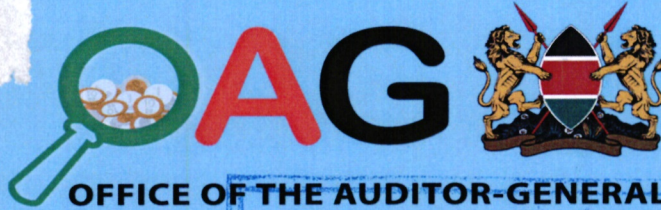


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY

DATE: 20 JUL 2023

DAY

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OF KENYA
LIBRARY

REPORT

BY:

CLERK AT

THE OFFICE:

OF

BY: NAOMI WAGG, MP
Deputy Majority Whip
Enlaye Mutukhi

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

31 MAY 2023

RECEIVED



MATUNGULU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

Matungulu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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I. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NGCDF) formerly Constituencies Development Fund (CDF), is established under the NGCDF 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, NGCDF 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 NGCDF 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;

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- 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 Socioeconomic development countrywide

Mission

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

Core Values

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

Functions of NGCDF Committee

The functions of the NGCDF 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 30th June 2022 and who had direct fiduciary responsibility were:

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No	Designation	Name
1.	A.I.E holder	John Munyau
2.	Sub-County Accountant	Susan Muthoni Kabiro
3.	Chairman NGCDFC	Pius Nzomo Wambua
4.	Member NGCDFC	Simon Ndolo

(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) Matungulu Constituency NGCDF Headquarters

P.O. Box 631-90131 Matungulu
Matungulu NGCDF Building
Kangundo Road/Nairobi Highway
TALA, KENYA

(f) Matungulu Constituency NGCDF Contacts

Telephone: (254) 704399179
E-mail: cdfmatungulu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) MATUNGULU Constituency NGCDF Bankers

Equity Bank
Account number: 0900261817477
P.O Box 343-90131
Kangundo Road/Nairobi Highway
Tala, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

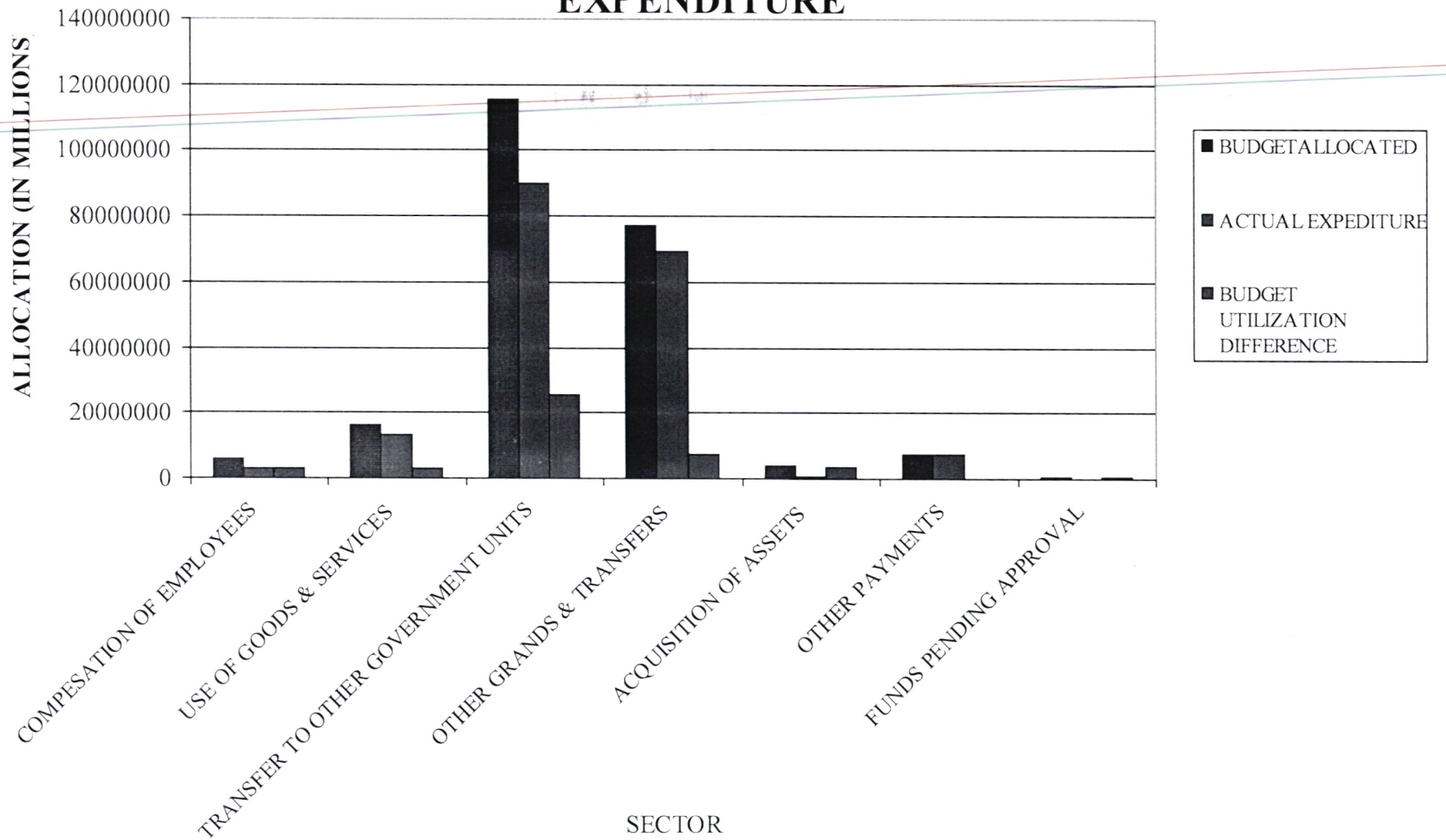
II. NG-CDFC Chairman's Report



David Kilonzo Mbuvi – Matungulu NGCDFC Chairman

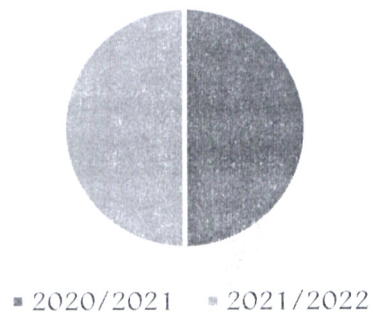
The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

SUMMARY OF ALLOCATION AGAINST SECTOR EXPENDITURE



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

**FY 2020/2021 ALLOCATION AGAINST FY
2021/2022 ALLOCATION**



Key

Orange-FY 2020/2021 Allocation (Ksh. **137,088,879**)

Blue -FY 2021/2022 Allocation (Ksh. **137,088,879**)

The allocations remained the same for both years.

