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REPORT

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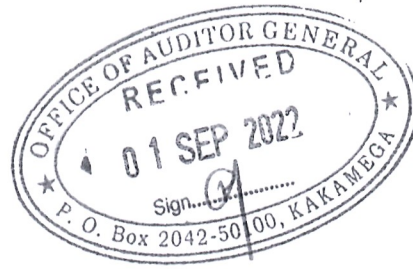
OF

THE AUDITOR-GENERAL

ON

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

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



MATAYOS CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

(b) Key Management

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

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- 4. Good governance – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
- 5. Sustainable development – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

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

- (i) Fiduciary Oversight Arrangements
 - 1. 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 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Kevin O. McAkech
2.	Sub-County Accountant	Loyce Wanyama
3.	Chairman NGCDFC	Pascal B Sande
4.	Member NGCDFC	Caroline Atieno

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Matayos Constituency NG-CDF. 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.

(a) NGCDF Matayos Constituency Headquarters

P.o Box 1055-50400
Busia (K)
Busia-Kisumu Road, Mundika Stage

(b) NGCDF MATAYOS Constituency Contacts

Telephone: (254) 721800337
E-mail: cdfmatayos@ngcdf.go.ke
Website: www.matayos.co.ke

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(c) NGCDF Matayos Constituency Bankers

Equity Bank

A/c No 0780266047486

P.o Box 553-50400

Busia Kenya

(d) Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

G.P.O 00100

Nairobi, Kenya

(e) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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II. NG-CDFC CHAIRMAN'S REPORT



PASCAL B. SANDE
MATAYOS NG-CDFC CHAIRMAN

However, there have been emerging issues like political, economic, social, legal and global challenges such as the COVID-19 Pandemic, which have negatively influenced the implementation of NG-CDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals, resubmissions, reallocations and absence of technical persons within the constituency.

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Kshs.137,088,879.31 in the financial year 2020/2021 . Education programmes were allocated Kshs.76,115,878.80 which is 55.52% of the entire budget, followed by Bursary schemes at Kshs.33,816,500 or 24.67% of the total budget. The NG-CDF has improved the Education and Security infrastructures of Matayos. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included; security, sports, environment and NG-CDF Office.

The constituency successfully started construction of a 2,000 capacity multipurpose hall, the constituency further managed to complete the following on-going projects; 2 classrooms, 1 kitchen, 5 administration blocks, purchase of 2 acres of land, 1 laboratory and 1 library. The constituency constructed 9 new classrooms, renovate 17 classrooms, 1 administration block, 12 door pit latrines, fencing of a two acre school land, renovation of a multipurpose hall, construction of 1 library, construction of one laboratory and purchase of one bus on a one off basis.

However, there have been emerging issues like political, economic, social, legal and global challenges such as the COVID-19 Pandemic, which have negatively influenced the implementation of NG-CDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals, resubmissions, reallocations and absence of technical persons within the constituency.

There was involvement of the public in project Identification which increased project ownership. This will be enhanced in the next financial year in order to achieve more citizen ownership.

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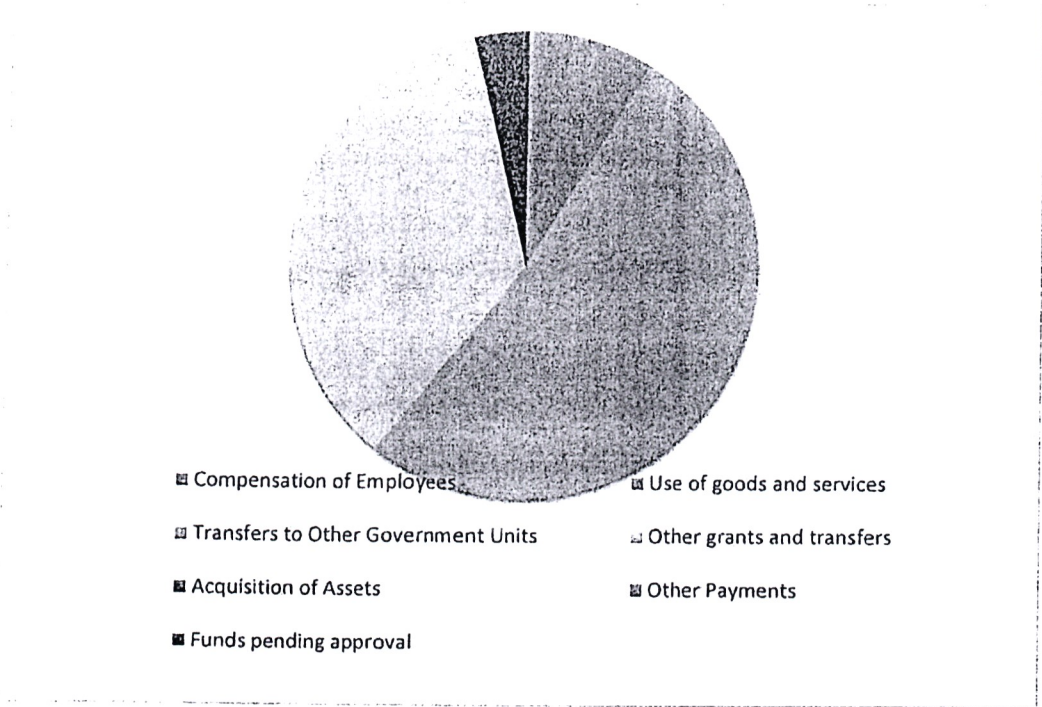


Fig 1: Budget allocation for 2020/2021 per sector. Transfers to other Government units had the highest allocation from the constituency followed by other grants and transfers, use of goods and services, funds pending approval and lastly compensation of employees.

