ACCOUNT	1,457.50	1,457.50
680294206688	MATUNGU SUB DISTRICT HOSPITAL-CDF PROJECT ACCOUNT	325.55	325.55
680299501021	MAYONI PRIMARY SCHOOL CDF PROJECT ACCOUNT	85,346.00	34,688.00
680293403940	MIRERE PRIMARY SCHOOL ECONOMIC STIMULUS ACTIVITY ACCOUNT ESAC	180.00	180
680293184339	MUKHWEYA PRIMARY SCHOOL	1,657.50	1,657.50
680293988165	MUKUNYUKU PRIMARY SCHOOL CDF PROJECT	1,780.00	1,780.00
680299001218	MUNAMI PRIMARY SCHOOL-CDF PROJECT ACCOUNT	1,201,875.50	1,875.50
680293084424	MUNAMI SECONDARY SCHOOL CDF PROJECT	9,122.00	18,122.00
680295503640	MUNANGA PRIMARY SCHOOL	8,116.00	15,116.00

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680299834930	MUNGAKHA 'W' PRIMARY SCHOOL PMC CDF PROJECT ACCOUNT	157.70	157.7
680293125989	MUNGORE PRIMARY SCHOOL	17,551.00	34,551.00
680293920309	MUNGUNGU DISPENSARY	635.30	635.3
680270428139	MUSANGO PRIMARY SCHOOL	3,830.00	6,830.00
680298172762	MWIRA PRIMARY SCHOOL	805,165.00	10,385.00
680295414357	NAMALASIRE PRIMARY SCHOOL-CDF PROJECT	708,386.35	16,386.35
680294730867	NAMALASIRE SECONDARY SCHOOL	3,464.00	6,464.00
680262649166	NAMALENJE PRIMARY SCHOOL - CDF PROJECT ACCOUNT	6,425.00	12,425.00
680297186807	NAMAMALI MUSLIM PRIMARY SCHOOL	4,700.00	7,200.00
680294181177	NAMAMBA DAY MIXED SECONDARY SCHOOL	3,944.40	7,444.40
680299828483	NAMAMBA PRIMARY SCHOOL CDF PROJECT ACCOUNT	233.00	233
680297203200	NAMANGA PRIMARY SCHOOL	684,416.00	746
680299518761	NAMASANDA HEALTH CENTRE	1,586.50	1,586.50
680299895924	NAMASANDA PRIMARY SCHOOL CDF PROJECT ACCOUNT	450.00	450
680261567972	NAMBEREKENYA PRIMARY SCHOOL-CDF ACCOUNT	5,412.25	10,412.25
680260715868	NAMBEREKEYA SECONDARY SCHOOL CDF ACCOUNT	839,214.75	77,214.75
680263391507	NAMULUNGU DISPENSARY CDF PROJECT ACCOUNT	298.55	22,518.55
680269921965	NAMULUNGU MUSLIM SECONDARY SCHOOL - CDF PROJECT	252,303.40	4,640.00
680262631133	NAMULUNGU SECONDARY SCHOOL - CDF PROJECT ACCOUNT	7,102.00	14,432.00
680299576693	NANYENI PRIMARY SCHOOL CDF PROJECT	6,977.00	12,977.00
680293276852	NGAIRWE PRIMARY SCHOOL ECONOMIC STIMULUS ACTIVITY ACCOUNT	183,258.00	2,025.00
680298601149	NGAIRWE SECONDARY SCHOOL-CDF PROJECT	2,599.00	2,599.00
680297132005	NYABULA PRIMARY SCHOOL	121.65	121.65
680270176427	NYAPORA PRIMARY SCHOOL CDF PROJECT	158.35	137.75
680261547620	NYAPWAKA PRIMARY SCHOOL-CDF ACCOUNT	226,781.00	13,265.00
680262643364	S.D.A. MATUNGU SECONDARY SCHOOL - CDF PROJECT ACCOUNT	3,787.60	8,172.60
680294327634	SAYANGWE PRIMARY SCHOOL	702,271.00	4,271.00
680260665059	SHIYABO PRIMARY SCHOOL CDF ACCOUNT	362.50	692.5