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

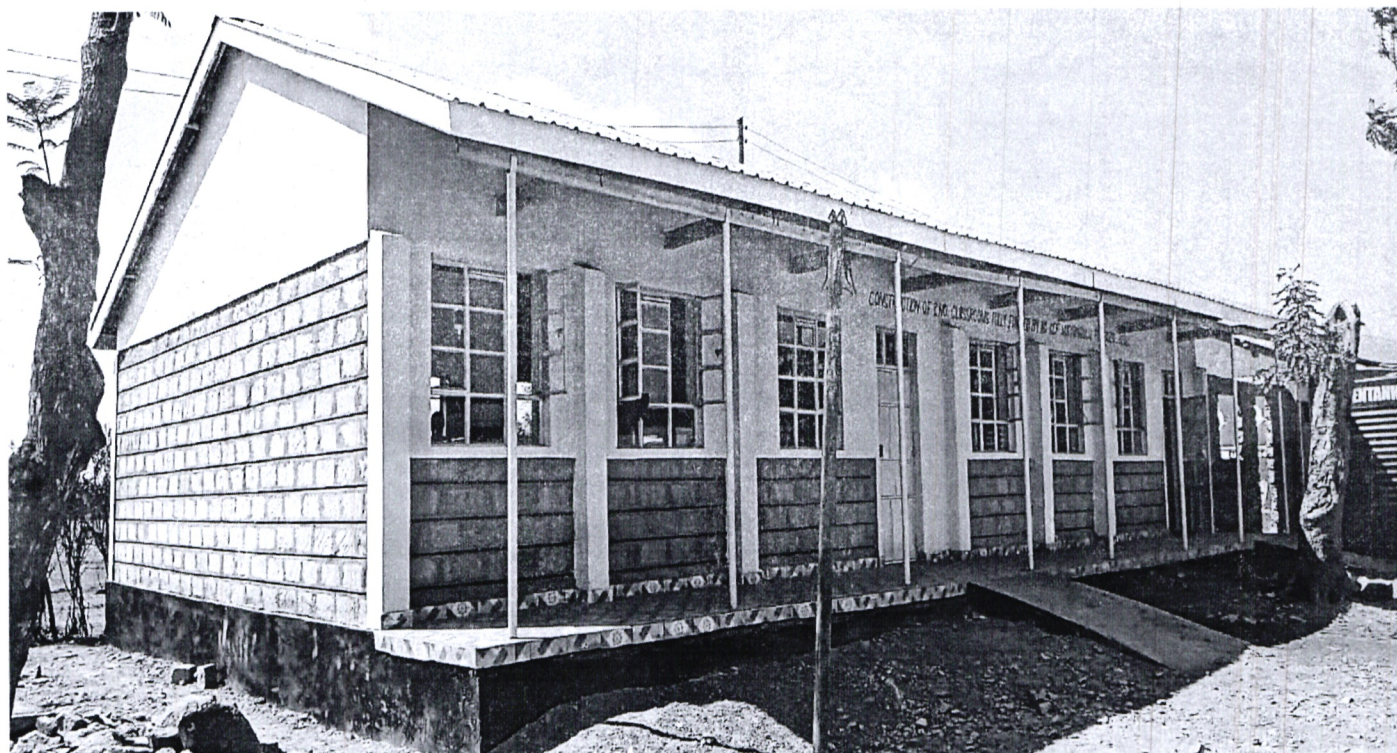


Figure 1: Construction of 2 classrooms at Kyaume Secondary School



Figure 2: Construction of 2 no Classrooms at Syumbuni Primary School



Figure 3: Renovation of Matungulu Subcounty Education office

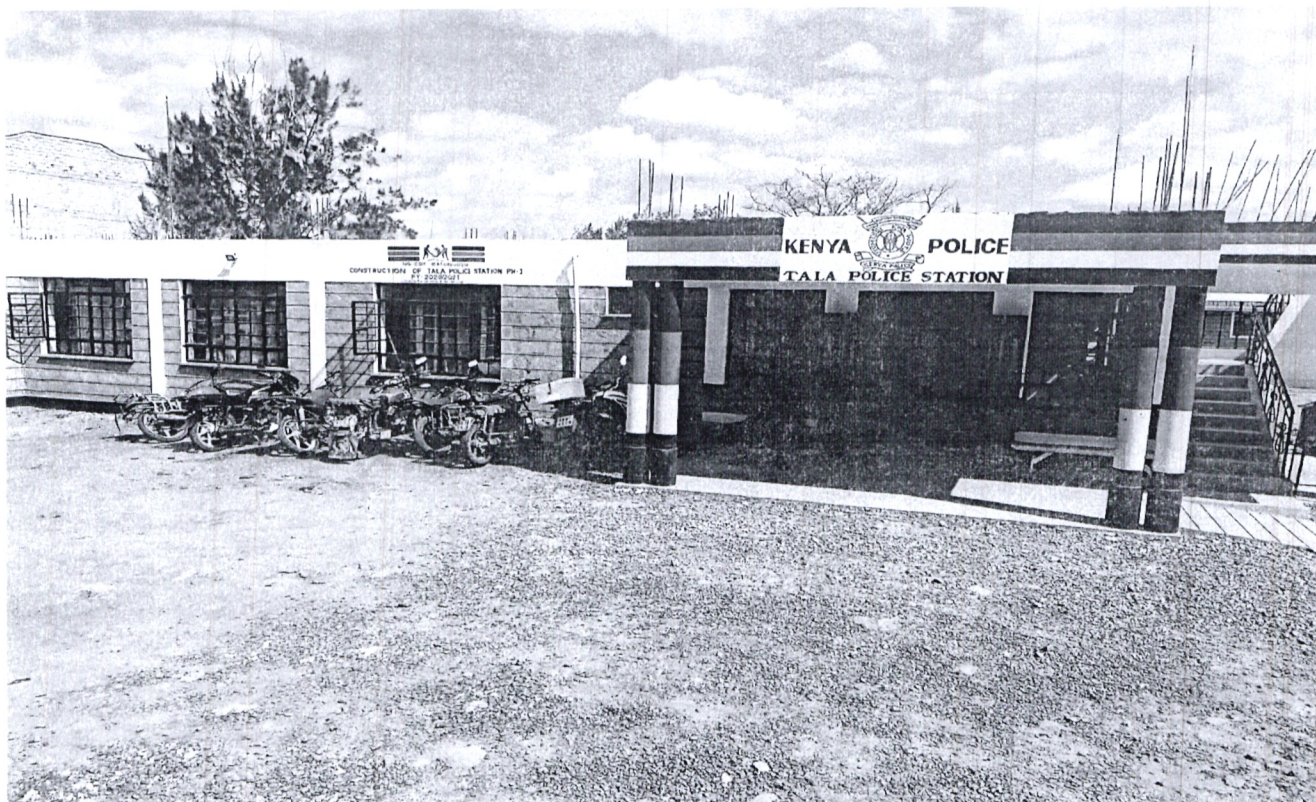


Figure 4: Construction of Tala Police Station

The NGCDF Matungulu received an allocation of Kshs. 137,088,879 for the year which has been used to fund various projects within the constituency, though the funds have not been disbursed in whole.