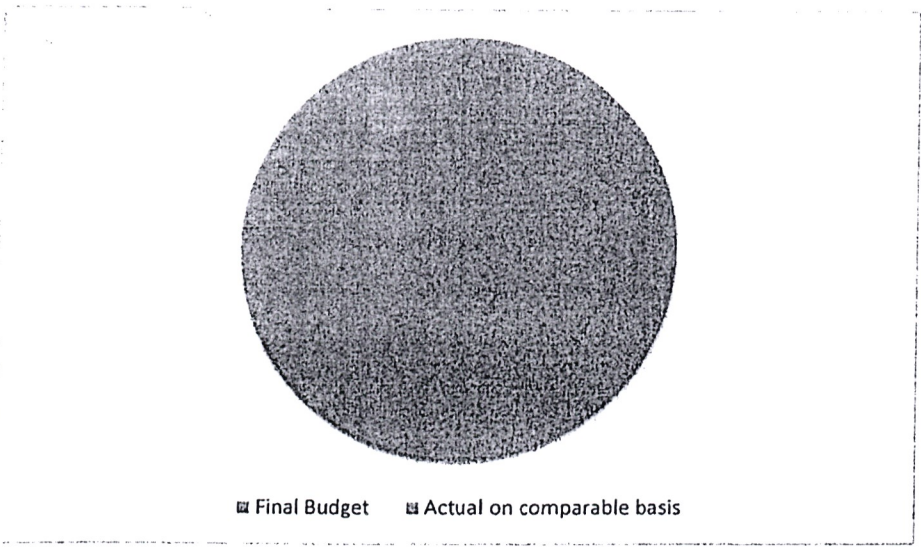


Fig 2: Shows the actual budgeted and received in the financial year 2019/2020

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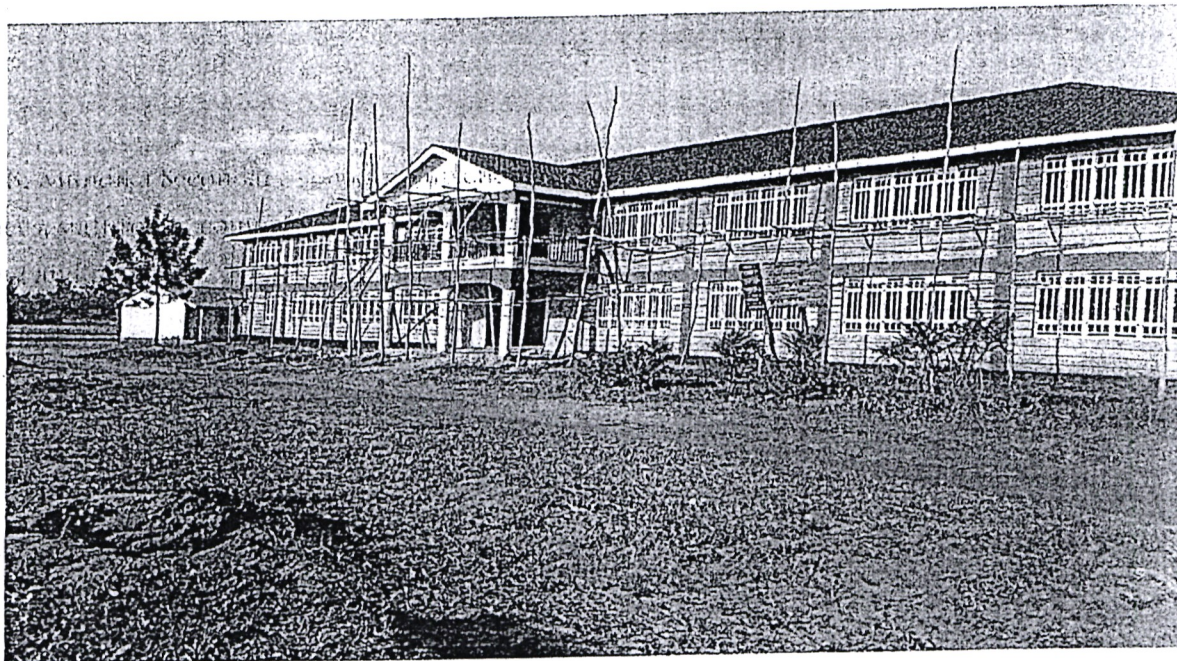


Fig 3: Mundika Secondary School completion of a storey Administration Block consisting of 5 offices, staff room, computer room with capacity of 40 computers and a library; internal finishes, tiling and painting

Sign

CHAIRMAN NGCDF COMMITTEE
PASCAL B. SANDE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 81(1) of the Public Finance Management Act, 2012 states that at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of the entity. Section 81 (2) (f) further requires that, at the end of each financial year, the Accounting officer when preparing financial statements 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.

Matayos is based on the mandates, objectives and provisions of Section (3) of the NG-CDF Act, 2015 as amended in 2016. The constituency being the entry point between Kenya and Uganda, Busia town thrives in trade where livestock, agricultural products and manufactured goods are traded. With the additional development projects being undertaken through the NG-CDFC funds and the availability of natural and human resources, it has created a positive economic environment that will ultimately ensure the growth of the constituency. The NG-CDF Committee through the strategic plan 2019-2023 were cognizant of the fact through proper planning and recognition of the development needs within the constituency it would give the constituency a roadmap that aligns the NG-CDFC activities to achieve the set development goals.

The key development objectives of NGCDF-Matayos Constituency's 2019-2023 strategic plans are to;

In emphasizing the above, the key development objectives of NG-CDF Matayos Constituency's 2019-2023 plan include;

Strategic Area One; Education Programmes (Primary Schools)

Sector Priority; Improvement of infrastructure in Primary Schools
Strategies/ Interventions; Reduce of school dropouts, Improvement of performance in schools, increased enrollment in schools, and Increase performance in schools
Objective: To ensure all boys and girls above five years access quality primary education

Outcome: Enhanced access to quality primary education

Strategic Area Two; Education Programmes (Secondary Schools)

Sector Priority; Improvement of infrastructure in Secondary schools
Strategies/ Interventions; Reduction in school dropouts, Improvement of performance in schools, Increase enrollment schools and Increase performance in schools

Objective: Improve access, equity, retention of Secondary Education

Outcome: Improved enrolment, retention and transition rates

Strategic Area Three: Security

Sector Priority; Reduce crime
Strategies/ Interventions; Installation of security lights, Security administrative centers, Improvement of security camps, Increasing number of security personnel, Capacity building for communities and Correctional/Rehabilitation and holding centers

Objective: To reduce the number of crimes

Outcome: Enjoyment of a peaceful and orderly society

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:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	To ensure all boys and girls above five years access quality primary education Improve access, equity, retention of Secondary Education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all level	Construction of a 2,000 capacity multipurpose hall Construction of 1 administration block Completion of 5 administration blocks Renovation of 1 administration block Construction of 9 classrooms Completion of 2 classrooms Renovation of 17 classrooms Construction of 12 door pit latrine Construction of 1 laboratory and 1 library Completion of 2 laboratories and 1 library Fencing of 2 acres of land Renovation of 1 multipurpose hall Construction of 1 dining hall Completion of purchase of 2 acres of land 8,291 bursary beneficiaries
Security	To reduce the number of crimes	Developed and enhanced security organs	Number of usable physical infrastructure build in locations, sub locations and police stations	Completion of 3 chiefs' office Construction of 1 chief's office Renovation of 2 chief's offices Construction of a 4 door pit latrine in a chief's office

