


REPUBLIC OF KENYA



*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY</b> PAPERS L A I D	
<b>REPORT</b>	<b>DATE:</b> 10 NOV 2021
	<b>DAY:</b> Wed AM.
<b>TABLED BY:</b>	Majority Whip Hon Warguse
<b>CLERK AT THE TABLE:</b>	M. Mado

PARLIAMENT  
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**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2019**



CENTRE OF TRAINING GENERAL  
P.O. BOX 10000 NAIROBI

12 AUG 2020

*Revised Template 30<sup>th</sup> June 2019*

RECEIVED



NG-CDF BOARD

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND  
MATAYOS CONSTITUENCY**

**AMENDED REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NGCDF) MATAYOS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**Mission**

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

**Core Values**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	<b>Allan Rotich Chemayiek</b>
2.	Sub-County Accountant	<b>Dennis Abuya</b>
3.	Chairman NGCDFC	<b>Pascal B Sande</b>
4.	Member NGCDFC	<b>Caroline Atieno</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF MATAYOS Constituency Headquarters**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NGCDF) MATAYOS CONSTITUENCY  
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For the year ended June 30, 2019**

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**(f) NGCDF MATAYOS Constituency Contacts**

Telephone: (254) 721800337  
E-mail: [cdmatayos@ngcdf.go.ke](mailto:cdmatayos@ngcdf.go.ke)  
Website: [www.matayos.co.ke](http://www.matayos.co.ke)

**(g) NGCDF MATAYOS Constituency Bankers**

Equity Bank  
A/c No 0780266047486  
P.o Box 553-50400  
Busia Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NGCDF) MATAYOS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

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 Ksh 109,040,875.40 in the financial year 2018/2019. Education programmes were allocated Ksh 53,375,000 which is 48.9% of the entire budget followed by Bursary schemes at Ksh 34,000,000 or 30% 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 and environment.

The constituency successfully completed a total of 3 lightening arrestors covering a radius of 5.8 kilometres each. In addition the Constituency managed to complete renovation of 20 classrooms.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and reallocations

The NG-CDFCs wish that the issues of having the project on going for more than 2years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers. 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.

*Sign*



**CHAIRMAN NGCDF COMMITTEE  
PASCAL B. SANDE**

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

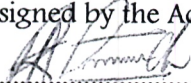
The Accounting Officer in charge of the NGCDF-Matayos Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, 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 entity, 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 entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

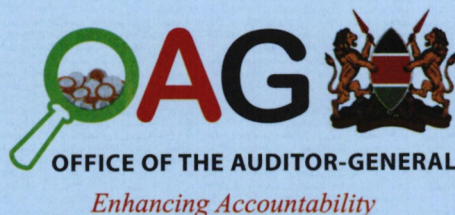
The NGCDF-Matayos Constituency amended financial statements were approved and signed by the Accounting Officer on 28/07/2020 2020.

  
.....  
**Fund Account Manager**  
**Name: Allan R. Chemayiek**

  
.....  
**Sub-County Accountant**  
**Name: Loyce Wanyama**  
**ICPAK Member Number: 19609**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATAYOS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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### **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 7 to 31, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, except for the effects of the matter described under 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, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Unreconciled Variances on Unutilized Funds**

The summary statement of appropriation - recurrent and development combined, reflects a budget under-utilization of Kshs.62,308,336. However, Note 15.3 to the financial statements and Annex 2 reflect an unutilized funds balance of Kshs.59,540,875 resulting into an unreconciled variance of Kshs.2,767,461.

In the circumstances, the accuracy of the unutilized funds balance as at 30 June, 2019, 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

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*Report of the Auditor-General on National Government Constituencies Development Fund - Matayos Constituency  
for the year ended 30 June, 2019*

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**

#### **Budget Performance and Control**

The summary statement of appropriation - recurrent and development combined reflects total budgeted receipts of Kshs.159,087,959 against actual total receipts of Kshs.99,547,085 resulting into an under-collection of Kshs.59,540,875 or 37% of the budgeted receipts.

Further, the Fund had a budgeted total expenditure of Kshs.159,087,959 against actual expenditure of Kshs.96,779,623 resulting into an under-absorption of Kshs.62,308,336 representing 39% of the budgeted expenditure.

Consequently, the Fund did not implement all the budgeted projects and programmes thus denying the constituents of Matayos Constituency the much desired services.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unsuccessful Environmental Projects**

Included in the reported balance of Kshs.41,362,218 for other grants and payments and as disclosed under Note 5 to the financial statements, is an expenditure of Kshs.1,200,000 on environmental projects relating to tree planting across the Constituency. However, audit inspection of the Project revealed that, only 12% of the trees survived thus casting doubt on the prudence of Management and on whether measures were put in place to ensure success of the Project.

In the circumstances, value for money from the expenditure of Kshs.1,200,000 on the project could not be confirmed.