.....
Name Pius Nzomo Wambua
Chairman NGCDF Committee

III. Statement of Performance against Predetermined Objectives for FY 2021/2022

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 socioeconomic 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	In FY 2021/2022 We constructed 24 classrooms and improved the condition of 6 classrooms in different institutions. Increase in the number of Bursary

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			number of bursary beneficiaries.	Beneficiaries to 5310
Security	To Increase Investments in security infrastructure	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Construction of two Police Posts and 3 chiefs offices
Environment	To promote environmental sustainability in the constituency	Supply and installation of tanks in institutions, landscaping to minimize soil erosion	Reduction in soil erosion.	Supplied and installed Two plastic water tanks and landscaping of Two institutions.
Sports	To harness talent and empower youth	Reduced dependence and spur economic growth through sports	Number of youth groups benefiting from the sports programme	Number of youth groups benefiting from the sports programme increased from 17 teams
Disaster Management	To cater for any unforeseen occurrences in the constituency	Reduce loss of live and properties	Number of staircases and rumps put in place.	Construction of structures with spacious staircases and Rumps to enable easier exit in case of an emergency

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

To ensure sustainability of Matungulu NGCDF, the committee funds the following key sectors with the following sustainable priorities.

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Matungulu Constituency NGCDF has often every financial year organized sports tournaments to help in bringing up talents of the youth and giving them a platform where different teams nationwide can see their talents.
- There has also been construction of student water points and carrying out those activities that helps in keeping the environment clean such as cleaning the school compound.

3. Employee welfare

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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


.....
Name: John Munyau
Fund Account Manager



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, 2022. 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Matungulu Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Matungulu Constituency financial statements were approved and signed by the Accounting Officer on 28/7/2022 2022.

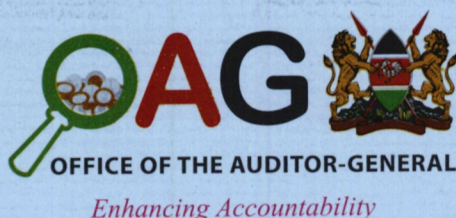
.....

Name: **Pius Nzomo Wambua**
Chairman – NGCDF Committee

.....

Name: **John Munyau**
Fund Account Manager



REPUBLIC OF KENYA



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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-MATUNGULU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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 1 to 39 which comprise of the statement of assets and liabilities as at 30 June, 2022, the statement receipts and payments, statement of cash flows and the summary statement

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Matungulu Constituency as at 30 June, 2022, 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

Unconfirmed Assets Balance

The summary of fixed asset register as disclosed in Annex 4 to the financial statements reflect fixed assets balance of Kshs.16,074,360. Included in the assets register is land with zero balance while the Fund has buildings and structures balance of Kshs.10,187,700, which are located on the land. Further, the Management did not provide the title deed to confirm value and ownership of the land.

In the circumstances, the existence, ownership, accuracy and completeness of the fixed assets balance of Kshs.16,074,360 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report on in the year under audit.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.226,251,610 and Kshs.182,297,352 respectively, resulting to underfunding of Kshs.43,954,258 or 19% of the budget. Similarly, the Fund expended Kshs.183,326,034 against a budget of Kshs.226,251,610 resulting to under-expenditure of Kshs.42,925,576 or 19% of the budget.

In the circumstances, the under-funding and under-expenditure affected implementation of the planned activities and programs and 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. Failure to Implement Paid up for Electricity Projects

The statement of receipts and payments reflects other payments amount of Kshs.7,167,154 as disclosed in Note 9 to the financial statements which includes payment to Rural Electrification and Renewable Energy Corporation amount of Kshs.5,299,331. The funds were allocated for electricity installation at St. John Manza Katine, Kivani Kwa Kumbu, Utooni and Kavumbu Syanthi villages. Field verification carried out in the month of March, 2023 revealed that the electricity works had not begun in the identified villages. Further, detailed contract outlining timelines and the scope of work to be carried out were not provided for audit review.

In the circumstances, value for money for electricity installation amounting to Kshs.5,299,331 allocated for the projects could not be confirmed.

2. Failure to Return PMC Bank Balances

Note 17.4 and Annex 5 to the financial statements reflects PMC account balances of Kshs.29,703,238. Review of the PMC account balances schedule detailing projects revealed that eleven (11) project accounts with a total balance of Kshs.19,207,299 had not been transferred back to the main NG-CDF account. The eleven (11) projects had however, been completed. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015, which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

3. Failure to Implement Projects

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.89,754,041 as disclosed in Note 6 to the financial statements which includes transfers to Secondary schools amount of Kshs.36,924,514, being expenditure on implementation of identified projects. Field inspection and verification of projects conducted in the month of March, 2023 revealed the following anomalies:

- i. Itheuni Secondary School project for the construction of one classroom and a perimeter wall, at a total cost of Kshs1,950,000 had not been completed. The classroom was at foundation stage an indication of slow implementation.
- ii. Katwanyaa Secondary School project for construction of two (2) classrooms at a cost of Kshs.2,179,411 had not started, though funds had been transferred to the PMC account.
- iii. Matungulu Girls Secondary School project for the construction of thirty-two (32) classrooms and an ablution block at a contract sum of Kshs.31,874,487 had not started though an amount of Kshs.11,150,450 had been transferred to the PMC Account. Further, the contractor had not erected a signage or publicity signboard.
- iv. St Joseph Katheka project for construction of two (2) classrooms at a contract sum of Kshs.2,051,988.60 which started in the financial year 2019/2020 was completed but floors and the walls had cracks.
- v. Tala Police Post project for construction of the administration office block at contract sum of Kshs.6,790,335 had the following defects:
 - The records office walls had cracks which were under repair by the contractor. The finished walls had not been repainted.
 - The male cell had no ventilation risking the lives of the inmates through suffocation.
 - The cell toilet which was to be inside the cell was constructed separately, and the inmates cannot access it.
 - The window stays were not installed, and pieces of wood were being used for windows to remain open.
 - The half door entrance opens on the wrong side hence no access.
 - The two-half door locking bolts are short and not reinforcing the required security.
 - The building columns were constructed using 4 D12 metal rods instead of the 6 that were recommended through a Presidential directive for storied buildings.