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Constituency Program	Objective	Outcome	Indicator	Performance
				Construction of 1 police post Completion of 1 police post Renovation of DDC's office
Environment	Improve access to a more sustainable and conserved environment	Improved sanitation facilities in schools Provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools Number of trees planted	Purchase and installation of Water Tanks for water harvesting 10,000 litres in 12 schools
Sports	Empower youth and special groups in the constituency	Improved cohesion and enhanced economic growth through sports	Number of groups benefitting from the sports programme	300 youths will benefit from the program

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Matayos Constituency exists to transform the livelihood of its constituents through support of the grass-root development projects. The NG-CDF Committee is very keen on ensuring public involvement in the implementation of the projects to ensure project ownership, sustainability, effective and efficient management of public resources. Through conducting the public forums the constituents are able to identify the development projects which are within the provisions of the NG-CDF Act, the functions of the National Government, the National Development plans and policies as outlined in the vision 2030 and the Big Four Agenda

The Matayos NG-CDF Committee always highlights Corporate Social Responsibility as a tool with relevance for the actualization of the public policy with the ultimate goal of ensuring sustainable and inclusive development programmes in the constituency. This is our purpose; the driving force behind everything we do and it is what guides us to deliver our strategy, which is founded on social sector, namely; Education, 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

Matayos NG-CDF Committee uses the guidelines and policies provided by the NG-CDF Board and the relevant Government Institutions in the management of the fund. The operations under Matayos NG-CDF are based on project identification, allocation of funds, implementation of projects and continuous monitoring and evaluation to achieve the set goals and objectives. The prioritized set of actions within the constituency are guided by the vision and mission statement in the strategic plan (2019-2023)

Model	Definition	Relevance to sustainable strategy
Vision	A transformative and progressive Constituency for sustainable and equitable development	The vision statement covers the prioritised set of actions to ensure sustainable and equitable development.
Mission	To provide, develop and execute well-managed development programmes and projects that focus on reduction of poverty, service delivery to Matayos Constituency residents through well organized and	The prioritised set of actions within the constituency include; service delivery to the constituents, equitable resource distribution, and implementing programmes and projects that focus on reduction of poverty

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Model	Definition	Relevance to sustainable strategy
	equitable resource distribution.	
Core Values	Transparency, Accountability, Integrity, Public Trust, Team work, Fairness for every resident in distribution of resources, Equity, Inclusiveness, Openness, Quality Service Delivery, Gender Equality , Public Participation, Quality Service delivery	The core values represent the values and principles that the constituency holds towards attainment of the goals and objectives

- a. **Education and Training:** Matayos NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as water harvesting goods.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

Matayos NG-CDF Committee supports the improvement and maintenance of the environment by ensuring that at least 2% of the Constituency budget is spent on preserving and protection of the environment through enhanced tree planting. Matayos NG-CDF Committee recognises the provisions of the strategic plan (2019-2023) and the National Environmental Management Authority (NEMA) guidelines.

Matayos NG-CDF Committee is guided by an environment policy which commits to;

- Increase the forest cover in Matayos through planting of trees
- Protect the environment through minimizing our contribution to pollution of land, air and water and management of waste by ensuring proper waste disposal.
- Comply with the relevant environmental measures which have been put in place
- Encouraging and sensitizing on the importance of protecting the environment to the constituents.
- Regularly communicating our environmental performance to the relevant stakeholders

3. Employee welfare

We invest in providing the best working environment for our employees. Matayos 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. Matayos 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.

Health and Safety

Matayos NG-CDFC has put in place measures that adhere to the Occupational Safety and Health Act, 2007. The office is well maintained within the specifications of the Occupational Safety and Health Act, 2007 to ensure the safety of the staff as they undertake their daily tasks. Fire protection facilities have been provided both inside and outside the building, the exit signs have been indicated in case of any emergency and the firefighting Equipment have been labelled.

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Every employee is advised to report to the immediate supervisor in case of any situation which the employee has reasonable grounds to believe it presents an imminent or serious danger to the safety or health of that employee or of other employee in the same premises as set out in Section 14 (1) of the Occupational Safety and Health Act, 2007. The NG-CDFC staffs have been trained to ensure that no person engages in any improper activity or behaviour at the workplace, which might create or constitute a hazard to that person or any other person as set out in Section 16 (1) of the Occupational Safety and Health Act, 2007.

The NG-CDFC staffs, including their spouses and children are eligible to benefit from NHIF medical scheme as the deductions are done and paid on a monthly basis.

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

Matayos NG-CDF Committee main objective is to empower the locals while implementing the development projects within the constituency. The constituency implements projects through labour contracts and full contracts. Open tendering is used in award of all the tenders, advertisement is done publicly, and no form of discrimination is applied. The invitations for tenders are done within the specifications of Section 74 of the Public Procurement and Asset Disposal Act, 2015. During projects implementation and once funds are transferred to the Project Management Committee, the PMC is guided on the tendering process. In open tendering and in the instance that the tender is awarded to a non-constituent member, the contractor is advised to source for labour and the available materials within the constituency. Payments to suppliers are done after the presentation of requisite supporting documents. Payments to the contractors are done after presentation of payment certificates for works done which are prepared by the Public works office. In order to safeguard consumer rights and interests, Matayos NG-CDFC came up with a service

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charter and complaints handling policy. In cases where complaints arise, the complaints are resolved as quickly as possible.

5. Community Engagements-

Section 27 (1) of the NG-CDF Act, 2015 as amended in 2016 states that the chairperson of the Constituency Committee shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency. Section 27 (2) further states that the Constituency Committee shall deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from.

For the constituency's development project to have a high impact to the community and full ownership from the constituents there is need to have public participation. Matayos NG-CDF Committee is keen on ensuring that the public is involved in the decision making process. Public participation ensures that the actions taken by the Committee adequately reflect the needs of the people and it ensures that the benefits of development are equitably shared among the 5 wards in Matayos.

Matayos NG-CDF Committee is very passionate on promoting and enhancing education within the constituency. Needy students in secondary schools and tertiary institutions are awarded with bursary. However due to the Covid-19 pandemic and interruption of the academic calendar, the bursary disbursement process was affected.