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680294181162	ST CHARLES KHALABA SECONDARY SHCOOL	801,195.00	1,195.00
680293043463	ST JOHNS MUKHWEYA SECONDARY SCHOOL	45.00	45
680294522864	ST JOSEPH INDANGALASIA	268.00	268
680294323955	ST TERESA ITETE SECONDARY	3,080,615.50	0
680293398246	ST. EMMANUEL LUTASIO PRIMARY SCHOOL	701,943.10	1,943.10
680266541157	ST. FRANCIS SHIYABO SECONDARY SCHOOL - CDF PROJECT ACCOUNT	314,936.00	1,290.00
680266539458	ST. MARY'S NAMASANDA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	317,916.00	5
680294242047	ST.CHARLES LUNGANYIRO GIRLS SECONDARY SCHOOL-CDF PROJECT ACCOUNT	10,915.00	20,915.00
680266553200	ST.EMMANUEL LUTASIO SECONDARY SCHOOL CDF PROJECT ACCOUNT	1,085.00	1,085.00
680294214707	ST.LUKES KHABUKOSHE MIXED SECONDARY SCHOOL-CDF PROJECT ACCOUNT	2,115.00	26,660.00
680299878362	ST.MATHIAS KHOLERA BOYS SECONDARY SCHOOL-CDF PROJECT ACCOUNT	3,612.30	212,832.30
680298990027	ST.MATHIAS KHOLERA PRIMARY SCHOOL-CDF PROJECT ACCOUNT	2,343.75	2,343.75
680298356381	ST.MICHAELS ESHIRUMBWE SECONDARY SCHOOL	91,321.00	124,947.00
680299426336	ST.PAULS EJINJA PRI.SCH.CDF PROJECT ACCOUNT	12,400.00	24,400.00
680263495304	ST.PETERS LUBANGA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	1,745.00	62,855.00
680262706551	ST.STEPHEN MUNGAKHA SECONDARY SCHOOL - CDF PROJECT ACCOUNT	1,419.00	103,639.00
680297127052	SUWO PRIMARY SCHOOL	1,801.25	1,801.25
680297274617	WAMUKOYA MUSLIM PRIMARY	430,229.00	6,390.00
	TOTAL	24,655,819.43	1,711,822.28

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
WAK/C/IN/SP/9/23	The reported amount for compensation of Employees of Kshs 2,394,560.00 do not agree with the totals supporting the schedules of 2,211,260.00 resulting into a difference of 183,300.00 as overstatement.	Find attached herewith updated schedules that had hitherto been attached to the financial statements submitted to yourselves but temporarily unavailable during the audit exercise.	FAM	Resolved	Already solved
	The financial statements show the total expenses as at 30th June 2015 as Kshs. 136,381,659.00 whereas the schedules availed show the amount is 133,857,266. The schedules provide don't have all payments and are understated BY Kshs. 2,524,393.00.	Find attached herewith updated schedules that had hitherto been attached to the financial statements submitted to yourselves but temporarily unavailable during the audit exercise.	FAM	Resolved	Already solved
	The financial statements for the year ended 30th June 2015 shows outstanding imprest balance of Kshs 727,500 which has been outstanding since the previous year. It was not explained why the imprest has not been surrendered since. Further, the imprest is not included in the statement of financial assets rendering the statements not fairly stated	The imprest amount indicated has been fully surrendered and was included in the financial statements. Kindly refer to note 15 of the Statements for confirmation. Under the statement of financial assets, the imprest is captured as part of the balance brought forward.	FAM	Resolved	Already solved
	The statement of receipts and	Find annexed (annex 4)	FAM	Resolved	Already solved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>payments shows acquisition of assets as Kshs. 800,000.00 while payment vouchers verified had Kshs 2,408,774.00 leading to a variance of Kshs. 1,608,774.00. It was further noted that the said acquisitions were not updates in the assets register. Further, there were no ownership documents for the land on which the CDF offices have been constructed thus the right to ownership could not be confirmed.</p>	<p>of the financial statements an updated summary of the fixed asset registry detailing purchase of photocopier machine, desktop computers and laptops that totaled to 800,000.00 as indicated in the schedules and Financial statements. Further, the land on which the CDF building has been constructed was allocated to the Deputy County commissioner by the defunct Butere -Mumias county council. Attached herewith however, find a letter from the Assistant Sub-County Commissioner detailing the ownership of the said parcel of land.</p>			

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