In the circumstances, value for money was not obtained by the residents and may have impacted negatively on service delivery to the public.

4. Project Implementation Status

Review of the approved code list and project implementation status revealed that the Management had budgeted to implement a total of forty-two (42) projects worth Kshs.81,940,888.29. The project implementation status indicates that funds for eight (8) projects valued at Kshs.24,369,331 were not disbursed and twenty-three (23) projects with total allocation of Kshs.32,295,029 had not started.

In the circumstances, the Constituents did not get value for money allocated for the projects which were not started.

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

REPORT ON 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

1. Lack of Risk Management Policy and Disaster Recovery Plan

Review of the internal control system for the Fund revealed that the Management had not established a Risk Management Policy to identify, mitigate and control operational and other risks that the Fund may face from time to time. In addition, the Management did not carry out risk assessment to identify and address key areas of concern and document specific controls in response to any risks identified. Further, there was no documented disaster recovery plan to provide guidance in the event of a disaster.

In the absence of formally documented Risk Management Policy and Disaster Recovery Plan, the Fund is exposed to risks related to operations and system failure.

2. Lack of Bursary Award Criteria

The statement of receipts and payments reflects other grants and transfers of Kshs.69,404,613, which includes bursaries disbursed to secondary schools and tertiary institutions of Kshs.25,284,000 and Kshs.12,011,000 respectively as disclosed in Note 7 to the financial statements. Review of the bursary award records revealed that the Management did not have an approved criteria for selection and award of bursaries to the beneficiaries.

In the circumstances, there is risk of undeserving students being awarded the bursary.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. 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 controls.
- 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 June, 2023

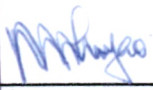
Matungulu Constituency
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VII. Statement of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	182,177,758	161,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	119,594	234,000
Total Receipts		182,297,352	161,601,724
Payments			
Compensation Of Employees	4	3,123,173	2,988,452
Use Of Goods and Services	5	13,289,353	8,914,225
Transfers To Other Government Units	6	89,754,041	98,740,207
Other Grants and Transfers	7	69,404,613	41,822,028
Acquisition Of Assets	8	587,700	-
Other Payments	9	7,167,154	-
Total Payments		183,326,034	152,464,912
Surplus/(Deficit)		(1,028,681)	9,136,812

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

The Constituency financial statements were approved on 28/7/2022 2022 and signed by:


Fund Account Manager

Name: John Munyau


National Sub-County Accountant

Name: Susan Muthoni Kabiro
ICPAK M/No: 20403


Chairman NGCDF Committee

Name: Pius Nzomo Wambua


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v.II. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	42,925,576	43,954,258
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		42,925,576	43,954,258
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		42,925,576	43,954,258
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		42,925,576	43,954,258
Represented By			
Fund Balance B/Fwd	13	43,954,258	34,817,445
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(1,028,681)	9,136,812
Net Financial Position		42,925,576	43,954,258

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

The Constituency financial statements were approved on 28/7 2022 and signed by:


Fund Account Manager

Name: John Munyau


National Sub-County Accountant

Name: Susan Muthoni Kabiro
ICPAK M/No: 20403


Chairman NGCDF Committee

Name: Pius Nzomo Wambua

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IX. Statement of Cash Flows for the Year Ended 30th June 2022


	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	182,177,758	161,367,724
Other Receipts	3	119,594	234,000
Total Receipts		182,297,352	161,601,724
Payments			
Compensation Of Employees	4	3,123,173	2,988,452
Use Of Goods and Services	5	13,289,353	8,914,225
Transfers To Other Government Units	6	89,754,041	98,740,207
Other Grants and Transfers	7	69,404,613	41,822,028
Other Payments	9	7,167,154	-
Total Payments		182,738,334	152,464,912
Total Receipts Less Total Payments		(440,981)	9,136,812
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		-	-
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(587,700)	-
Net Cash Flows from Investing Activities		(587,700)	-
Net Increase In Cash And Cash Equivalent		(1,028,681)	9,136,812
Cash & Cash Equivalent At Start Of The Year	10	43,954,258	34,817,445
Cash & Cash Equivalent At End Of The Year	10	42,925,576	43,954,258

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

The Constituency financial statements were approved on 28/7/2022 2022 and signed by:


Fund Account Manager

Name: John Munyau


National Sub-County Accountant

Name: Susan Muthoni Kabiro
ICPAK M/No: 20403


Chairman NGCDF Committee

Name: Pius Nzomo Wambua

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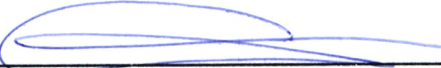
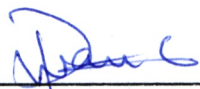
X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
Receipts	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	43,954,258	45,088,879	226,132,016	182,177,758	43,954,258	81%
Proceeds From Sale of Assets				0	-	-	-
Other Receipts		119,594.00	0	119,594	119,594	-	100%
Totals	137,088,879	44,073,852	45,088,879	226,251,610	182,297,352	43,954,258	81%
Payments							
Compensation Of Employees	2,956,398	3,077,005	37,432	6,070,835	3,123,173	2,947,662	51%
Use Of Goods and Services	9,381,601	6,023,373	783,801	16,188,774	13,289,353	2,899,421	82%
Transfers To Other Government Units	63,456,911	7,800,000	44,267,647	115,524,557	89,754,041	25,770,517	78%
Other Grants and Transfers	52,790,939	24,094,556	0	76,885,495	69,404,613	7,480,882	90%
Acquisition Of Assets	3,203,699	820,000	0	4,023,699	587,700	3,435,999	15%
Other Payments	5,299,331	1,867,824	0	7,167,155	7,167,154	1	100%
Funds Pending Approval**	-	391,094	-	391,094	-	391,094	0%
Totals	137,088,879	44,073,852	45,088,879	226,251,610	183,326,034	42,925,576	81%

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	42,925,576
Less undisbursed funds receivable from the Board as at 30 th June 2022	(0)
	42,925,576
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	42,925,576

The Constituency financial statements were approved on 28/7/2022 2022 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NGCDF Committee
Name: John Munyau	Name: Susan Muthoni Kabiro ICPAK M/No: 20403	Name: Pius Nzomo Wambua