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

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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- Matayos Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Matayos 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 *Matayos* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Matayos Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF Matayos 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 *Matayos* 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- Matayos Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



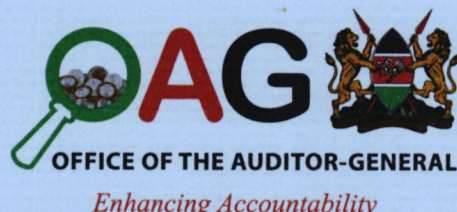
Chairman NGCDF Committee
Name: Pascal B. Sande



Fund Account Manager
Name: Kevin O. McAkech

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matayos Constituency set out on pages 19 to 54, which comprise of the statement of assets and liabilities as at 30 June, 2021, 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

Report of the Auditor-General on National Government Constituencies Development Fund – Matayos Constituency for the year ended 30 June, 2021

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

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

Basis for Qualified Opinion

1. Inaccuracies in Transfers to Other Government Units

The statement of receipts and payments reflects an amount of Kshs.63,226,560 in respect of transfers to other Government units as disclosed in Note 6 to the financial statements which includes an amount of Kshs.26,062,415 being transfers to primary schools. However, the amount differed with the supporting schedules amount of Kshs.23,062,415 resulting to an unexplained variance of Kshs.3,000,000.

In the circumstances, the accuracy and completeness of the transfers to other Government units amount of Kshs.26,062,415 could not be confirmed.

2. Unsupported Project Management Committee (PMC) Account Balances

Note 17.4 to the financial statements reflects a balance of Kshs.12,626,715 relating to Project Management Committee account balances as detailed in Annex 5 to the financial statements. However, the balances were not supported by certificates of bank balances from the sixty-nine (69) Project Management Committee Centers.

Further, twenty-eight (28) Project Management Committee account balances totalling Kshs.15,470,770 for 2019/2020 have been omitted in the financial statements.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.12,626,715 could not be confirmed.

3. Inaccuracies in the Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.26,884,208 as disclosed in Note 10A to the financial statements. However, bank reconciliation statement reflects a reconciled balance of Kshs.14,884,208 resulting to an unexplained variance of Kshs.12,000,000.

Further, the bank reconciliation statement for the month of June reflects payments in cash book not in bank statements amounting to Kshs.1,835,422 out of which, cheques totalling Kshs.332,958 were stale and not reversed in the cash book.

In addition, the bank reconciliation statement reflects receipts in bank statement not recorded in the cash book amounting to Kshs.12,012,558. However, the balance includes an amount of Kshs.12,000,000 which was recorded in the cash book on 30 June, 2021 and which should not be included as a reconciling item.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.26,884,208 could not be confirmed.

4. Land without Ownership Documents

The statement of receipts and payments reflects an amount of Kshs.63,226,560 in respect of transfers to other Government units as disclosed in Note 6 to the financial statements which includes Kshs.35,164,145 being transfers to secondary schools. Out of this balance, an amount of Kshs.1,000,000 was transferred to Bulanda Secondary School for purchase of land. However, the Project Management Committee did not provide title deed to confirm ownership of the land.

In the circumstances, the ownership and valuation of the land balance of Kshs.1,000,000 could not be confirmed.

5. Unsupported Expenditure

The statement of receipts and payments reflects an amount of Kshs.63,226,560 in respect of transfers to other Government units as disclosed in Note 6 to the financial statements which includes Kshs.35,164,145 being transfers to secondary schools. Out of this expenditure, an amount of Kshs.1,945,253 was disbursed to Mabunge Secondary School to co-finance the purchase of a school bus. However, supporting documents like quotations, inspection and acceptance reports and log book were not provided.

In the circumstances, the accuracy and completeness of transfers to other Government units of Kshs.1,945,253 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 - Matayos Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.213,605,333 and Kshs.163,766,455, respectively resulting to an under-funding of Kshs.49,838,878 or 23% of the budget. Similarly, the Fund expended Kshs.136,882,247 against an approved budget of Kshs.213,605,334 resulting to an under-expenditure of Kshs.76,723,087 or 36% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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 overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

06 September, 2022


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

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	162,917,724	123,240,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	=
TOTAL RECEIPTS		162,917,724	123,240,876
PAYMENTS			
Compensation of employees	4	4,291,858	3,487,361
Use of goods and services	5	7,623,987	7,891,193(R)
Transfers to Other Government Units	6	63,226,560	79,689,364
Other grants and transfers	7	59,740,742	34,091,688
Acquisition of Assets	8	-	-
Other Payments	9	<u>1,999,100</u>	=
TOTAL PAYMENTS		136,882,247	125,159,606(R)
SURPLUS/(DEFICIT)		<u>26,035,477</u>	<u>(1,918,730(R))</u>


R-Restated figure for 2019/2020

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



Fund Account Manager

Name: Kevin O. McAkech



National Sub-County
Accountant

Name: Loyce Wanyama
ICPAK M/No:19609



Chairman NG-CDF
Committee

Name: Pascal B. Sande


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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 -2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	26,884,208	848,731
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		26,884,208	848,731
Accounts Receivable			
Outstanding Imprests	11	-	0(R)
TOTAL FINANCIAL ASSETS		26,884,208	848,731
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		26,884,208	848,731(R)
REPRESENTED BY			
Fund balance b/fwd		848,731	2,767,462
Prior year adjustments	14	-	-
Surplus/Deficit for the year		26,035,477	(1,918,730) (R)
NET FINANCIAL POSITION		26,884,208	848,731(R)


R- Restated figure for 2019-2020

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

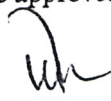


Fund Account Manager

Name: Kevin O. McAkech


National Sub-County
Accountant

Name: Loyce Wanyama
ICPAK M/No: 19609


Chairman NG-CDF
Committee

Name: Pascal B. Sande

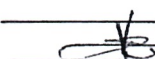
*Matayos Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. STATEMENT OF CASHFLOWS

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	162,917,724	123,240,876
Other Receipts	3	=	=
Total receipts		162,917,724	123,240,876
Payments for operating activities			
Compensation of Employees	4	4,291,858	3,487,361
Use of goods and services	5	7,623,987	7,891,193(R)
Transfers to Other Government Units	6	63,226,560	79,689,364
Other grants and transfers	7	59,740,742	34,091,688
Other Payments	9	1,999,100	-
Total payments		136,882,247	124,017,606
Total Receipts Less Total Payments		26,035,477	(1,990,731)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	0(R)
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		-	(1,918,730)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		26,035,477	(1,918,730)
Cash and cash equivalent at BEGINNING of the year	10	848,731	2,767,461
Cash and cash equivalent at END of the year		26,884,208	848,731