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,956,398	3,077,005	37,432	6,070,835	3,123,173	2,947,662
1.2 Committee allowances	2,300,000	626,890	783,801	3,710,691	4,151,090	(440,399)
1.3 Use of goods and services	2,968,934	3,302,418		6,271,352	3,313,663	2,957,689
2.0 Monitoring and evaluation						
2.1 Capacity building	1,612,666	2,033,598		3,646,264	2,561,900	1,084,364
2.2 Committee allowances	2,200,000	6,966		2,206,966	3,062,700	(855,734)
2.3 Use of goods and services	300,000	53,500		353,500	200,000	153,500
3.0 Emergency						
3.1 Emergency Funds	7,192,207	7,192,998		14,385,205	13,544,207	840,998
3.2 Primary Schools						
3.3 Secondary schools						
3.4 Tertiary institutions						
3.5 Security projects						

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	22,272,220	2,503,627		24,775,847	25,284,000	(508,153)
4.3 Tertiary Institutions	12,000,000	994,750		12,994,750	12,011,000	983,750
4.4 Universities						
4.5 Social Security						
5.0 Sports						
5.1 Sports	1,345,565	3,330,637		4,676,202	3,272,637	1,403,564
6.0 Environment						
6.1 St. Joseph Katheka Secondary School	580,000			580,000	580,000	-
6.2 Kwa Kasivi Primary School	200,000			200,000		200,000
6.3 Kyeleni Police post		171,361		171,361	171,361	-
6.4 Nguluni Police Post		171,361		171,361	171,361	-
6.5 Muusini Primary School		342,722		342,722		342,722
6.6 Constituency Environmental Activities		400,000		400,000	342,000	58,000
7.0 Primary Schools Projects (List all the Projects)						
7.1 King'oti primary school	2,400,000			2,400,000	2,400,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.2 Katuluni primary School	2,400,000			2,400,000	2,400,000	(0)
7.3 Koma Ranch Primary School	3,551,432			3,551,432	3,551,432	-
7.4 Kinyui SA Primary School	700,000	-		700,000		700,000
7.5 Sengani Primary School	1,400,000			1,400,000		1,400,000
7.6 Ngomeni primary school	1,200,000			1,200,000	1,200,000	-
7.7 Katine SA Primary school	2,400,000		0	2,400,000	2,400,000	-
7.8 Ng'alalya Primary school	1,200,000			1,200,000	1,200,000	-
7.9 Mwisanyi Primary school	1,400,000			1,400,000	1,400,000	-
7.10 Kithuani Primary school	2,400,000			2,400,000	2,400,000	(0)
7.11 Kwa Syokimanza Primary School	1,200,000			1,200,000	1,200,000	-
7.12 Kitooni Primary School	2,400,000	-		2,400,000	2,400,000	-
7.13 Syumbuni Primary School	2,400,000			2,400,000	2,400,000	(0)
7.14 Ndovoini Primary School	1,200,000			1,200,000	1,200,000	-
7.15 Kasioni Primary School	1,200,000	-		1,200,000	1,200,000	-
7.16 Ngunga Primary School	1,200,000			1,200,000		1,200,000
7.17 Kiliku Primary Primary School	1,200,000			1,200,000		1,200,000
7.18 Kivani Primary School	1,200,000			1,200,000	1,200,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.19 Mithini Primary School	2,400,000			2,400,000		2,400,000
7.20 Mbiiani primary School	209,154		73,346	282,500	209,154	73,346
7.21 Kyekoyo Primary School	1,200,000			1,200,000		1,200,000
7.22 Muusini Primary School			1	1		1
7.23 Kisukioni Primary School			683,848	683,848		683,848
7.24 Wendano DEB Primary school			2,500,000	2,500,000	2,500,000	-
7.25 Kitambaasye Primary School		1,200,000		1,200,000	1,200,000	-
7.26 Koma Hill Kiamba Primary School			0	0		0
7.27 Katwanyaa Primary School			1	1		1
7.28 Kithaayoni Primary School			1	1		1
7.29 Mwisyani Primary School			0	0		0
7.30 Mililu Primary School			1,400,000	1,400,000	1,400,000	-
7.31 Donyo Coffee Primary School			2,400,000	2,400,000	2,400,000	-
7.32 Donyo Sabuk Primary School			1,400,000	1,400,000	1,400,000	-
7.33 Katulye Primary School			1,200,000	1,200,000		1,200,000
7.34 Kisekini Primary School			1,200,000	1,200,000	1,200,000	-
7.35 Kwa Kisinga Primary School			2,400,000	2,400,000	2,400,000	-

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National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.36 Mukalwa Primary School			1,200,000	1,200,000	1,200,000	-
7.37 Muumoni Primary School			2,400,000	2,400,000	2,400,000	-
7.38 Nguluni SA Primary School			2,400,000	2,400,000		2,400,000
7.39 Retention b/f		-		-		-
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Uamani Secondary school	1,200,000	3,000,000		4,200,000	2,600,000	1,600,000
8.2 S.A Nguluni Secondary school	3,700,000		-	3,700,000		3,700,000
8.3 Syanthe Secondary School	1,200,000		1,400,000	2,600,000	2,600,000	-
8.4 Sengani Secondary School	1,942,256		-	1,942,256	1,942,256	-
8.5 Katwanyaa secondary school	5,500,000			5,500,000	2,179,412	3,320,588
8.6 Kyaume Secondary school	4,300,000		-	4,300,000	4,300,000	-
8.7 Kalandini Secondary School	1,800,000		-	1,800,000	1,800,000	-
8.8 Katulye Secondary School			-	-	1,200,000	(1,200,000)
8.9 Matheini Secondary School	700,000			700,000		700,000
8.10 Kikuyuni Secondary School	3,082,296			3,082,296	1,500,000	1,582,296
8.11 St. Joseph Kikuyuni Secondary School					1,582,296	(1,582,296)

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.12 Kyumbuni Secondary School	520,100			520,100	520,100	-
8.13 Matungulu Girls Secondary School			16,170,450	16,170,450	11,150,450	5,020,000
8.14 AIC Itheuni Secondary School			1,950,000	1,950,000	1,950,000	(0)
8.15 Mukaa SA Secondary school			5,490,000	5,490,000		5,490,000
8.16 Tala Girls Secondary school		1,200,000		1,200,000	1,200,000	-
8.17 St.Martins Kithuani Sec School		2,400,000		2,400,000	2,400,000	-
8.18 Retention b/f		-		-		-
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Kenya Medical College Matungulu	4,651,672			4,651,672	9,968,939	(5,317,267)
9.2 Retention						
10.0 Security Projects						
10.1 Tala Police Post	4,163,335	4,627,000		8,790,335	6,790,335	2,000,000
10.2 Sengani Chiefs Office	1,800,000			1,800,000		1,800,000
10.3 Matheini Chief's office	410,000	-		410,000	410,000	-
10.4 Kwa Mwaura Police Station	2,827,612	4,000,100		6,827,712	6,827,712	0
10.5 KBC Police station		300,000		300,000		300,000
10.6 Tala Administration AP) Office		60,000		60,000		60,000
10.7 Kyeleni Police Post				-	-	-