R-Restated figure for 2019/2020

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




Fund Account Manager

Name: Kevin O. McAkech


National Sub-County
Accountant

Name: Loyce Wanyama
ICPAK M/No: 19609


Chairman NG-CDF
Committee

Name: Pascal B. Sande

X. SUMMARY STATEMENT OF APPROPRIATION

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	2020/2021		2020/2021	30/06/2021								
	Kshs		Kshs	Kshs								
Transfers from NGCDF Board	137,088,879	848,731	213,605,333	163,766,455	49,838,878	76.7%						
Proceeds from Sale of Assets	-	-	-	-	-	-						
Other Receipts	-	-	-	-	-	-						
TOTALS	137,088,879	848,731	213,605,333	163,766,455	49,838,878	76.7%						
PAYMENTS												
Compensation of Employees	4,168,000	762,387	4,930,387	4,291,858	638,529	87.0%						
Use of goods and services	7,824,859	3,762	7,828,621	7,623,987	204,634	97.4%						
Transfers to Other Government Units	71,155,879	-	71,155,879	63,226,560	28,733,372	65.2%						
Other grants and transfers	48,680,142	82,582	101,626,394	59,740,742	41,885,652	58.6%						
Acquisition of Assets	-	-	-	-	-	-						
Other Payments	-	-	2,000,000	1,999,100	900	100.0%						
Funds pending approval**	5,260,000	-	5,260,000	-	5,260,000	-						
TOTALS	137,088,879	848,731	213,605,334	136,882,247	76,723,087	64.1%						

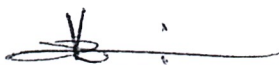
**Matayos Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Notes

- Underutilization in compensation of employees 87.0%, Transfer to Other Government units 65.2%, and Other Grants and transfers 58.6% was because the Fund had not received all the allocation for the year in the financial year under review.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	76,723,086
Less undisbursed funds receivable from the Board as at 30 th June 2021	49,838,878
	26,884,208
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	26,884,208

The NGCDF-Matayos Constituency financial statements were approved on _____ 2021 and signed by:




Fund Account Manager

Name: Kevin O. McAkech



National Sub-County
Accountant

Name: Loyce Wanyama
ICPAK M/No:19609



Chairman NG-CDF
Committee

Name: Pascal B. Sande

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a) 2020/2021 Kshs	Adjustments(b)		Final Budget c = (a+b) 2020/2021 Kshs	Actual on comparable basis(d) 30/06/2021 Kshs	Budget utilization difference(e = c-d) Kshs	% of Utilisat ion(f= d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,168,000			4,168,000	3,529,471	638,529	85
1.2 Committee allowances	1,901,792			1,901,792	1,870,000	31,792	98
1.3 Use of goods and services	2,002,034			2,002,034	1,938,274	63,760	97
1.4 Compensation of Employees		762,387		762,387	762,387	-	100
1.5 Use of goods and services		3,762		3,762	3,762	-	100
Total	8,071,827	766,149	-	8,837,976	8,103,894	734,082	92
2.0 Monitoring and evaluation							
2.1 Capacity building	1,873,032			1,873,032	1,820,200	52,832	97
2.2 Committee allowances	1,048,000			1,048,000	1,023,911	24,089	98
2.3 Use of goods and services	1,000,000			1,000,000	967,840	32,160	97
Total	3,921,032	-	-	3,921,032	3,811,951	109,081	97
3.0 Emergency							
3.1 Primary Schools	4,179,107			4,179,107	4,179,107	-	100
3.2 Secondary schools	2,800,000			2,800,000	2,800,000	-	100
3.3 Tertiary institutions							
3.4 Security projects							
3.5 Unutilised	213,100			213,100		213,100	-
3.6 Unutilised							
Total	7,192,207			7,192,207	6,979,107	3,635,941	64
4.0 Bursary and Social Security							
4.1 Secondary Schools	21,900,000			21,900,000	7,863,298	14,036,702	36
4.2 Tertiary Institutions	11,916,500			11,916,500		11,916,500	-
4.3 Social Security							
4.4 Special Needs							
4.5 Secondary Schools		82,582		25,284,202	25,284,202		100

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

Lwanyia Special School			1,200,000.00	1,200,000	1,200,000		100
Nasewa Primary School			1,400,000.00	1,400,000	1,400,000		100
Inlilba Primary School			643,700.00	643,700	643,700		100
Liriga Primary School			447,500.00	447,500	447,500		100
Knuduru Primary School			800	800		-800	
St. Joseph's Girls Primary School			5,179,750.00	5,179,750	5,179,750		100
St. Eugene's Primary School			500,000.00	500,000	500,000		100
Marale Primary School			700,000.00	700,000	700,000	700,000	
Esirisia Primary School			300,000.00	300,000	700,000	-400,000	233
Bugengeri Primary School					1,050,000	-1,050,000	
Bugengeri Primary School					115,000	-115,000	
Lunga Primary School			600,000.00	600,000		600,000	
Total	14,826,465		10,971,750	25,798,215	26,062,415	-264,200	101
8.0. Secondary Schools Projects							
Busende Secondary School		800,000		800,000	800,000		100
Busibwabo Secondary School		7,162,250		7,162,250		7,162,250	
Lunga Secondary School		800,000		800,000	800,000		100
Lwanyia Girls Secondary School		500,559		500,559	500,559	0	100
Lwanyia Girls Secondary School		15,000,000		15,000,000	1,000,000	14,000,000	7
Malbungge Secondary School		356,100		356,100			100
Mundika Secondary School		6,403,087		6,403,087	6,403,087		100
Mundika Secondary School		20,000,000		20,000,000	1,000,000	19,000,000	5
Budokomi Secondary School		1,900,000		1,900,000	1,900,000		100
St. Jude Nang'oma Secondary School		307,418		307,418	307,418		100
St. Mathias Secondary School		800,000		800,000	800,000		100
St. Mathias Secondary School		1,000,000		1,000,000	1,000,000		100
Buyosi Secondary School			7,162,250	7,162,250	7,162,250		100
Esirisia Secondary School			1,000,000	1,000,000	1,000,000		100
Buyende Secondary School			640,700	640,700	640,700		100
Bilanda Primary School			1,000,000	1,000,000	1,000,000		100
Our Lady of Mercy Secondary School			4,000,000	4,000,000	4,000,000		100
Malbungge Secondary School			-1,104,747	-1,104,747		-1,104,747	
Burumba Secondary School			-2,105,200	-2,105,200		-2,105,200	
Malbungge Secondary School			-2,000,000	-2,000,000		-2,000,000	
Burumba Secondary School			-600,000	-600,000		-600,000	
Mundika Secondary School					1,575,000	-1,575,000	
Malbungge Secondary School					2,973,778	-2,973,778	