Matungulu Constituency

National Government Constituencies Development Fund (NGCDF)

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance	Previous Years'			
		(C/Bk) and AIA	Outstanding Disbursements			
	2021/2022					
10.8 Retention b/f		-		-		-
11.0 Acquisition of assets						
11.1 Construction of NGCDF office-Renovation Works	2,305,029	-	-	2,305,029	587,700	1,717,329
11.2 Motor Cycle Yamaha DT175 JAPAN	528,670	-	-	528,670		528,670
11.3 Purchase of Generator	370,000			370,000		370,000
11.4 Matungulu NGCDF Office Furniture		100,000		100,000		100,000
11.5 Purchase of NGCDF Office computers		300,000		300,000		300,000
11.6 Matungulu NGCDF Office photocopier		270,000		270,000		270,000
11.7 NG- CDF Wifi Connection		150,000		150,000		150,000
12.0 Others						
12.1 Rural Electrification and Renewable Energy Corporation	5,299,331			5,299,331	5,299,331	-
12.2 Matungulu Sub County Education Office		1,867,824		1,867,824	1,867,823	1
12.3 Funds pending approval** AIA		391,094		391,094		391,094
Total	137,088,879	44,073,852	45,088,879	226,251,610	183,326,034	42,925,576

XI. 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.

Significant Accounting Policies continued

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

Transfers from the NGCDF 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.

Significant Accounting Policies continued

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 recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 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 30th June 2022.

Significant Accounting Policies continued

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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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B104768		40,000,000
AIE NO. B104828		29,367,724
AIE NO. B124614		9,000,000
AIE NO. B119571		10,000,000
AIE NO. B119963		12,000,000
AIE NO. B128204		6,900,000
AIE NO. B132259		6,000,000
AIE NO. B132259		6,000,000
AIE NO. B138928		12,000,000
AIE NO. B126221		7,000,000
AIE NO. B132259		12,000,000
AIE NO. B138928		11,100,000
AIE NO. B105211	33,000,000	
AIE NO. B1055112	44,000,000	
AIE NO. B105966	22,000,000	
AIE NO. B128622	5,000,000	
AIE NO. B128935	12,000,000	
AIE NO. B154132	12,000,000	
AIE NO. B164376	18,000,000	
AIE NO. B155893	24,088,879	
AIE NO. B155997	12,088,879	
TOTAL	182,177,758	161,367,724

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Notes To the Financial statements(Continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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	-	-
	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	119,594	234,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	119,594	234,000

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Notes To The Financial Statements (continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,137,037	2,087,368
Basic wages of casual labour	176,000	148,500
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	657,398	611,174
Employer Contributions Compulsory national social security schemes	152,738	141,410
TOTAL	3,123,173	2,988,452

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	2,184,488	1,286,433
Electricity	65,030	103,988
Water & sewerage charges	36,440	43,200
Office rent	-	-
Communication, supplies and services	9,450	9,450
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets		
Training expenses	2,561,900	1,200,100
Hospitality supplies and services	-	-
Other committee expenses	3,062,700	2,674,800
Committee allowance	4,151,090	2,408,300
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	179,750
Fuel , oil & lubricants	500,000	400,000
Other operating expenses	-	-
Bank service commission and charges	15,000	48,850
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	703,255	559,354
Routine maintenance- other assets	-	-
TOTAL	13,289,353	8,914,225

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Notes to The Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	42,860,588	42,672,582
Transfers To Secondary Schools (See Attached List)	36,924,514	56,067,625
Transfers To Tertiary Institutions (See Attached List)	9,968,939	
Total	89,754,041	98,740,207

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	25,284,000	25,342,600
Bursary -Tertiary (see attached list)	12,011,000	14,323,250
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	14,028,047	1,014,178
Sports Projects (see attached list)	3,272,637	42,000
Environment Projects (see attached list)	1,264,722	-
Emergency Projects (see attached list)	13,544,207	1,100,000
TOTAL	69,404,613	41,822,028

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	587,700	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	587,700	-

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Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Matungulu Education Office	1,867,823	-
Rural Electrification and Renewable Energy Corporation	5,299,331	-
Total	7,167,154	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts		
<i>Equity Bank, Account No.0900261817477</i>	42,925,576	43,954,258
Total	42,925,576	43,954,258
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
	-	-
Total	-	-

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

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Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	43,954,258	34,817,445
Cash in hand	-	-
Imprest	-	-
Total	43,954,258	34,817,445

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Notes To The Financial Statements (continued)

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,947,662	3,114,437
Use of goods and services	2,899,421	6,807,173
Amounts due to other Government entities (see attached list)	25,770,517	52,067,647
Amounts due to other grants and other transfers (see attached list)	7,480,882	24,094,556
Acquisition of assets	3,435,998	820,000
Others	1	1,867,824
Funds pending approval	391,094	271,500
Total	42,925,577	89,043,136

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	29,703,238	19,700,711
Total	29,703,238	19,700,711

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of Employees		2,947,662	3,114,437	
Sub-Total		2,947,662	3,114,437	
Use of goods & services				
ADM- Committee allowances		(440,399)	1,410,691	
ADM-Use of goods and services		2,957,689	3,302,418	
M&E Capacity building		1,084,364	2,033,598	
M&E Committee allowances		(855,734)	6,966	
M&E Use of goods and services		153,500	53,500	
Sub-Total		2,899,421	6,807,173	
Amounts due to other Government entities				
7.4 Kinyui SA Primary School		700,000		
7.5 Sengani Primary School		1,400,000		
7.16 Ngunga Primary School		1,200,000		
7.17 Kiliku Primary Primary School		1,200,000		
7.19 Mithini Primary School		2,400,000		
7.20 Mbiiani primary School		73,346	73,346	
7.21 Kyekoyo Primary School		1,200,000		
7.22 Muusini Primary School		1	1	
7.23 Kisukioni Primary School		683,848	683,848	
7.24 Wendano DEB Primary school		-	2,500,000	
7.25 Kitambaasye Primary School		-	1,200,000	
7.27 Katwanyaa Primary School		1	1	
7.28 Kithaayoni Primary School		1	1	
7.30 Mililu Primary School		-	1,400,000	
7.31 Donyo Coffee Primary School		-	2,400,000	
7.32 Donyo Sabuk Primary School		-	1,400,000	

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7.33 Katulye Primary School		1,200,000	1,200,000	
7.34 Kisekini Primary School		-	1,200,000	
7.35 Kwa Kisinga Primary School		-	2,400,000	
7.36 Mukalwa Primary School		-	1,200,000	
7.37 Muumoni Primary School		-	2,400,000	
7.38 Nguluni SA Primary School		2,400,000	2,400,000	
8.1 Uamani Secondary school		1,600,000	3,000,000	
8.2 S.A Nguluni Secondary school		3,700,000	-	
8.3 Syanthe Secondary School		-	1,400,000	
8.5 Katwanyaa secondary school		3,320,588		
8.8 Katulye Secondary School		(1,200,000)	-	
8.9 Matheini Secondary School		700,000		
8.10 Kikuyuni Secondary School		1,582,296		
8.11 St. Joseph Kikuyuni Secondary School		(1,582,296)		
8.13 Matungulu Girls Secondary School		5,020,000	16,170,450	
8.14 AIC Itheuni Secondary School		(0)	1,950,000	
8.15 Mukaa SA Secondary school		5,490,000	5,490,000	
8.16 Tala Girls Secondary school		-	1,200,000	
8.17 St.Martins Kithuani Sec School		-	2,400,000	
9.1 Kenya Medical College Matungulu		(5,317,267)	-	
	Sub-Total	25,770,517	52,067,646	
Amounts due to other grants and other transfers				
Bursary		475,597	3,498,377	
Sports		1,403,564	3,330,637	
Environment		600,722	1,085,444	
Emergency		840,998	7,192,998	
10.1 Tala Police Post		2,000,000	4,627,000	
10.2 Sengani Chiefs Office		1,800,000		
10.4 Kwa Mwaura Police Station		0	4,000,100	

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10.5 KBC Police station		300,000	300,000	
10.6 Tala Administration AP) Office		60,000	60,000	
Sub-Total		7,480,882	24,094,556	
Acquisition of assets				
11.1 Construction of NGCDF office- Renovation Works		1,717,328	-	
11.2 Motor Cycle Yamaha DT175 JAPAN		528,670	-	
11.3 Purchase of Generator		370,000		
11.4 Matungulu NGCDF Office Furniture		100,000	100,000	
11.5 Purchase of NGCDF Office computers		300,000	300,000	
11.6 Matungulu NGCDF Office photocopier		270,000	270,000	
11.7 NG- CDF Wifi Connection		150,000	150,000	
Sub-Total		3,435,998	820,000	
Others (specify)				
ICT Hubs				
Matungulu Subcounty Education Office		1	1,867,824	
Strategic plan		-	-	
Sub-Total		1	1,867,824	
Sale of tender documents		391,094	271,500	
Sub-Total		391,094	271,500	
Grand Total		42,925,576	89,043,136	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				-
Buildings and structures	9600000	587,700.00		10,187,700
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	25,800			25,800
Heritage and cultural assets	0			-
Intangible assets	0			-
Total	15,486,660	587,700	-	16,074,360

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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Tala Girls Primary School	Equity	0900262571269		
Tala Girls Primary School	Equity	0900262600575		691
Kikaatini Aic Primary School	Equity	0900294458052		74,842
Kisukioni Primary School	Equity	0900263403427	25,720	45,548
Kiatineni Primary School	Equity	0900262558502	1,045	1,045
Ack Mukengesya Secondary School	Equity	0900261999009		426
Matheini Sa Secondary School	Equity	0900266759538	154,000	262,815
Muusini Secondary School	Equity	0900294442014		16,150
Nguluni Primary School	Equity	0900262566809		4,880
Kituluni Primary School	Equity	0900266542836		2,216
Kianzabe Primary School	Equity	0900266555329		279,705
Kwale Primary School	Equity	0900264350146		115,893
Tala Boys Primary School	Equity	0900262544986		9,861
Kisitimani Primary School	Equity	0900262599481		460
Itheuni Secondary School	Equity	0900263728211	2,070,369	
Itheuni Primary School	Equity	0900294795928		11,862
Wendano Deb Primary School	Equity	0900266150615		9,621
Kasioni Primary School	Equity	0900263768276	1,200,289	289
Kitambaasyc Primary School	Equity	0900262434944	51,666	1,349
Matungulu Deb Primary School	Equity	0900262599081		36,035
Mbuni Sa Secondary School	Equity	0900263913013	113,832	187,817
Kyumbuni Secondary School	Equity	0900279283711	160,027	144,374
Katwanyaa Secondary School	Kcb	1109688288	2,639,916	
Matheni Sa Mixed School	Equity	0900266759538		262,815

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Donyo Coffee Primary School	Equity	0900262571269	200,488	489,786
Kwa Mutu Secondary School	Equity	0900273014472	22,002	15,871
Muumoni Primary School	Equity	0900265410990	172,005	63
Nguluni Township Primary School	Equity	0900266142510		153
Kalandini Primary School	Equity	0900262170665		2,441
Donyo Sabuk Primary School	Equity	0900299360506	180,267	101,760
Kivani Primary School	Equity	0900263641552	522,233	258,019
Kithuiani Primary School	Equity	0900264186783	762,404	2,804
Tala Girls Secondary School	Equity	0900266658999		1,267,252
Kinyui Girls Secondary School	Equity	0900297752538	79,980	1,664,970
Matungulu NGCDFSports	Equity	0900277308034	15,443	10
Kyeleni Police Post	Equity	0900272583898		70,724
Nguluni Ap Camp	Equity	0900272924865		6,265
Tala Police Post	Equity	0900272923637	156,620	3,298,770
Mwatati Primary School	Equity	0900265166992		111,516
Kwakisinga Primary School	Equity	0900298580610	227,818	103,009
Ndovoini Primary School	Equity	0900276813319	1,297,380	249,715
Itetani Primary School	Equity	0900293962868	1,283	104,119
Matungulu Strategic Plan	Equity	0900276640826		973
Kingoti Primary School	Equity	0900298671522	195,058	571
Kakulutuini Primary School	Equity	0900262676311		66
The Sa Katine Secondary School	Equity	0900266591868		3,631
Kiluluini Primary School	Equity	0900264528999		461
Mukalwa Primary School	Equity	0900271104834	10,869	(9,853)
Ngalalya Primary School	Equity	0900294811646	1,254,893	6,247