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

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Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 14 June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS
1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 041091	1		55,240,876
AIE NO. B 041130	2		4,000,000
AIE NO. B 047611	3		20,000,000
AIE NO. B 0479774	4		6,000,000
AIE NO. B 049378	5		14,000,000
AIE NO. B 104401	6		15,000,000
AIE NO. B 096611	7		9,000,000
AIE NO. B 096979	1	15,000,000	
AIE NO. B 104643	2	19,000,000	
AIE NO. A 823680	3	35,367,724	
AIE NO. B 096611	4	9,000,000	
AIE NO. B 119566	5	10,050,000	
AIE NO. B 119957	6	12,000,000	
AIE NO. B 128198	7	6,900,000	
AIE NO. B 129400	8	7,000,000	
AIE NO. B 132253	9	6,000,000	
AIE NO. B 138922	10	12,000,000	
AIE NO. B 126215	11	7,000,000	
AIE NO. B 105010	12	11,600,000	
AIE NO. B 140653	13	12,000,000	
TOTAL		162,917,724	123,240,876

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,019,338	3,026,086
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	272,520	461,275
Total	4,291,858	3,487,361

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)
5. USE OF GOODS AND SERVICES*

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,496,000	1,730,000
Utilities, supplies and services	320,000	614,000
Communication, supplies and services	572,460	411,760
Domestic travel and subsistence	220,168	544,500
Printing, advertising and information supplies & services	268,000	688,000
Rentals of produced assets	-	-
Training expenses	1,131,500	764,000
Hospitality supplies and services	234,000	345,700
Other committee expenses	204,000	
Fuel ,oil & lubricants	1,020,000	1,025,000
Specialized materials and services	-	-
Office and general supplies and services	204,600	736,000
Other operating expenses	215,000	575,600
Routine maintenance – vehicles and other transport equipment	568,259	324,000
Routine maintenance – other assets	170,000	132,633
Total	7,623,987	7,891,193 R

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	26,062,415	25,007,460
Transfers to secondary schools (see attached list)	35,164,145	46,054,707
Transfers to tertiary institutions (see attached list)	2,000,000	8,627,197
TOTAL	63,226,560	79,689,364

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	33,147,500	10,648,000
Bursary – tertiary institutions (see attached list)	11,755,600	11,867,734
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	7,858,535	4,050,000
Sports projects (see attached list)	-	1,650,000
Environment projects (see attached list)	-	958,800
Emergency projects (see attached list)	6,979,107	4,917,154
Total	59,740,742	34,091,688

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Office landscaping, Carpark and access culvert	1,999,100	-
ICT Hub	-	-
	1,999,100	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021 Kshs	2019-2020 Kshs
Equity Bank, Busia Branch A/C no: 0780266047486	26,884,208	848,731
Total	26,884,208	848,731
10B: CASH IN HAND		
Location 1	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
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

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
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

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	848,731	2,767,462
Cash in hand	-	-
Imprest	-	-
Total	848,731	2,767,462

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	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	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	228,855	228,855
Others (<i>specify</i>)	-	-
	228,855	228,855

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	638,529	762,387
Use of goods and services	204,634	3,762
Amounts due to other Government entities (see attached list)	42,162,250	24,773,900
Amounts due to other grants and other transfers (see attached list)	42,072,552	46,599,152
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
Funds pending approval	5,260,000	-
	90,337,965	72,139,201

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	12,626,715	4,705,953
	12,626,715	4,705,953

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 30 th June 2021	Comments
		A	b	c	d=a-c	
NG CDFC staff Gratuity						
1. Godfrey Makokha	H	39,668	04/01/2022	-	39,668	
2. Yohana Opiyo	G	34,964	15/12/2018	-	34,964	
3. Phaustine Anyango	G	39,053	15/02/2017	-	39,053	
4. Moses Wandera	E	46,357	30/03/2019	-	46,357	
5. Rosemary N Juma	E	39,053	30/10/2016	-	39,053	
6. Mercyline Okaya	F	29,760	28/02/2017	-	29,760	
		228,855			228,855	
		228,855			228,855	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020-2021	Outstanding Balance 2019/2020	Comments
Compensation of employees	Pay staff salaries		762,387	
Use of goods & services	To cater for office expenses		3,762	
Compensation of employees	Pay staff salaries	638,529		
Use of goods & services	To cater for office expenses	204,634		
Amounts due to other Government entities				
Lwanya Special School	Completion of Kitchen consisting of a store, kitchen area & an office and a 100 capacity dining Hall -Plaster, Painting and Shutters		1,200,000	
Nasewa Primary School	Construction of 2 classrooms to completion		1,400,000	
Luliba Primary School	Completion of library with a capacity 70; ceiling and library fittings, and shelves		643,700	
Lunga Primary School	Completion of library with a capacity 70; ceiling and library fittings, and shelves		447,500	
St. Joseph's Girls Primary School	Purchase of School Isuzu 33 seater Bus		5,179,750	
St. Eugene's Primary School	Completion of school a 70 capacity Library; Internal finishes, shelves and painting		500,000	
Eisirisia Primary School	Construction of 1 No Classroom to completion		700,000	
Mabale Primary School	Completion of twin classrooms; Plastering, Finishes, and Painting		300,000	
Lunga Primary School	Completion of library with a capacity 70; ceiling and library fittings, and shelves		600,000	
Buyosi Secondary School	Purchase of Isuzu51 Seater School Bus		7,162,250	
Eisirisia Secondary School	Completion of administration Block consisting of staff room, reception and three offices;- ceiling, plumbing, tiling, fittings (shelves)		1,000,000	