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ngomeni Sa Primary School	Equity	0900262599321	680	680
Kwa Mutu Primary School	Equity	0900294391004		22,182
Kwa Tombe Primary School	Equity	0900294525431	13	193
Kyeleni Secondary School	Equity	0900262584602		70,793
Mithini Community Primary School	Equity	0900266397465	14,671	14,671
Sa Kiamba Muumoni Sec School	Equity	0900264544026		4,550
Sengani Aic Primary School	Equity	0900294041577		1,480
St. Joseph Kethekani Secondary School	Equity	0900263316929		
St. Martins Matuu Wendano Sec School	Equity	0900278965287		
Kyumbuni Primary School	Equity	0900262570854		
Kambusu Primary School	Equity	0900294786683		
Mwisyani Primary School	Equity	0900262568450	1,400,215	
Matheini Chiefs Office	Equity	0900279379814		
Nzambani Primary School	Equity	0900263996161		
Kwa Kasivi Primary School	Equity	0900266397601	2,478	
Nzambani Chiefs Camp	Equity	0900279287907		
Kalandini Secondary School	Equity	0900277645366	183,663	
Uamani Primary School	Equity	0900266624763		
Kyamulendu Primary School	Equity	0900265993472		
Kyamulendu Secondary School	Equity	0900262360981		
Kikaatini Secondary School	Equity	0900265991300		
Katuluni Sa Primary School	Equity	0900262589084	214,279	
Katulye Secondary School	Equity	0900294790053		
Kayatta Secondary School	Equity	900276998561		
Mukengesya Secondary School	Equity	900261999009		
St. Philips Kayatta Primary School	Equity	900262574106		

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Katheka Primary School	Kcb	1109687419	1,632	
Mbuni Primary School	Kcb	1205132724		
Kithuani Primary School	Kcb	1109687974	36	
Matungulu Girls secondary School	Kcb	1109688342	714,498	5,995,828
Kithuani Primary School	kcb	1109686757	1,043,277	
Kantafu Primary School	Kcb	1141341991400		
Katheka Abc Primary School	Kcb	1109687419		1,632
Katine Hgm Primary School	Kcb	1115484419		7,185
Katwanyaa Secondary School	Kcb	1109688288		460,705
Kithaayoni Hgm Primary School	Kcb	1280282509	41,835	563,032
Kithuani Secondary School	Kcb	1136837647		36
Kyeleni Primary School	Kcb	1109687230		26,272
Matuu Estate Primary School	Kcb	1111992320		742
Mbiiiani Primary School	Kcb	1112089330	30,667	606,521
Mbuni Primary School	Kcb	1205132724	594	594
Sa Nguluni Secondary School	Kcb	1113799862	3,693	106,357
Sengani Girls Secondary School	Kcb	1109687494	314,242	983,890
St Benedict Kimanza Mixed Secondary School	Kcb	1109700482	268,138	268,264
St Martins Kithuiani Mixed Secondary School	Kcb	1136837647	445,073	104,247
Matuu Chief's Office NGCDFProject	Kcb	1266787623		16,755
Kyaume Secondary School	Cooperative Bank	01141342155200	176,622	324,660
Kantafu Primary School	Cooperative Bank	01141341991400	2,399	343,624
Aic Mwatati Mixed Secondary School	Cooperative Bank	01141342170300	100,981	557,785
Kitooni Primary School	Equity	0900280234763	2,390,579	
Mililu Primary School	Equity	0900262559064	123,906	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kanzalu Primary School	Equity	0900262599055	19,006	
Kwa Ngii Primary School	Equity	0900296342182	7,947	
Kambusu Sec School	Equity	0900297298331	3,590	
Kinyui Primary School	Equity	0900294542354	850	
Kwa Ken Primary School	Equity	0900294513812	47	
Koma Kiamba Primary School	Equity	0900271391103	60	
Katwanyaa Primary School	Equity	0900263155133	24,621	
Kwa Maura Police Post	Equity	0900280285641	114,582	
St. Joseph Kikuyuni Sec School	Equity	0900262589004	2,038,063	
Kisekini Primary School	Equity	0900268794402	73,422	
Koma Ranch Primary School	Equity	0900266397839	232,826	
Syanthi Sec School	Equity	0900264488156	1,273,270	
Sengani Primary School	Equity	0900264186783	1,480	
Katine Sa Primary School	Equity	0900266591868	3,631	
Kwa Syokimanza Primary School	Equity	0900262558258	1,192,852	
Ngunga Primary School	Equity	0900261942406	4,821	
Kiliku Primary School	Equity	0900263617618	1,320	
Kyekoyo Primary School	Equity	0900294425491	19,292	
Uamani Sec School	Equity	0900280295074	2,772,446	
Matungulu Kmtc	Equity	0900282256559	2,316,943	
St. Joseph Katheka Sec School	Equity	0900263316929	111,540	
Sub county Education Office	Kcb	1280613785	152,849	
St. Francis Of Assisi Kwatombe	Cooperative Bank	01141341142101	331,174	
Total			29,703,238	19,700,711

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Irregularities observed in the Procurement process 1. Failure to avail Procurement's Professional Opinion. 2. Failure to avail priced bill of quantities, Project Designs and Drawings.	The Matungulu NGCDF has taken up steps to ensure that in the procurement process of projects a professional opinion is prepared by the Supply chain Officer to guide the Accounting officer in awarding of tenders. In addition all projects are accompanied with the necessary Bills of quantities, Project Designs and drawings	Resolved	
2.	Physical verification of Projects Failure to erect Sign Boards	The NGCDF office has endeavored to label all its projects it's implementing.	Resolved	
3.	Delay in implementation of Projects Construction of an Administration block and classroom at Kwa Mutu Secondary School	The administration block had not started in Kwa Mutu Secondary school since the Matungulu NGCDF was working on new modern drawings for implementation of its Secondary school administration blocks which had not been completed at the time of audit. The office anticipates kicking off construction in September 2019 after tendering process and completing works by December 2019. The classrooms are in progress of construction. At the end of the financial year (30th June 2019) the construction works were at the roofing stage. The project is anticipated to be fully complete by 31st August 2019.	Not Resolved	15th December 2019
4.	Construction of classrooms at Mbuni	The classrooms are in construction as at 30th June	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Primary school	2019.		
5.	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	30th November 2019
6.	Failure to date and sign bank reconciliation statements	All bank reconciliation documents will be dated and signed appropriately	Resolved	
7.	Failure to maintain Motor vehicle records	Fuel registers and service log books are being maintained	Resolved	


John Munyai
Fund Manager