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Buyende Secondary School	Completion of 2 classrooms, plastering, ceiling board, painting and screeding		640,700
Bulanda Primary School	Purchase of Land 1 Acre and title processing		1,000,000
Our Lady Of Mercy Secondary School	Construction of dormitory with a capacity of 120 pax to lintel level		4,000,000
Mabale Primary School	Completion of twin classrooms Painting, Floor and Screeding	700,000	
Busibwabo Secondary School	Purchase of a 51 Seater Isuzu bus. The bus will be bought on a one-off basis and it excludes any asset financing.	7,162,250	
Lwanyia Secondary School	Construction of a storey Administration Block consisting of 5 offices, staff room, computer room with capacity of 40 computers and a library upto suspended slab level	14,000,000	
Mundika Secondary School	Construction of a 2000 capacity Multipurpose Hall Consisting of dining/ conference hall, kitchen, 2 offices and 3 stores 1; slab and columns	19,000,000	
Dr. Daniel Wako Technical & Vocational Training Centre	Construction of a 100 students capacity dining hall upto walling	1,300,000	
Sub-Total		43,005,413	25,540,049
Amounts due to other grants and other transfers			
Bursary	Payment of Bursary to needy students in secondary schools and tertiary institutions	29,317,868	40,404,468
Bukhayo West Chiefs Office	Completion of AP Line consisting of 10 single units of security staff and one office in charge house;- Roofing, plastering and painting		
Bugengi Assistant Chiefs Office	Completion of Ass. Chiefs Office consisting of reception, a 20 capacity boardroom and two offices; Walling, roofing, doors, and windows	500,0000	
Burumba Police Post	Construction of Office consisting of 6 units to roofing level		
Assistant Chiefs Office Mabunge	Completion of Chiefs Office consisting of reception, a 20 capacity boardroom and two offices upto roofing, shutters, plastering and flooring.		
Mundika Sub-location Assistant Chiefs office	Completion of chiefs office consisting of reception, a 20 capacity boardroom and two offices, ceiling, glazing painting, and two door pit latrine		

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Maduwa Police Post	Construction of police cells, partitioning of offices, electricity and water connection	800,000	
Matayos Police Division	Construction of 6 No Police dwelling Units, 1 Bedroom and Shared bathroom	800,000	
Matayos Police Division	Construction of an office block comprising of 2 offices to completion	1,200,000	
Burumba Police Post	Ongoing construction of Office consisting of 6 units; roofing, shutters and plastering	800,000	
Environment activity	Purchase and installation of Water Tanks for water harvesting 10,000 litres for; Bugengi Special School, Lwanya Special School, Alungoli Secondary School, Siteko Primary School, Mundika Secondary School, Busende Secondary School, Lunga Secondary School, Busidibu Special School, Esirisia Primary School, Bukalama Primary School, Buriangi Primary School and Siwongo Primary School	2,161,200	1,201,200
Sports activity	To carry out a constituency sports tournament where the winning teams will be awarded with balls, uniforms and trophies	2,857,543	1,357,543
Emergency		3,635,941	3,635,941
Sub-Total		42,072,552	46,599,152
Funds pending approval		5,260,000	
Grand Total		90,337,965	72,139,201

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	1,200,000	-	-	1,200,000
Buildings and structures	23,823,780	-	-	23,823,780
Transport equipment	4,500,000	-	-	4,500,000
Office equipment, furniture and fittings	3,537,225	-	-	3,537,225
ICT Equipment, Software and Other ICT Assets	1,538,995	-	-	1,538,995
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	34,600,000	-	-	34,600,000

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC NAME	BANK	ACCOUNT NUMBER	BALANCE AS AT 30/6/2021	BALANCE AS AT 3/6/2020
Khuduru Primary School	KCB Bank	1201412129	4,015	4,015
Lwanya Primary School	KCB Bank	1146746466	5,024	2,650
Mundika Boys Primary School	KCB Bank	1146745567	2,094	2,220
St. Joseph Girls Primary School	KCB Bank	1280238860	-1,126	5,179,750
Buyosi Secondary School	KCB Bank	1279392223	649	7,162,250
Mabunge Secondary School	KCB Bank	1209076608	3,682	4,660
Mayenje Secondary School	KCB Bank	1176735683	3,160	3,160
Our Lady Of Mercy Secondary School	KCB Bank	1264226020	1,688	149
Bugengi Primary School	Equity Bank	780299213792	762,400	2,800
Bugengi Special School	Equity Bank	780279211346	20	20
Burumba Primary School	Equity Bank	780261655459	761,765	1,305
Busendebala Primary School	Equity Bank	780279227905	780,080	6,820
Busibwabo Primary School	Equity Bank	780279210139	-	-
Busidibu Special School	Equity Bank	780279234066	777,003	3
Busidibu Primary School	Equity Bank	780279210139	340	340
Buyama Primary School	Equity Bank	780279226591	430	430
Esikulu Primary School	Equity Bank	780279219776	80	-
Igero Primary School	Equity Bank	780280952616	444,755	-
Indoli Primary School	Equity Bank	780280704618	2,070	-
Lukonyi Primary School	Equity Bank	780279647087	394,940	40
Luliba Primary School	Equity Bank	780279233038	470	2,440
Lunga Primary School	Equity Bank	780278696288	3,620	451,780
Lwanya Special School	Equity Bank	780200210029	300,020	-
Mabale Primary School	Equity Bank	780261655215	288,650	3,770
Mabunge Primary School	Equity Bank	780280929096	599,500	-
Mujuru Primary School	Equity Bank	780279531654	1,230	10
Mundulusia Primary School	Equity Bank	780279223226	3,380	2,220
Murende Primary School	Equity Bank	780280919012	778,620	433
Nambere Primary School	Equity Bank	780270362773	284,088	80
Nasewa Primary School	Equity Bank	780279718812	1,244	860
Nasira A.C Primary School	Equity Bank	780280992564	-	-

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Siteko Primary School	Equity Bank	780279210357	759,980	100
St. Eugene Primary School	Equity Bank	780280258537	1,620	-
Busende Secondary School	Equity Bank	780280957202	800,000	-
Buyende Secondary School	Equity Bank	780279767064	1,089,569	1,000,000
Igero Secondary School	Equity Bank	780279226695	5,710	2,060
Assistant Chief Mujini	Equity Bank	780261655312	162,324	137,964
Assistant Chiefs Office Lunga	Equity Bank	780196054392	3,724	3,724
Assistant Chiefs Office Murende	Equity Bank	780279773368	1,095	1,800
Bugengi Ass Chief Office	Equity Bank	780279812064	640	193
Bukhayo West Chiefs Office	Equity Bank	780261655272	1,028	2,188
Burumba Police Post	Equity Bank	780278210039	1,195	76,655
DCC Matayos Pmc	Equity Bank	780279713751	988	383,970
Lwanya Chiefs Office	Equity Bank	780279226778	520	520
Dr. Daniel Wako TTI	Equity Bank	780279492531	179	112,299
Lwanya Girls Secondary School	Family Bank	79000025712	1,027,140	359
Esirisia Primary School	Family Bank	79000025408	514	115
Buyende Primary School	Family Bank	79000025488	-168	-
Mundika Special School	Family Bank	79000025410	-19	1
Nang'oma Primary School	Family Bank	79000027123	4,189	462
Nasira Primary School (R.C)	Family Bank	79000025405	384	231
Alungoli Primary School	National Bank	124203719270 0	313,698	3,025
Buderie Primary School	National Bank	124203820220 0	620	180
Bukalama primary School	National Bank	102203665260 0	6,263	498,263
Bulanda Primary School	National Bank	124203719670 0	8,151	1,340
Buringala Primary School	National Bank	124203719430 0	73,447	680
Mayenje Primary School	National Bank	102203719940 0	352,531	805,005
Mundika Girls Primary School	National Bank	104703652460 0	70	430
Muyafwa Primary School	National Bank	102203690380 0	2,205	2,205
Siwongo Primary School	National Bank	104701800980 0	260	260
Mundika Secondary School	National Bank	124203719930 0	110,470	1,437,165
Esirisia Secondary School	National Bank	124203761380 0	1,071	1,000,739

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St. Matias Secondary School	National Bank	124203720060 0	1,014,454	28,302
Lunga Secondary School	National Bank	124203768060 1	2,287	8,027
St Augustine Nasira Secondary School	National Bank	102103676020 0	195,680	228,180
St Jude Nangoma Secondary School	National Bank	124203817250 1	22,088	4,780
Mabunge Assistant. Chiefs Office	National Bank	102123074590 0	626	500,000
Burumba Secondary School	Sidian Bank	103203000013 5	10,134	-
Budokomi Secondary School	Sidian Bank	103203000009 5	137,453	-
Bukomi Primary School	Co-op Bank	13923593570	2,760	2,760
Khuduru Prmary School	Equity Bnk	780279223002	2,620	2,620
Khuduka Primary School	EquityBank	780279223003	260	260
Murende Secondary School	KCB Bank	11529343309	433	433
St.Peters Budokomi sec. School	KCB	1174535342	289	289
St.Mary's mundika High School	NBK Bank	124203719930 0	237,164	208,569
Alungoli Secondary School	Sidian Bank	10323000085	316	-
St.Paul Mabunge Sec School	EquityBank	780279235110	14,760	-
St.Jude Nangoma Secondary	Equity Bank	78027754327	52,104	52,104
Total			12,626,715	19,340,462

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON FINANCIAL STATEMENTS					
Other Matter					
1	Presentation of the Financial Statements The progress on follow up of auditor recommendations included in the financial statements is not signed by the accounting officer contrary to the Public Sector Accounting Standard Board (PSASB) template issued in June, 2020 which requires the same to be signed by the accounting officer. In the circumstances, the accuracy of the financial statements is in doubt.	The financial statement has been signed and stamped	Fund Account Manager	Resolved	30 th June 2021
3.	Other Matter Budgetary Control and Performance				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 shows that the Fund had budgeted receipts of Kshs.199,676,060 against actual receipts of Kshs.126,008,337. This shows that the Fund had under-collection of receipts of Kshs.73,667,723 or 37% of budgeted receipts.</p> <p>Further, during the year under review, the Fund had an approved expenditure budget of Kshs.199,676,060 against actual total expenditure of Kshs.124,017,606 resulting to an under absorption of Kshs.75,658,455 or 62% of the budgeted amount.</p> <p>The under-collection of receipts and under expenditure is an indication that services and approved projects/programmes were not delivered to the residents of Matayos Constituency and therefore the budget did not meet the intended objectives of improving the service</p>	<p>The management did not receive the funding from the NGCDF Board</p>	<p>Fund Account Manager</p>	<p>Not resolved</p>	<p>31st October 2021</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	delivery or the management may have over budgeted on its activities.				
4	Incomplete and Stalled Water Project at Daniel Wako Technical Training Institute As disclosed in Note 4 to the financial statements, the statement of receipts and payments shows an amount of transfers to other government entities of Kshs.79, 689,364 which includes an expenditure on transfers to tertiary institutions totalling to Kshs.8, 627,197. Among the projects implemented by the Fund was the construction of an elevated water tank and community water kiosk at Dr. Daniel Wako Technical Training Institute at a total cost of Kshs.1, 746,092. However, a physical verification carried out, revealed that the water project had not been completed as expected with one water tank with a 10,000-liter capacity not installed, and the community water Kiosk had not been constructed.	The management confirms that the water tank and the borehole were already installed and the kiosk constructed. The borehole developed some technical problems which the contractor will repair as the warranty period has not elapsed. The KPLC	Fund Account Manager And respective head of institutions	Not Resolved	31st October 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, it was not possible to ascertain whether value for money was achieved from the expenditure of Kshs.1, 746,092 on the project.	also is on the verge of connecting a 3 phase electrical supply. A follow-up has been done.			
5.	Stalled Construction of an Administration Block at Mundika Secondary School	Further, included in the reported amount of transfers to other government entities of Kshs.79, 689,364 as disclosed in Note 4 to the financial statements is transfers to secondary schools totalling to Kshs.46, 054,707 for various projects. Among the projects being implemented by the Fund was the construction of an administration block at Mundika Secondary School at a contract sum of Kshs.32, 603,087. The contract commenced on 15 December, 2016 with no specified expected completion date. The contractor had been paid a total of Kshs.22,	The management can confirm that the contractor is back on site. Further to this the contractor through the PMC has	Fund Account Manager And respective head of institutions	Not resolved 31 st October 2022

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	<p>558,042 and the last certificate was dated 03 January, 2020. However, a physical verification carried out and interviews with the relevant Fund officials, revealed that no construction works had been undertaken since January, 2020. It was also noted that there was no valid performance bond contrary to section 142 (1) of the Public Procurement and Asset Disposal Act, 2015 which states that subject to the regulations, a successful tenderer shall submit a performance security equivalent to not more than ten per cent of the contract amount before signing of the contract. In addition, it was noted that the contract did not have an enforceable contract duration. In circumstances, it was not possible to confirm whether the resources were applied in an effective, way and whether value for money was attained on the expenditure of Kshs.32, 603,087.</p>	<p>requested for a variation on claims that the scope was over the prescribe. A follow up with the relevant government institution is currently under way.</p>			
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