## **2. Acquisition of School Buses under Hire Purchase Terms**

Included in the reported balance of Kshs.36,245,700 for transfers to other government entities and as disclosed under Note 4 to the financial statements, are transfers to secondary schools amounting to Kshs.23,775,700 for various projects and purchase of school buses. However, review of payment records revealed that Burumba Secondary School and Mabunge Secondary School purchased school buses through hire purchase terms. Whereas the cash price for both buses was Kshs.6,775,000, Burumba Secondary School paid Kshs.7,853,198 under the hire purchase terms, resulting into extra charges of Kshs.1,078,198. Similarly, Mabunge Secondary School paid Kshs.7,842,198, resulting into extra charges of Kshs.1,067,198. Although the Board later approved the cost of the buses without the interest, the School Management will have to bear the interest obligations.

Consequently, the regularity of the expenditure, value for money and ability of the Schools to honour the interest obligations under the hire purchase terms could not be confirmed.

## **3. Lack of Ownership Documents for Land**

Annex 4 to the financial statements reflects fixed assets with a total historical cost of Kshs.34,600,000 as at 30 June, 2019. However, the original title deed for a parcel of land valued at Kshs.1,200,000 was not provided for audit.

In the circumstances, the ownership of the parcel of land and the accuracy of the historical cost of Kshs.34,600,000 for the assets could not be ascertained.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit so as 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 control, risk management and governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the Fund or 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 money is applied in an effective manner.

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

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

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date

of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
Nancy Gathungu  
AUDITOR-GENERAL

Nairobi

15 October, 2021

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

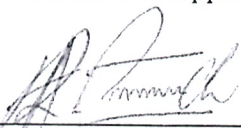
**Reports and Financial Statements**


**For the year ended June 30, 2019**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	60,879,310	87,310,344
<b>TOTAL RECEIPTS</b>		<b>60,879,310</b>	<b>87,310,344</b>
<b>PAYMENTS</b>			
Compensation of employees	2	5,062,095	2,590,679
Use of goods and services	3	10,609,610	11,085,201
Transfers to Other Government Units	4	36,245,700	15,262,000
Other grants and transfers	5	41,362,218	19,782,500
Other Payments	6	3,500,000	-
<b>TOTAL PAYMENTS</b>		<b>96,779,623</b>	<b>48,720,380</b>
<b>(DEFICIT)</b>		<b>(35,900,313)</b>	<b>38,589,964</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Matayos Constituency amended financial statements were approved on 20/07 2020 and signed by:

  
 Fund Account Manager  
 Name: Allan R. Chemayiek

  
 Sub-County Accountant  
 Name: Loyce Wanyama  
 ICPAK Member Number: 19609

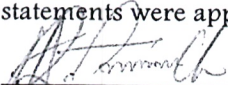
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NGCDF) MATAYOS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**


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**VI. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018 - 2019 Kshs	2017 -2018 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	2,767,462	38,667,774
<b>TOTAL FINANCIAL ASSETS</b>		<u>2,767,462</u>	<u>38,667,774</u>
<b>REPRESENTED BY</b>			
<b>Current Payables</b>			
Fund balance b/fwd 1st July	8	38,667,774	77,810
Deficit for the year		(35,900,313)	38,589,964
<b>NET LIABILITIES</b>		<u>2,767,462</u>	<u>38,667,774</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Matayos Constituency amended financial statements were approved on 20/07 2020 and signed by:

  
Fund Account Manager  
Name: Allan R. Chemayiek

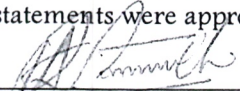
  
Sub-County Accountant  
Name: Loyce Wanyama  
ICPAK Member Number: 19609


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NGCDF) MATAYOS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**VII. STATEMENT OF CASHFLOW**

		<b>2018 - 2019</b>	<b>2017 -2018</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	60,879,310	87,310,344
		<b>60,879,310</b>	<b>87,310,344</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	5,062,095	2,590,679
Use of goods and services	3	10,609,610	11,085,201
Transfers to Other Government Units	4	36,245,700	15,262,000
Other grants and transfers	5	41,362,218	19,782,500
Other Payments	6	3,500,000	-
		<b>96,779,623</b>	<b>48,720,380</b>
<b>Net cash flow from operating activities</b>		<b>(35,900,313)</b>	<b>38,589,964</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(35,900,313)</b>	<b>38,589,964</b>
Cash and cash equivalent at BEGINNING of the year	7	38,667,774	77,810
Cash and cash equivalent at END of the year	8	2,767,462	38,667,774

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Matayos Constituency amended financial statements were approved on 20/27 2020 and signed by:

  
 Fund Account Manager  
 Name: Allan R. Chemayiek

  
 Sub-County Accountant  
 Name: Loyce Wanyama  
 ICPAK Member Number: 19609

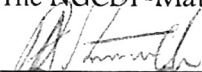
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	109,040,875	50,047,084	159,087,959	99,547,085	59,540,875	62.6%
	<b>109,040,875</b>	<b>50,047,084</b>	<b>159,087,959</b>	<b>99,547,085</b>	<b>59,540,875</b>	<b>62.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,134,705	1,934,138	5,068,843	5,062,095	6,748	99.9%
Use of goods and services	6,334,634	4,350,505	10,685,139	10,609,610	75,529	99.3%
Transfers to Other Government Units	53,375,000	16,475,000	69,850,000	36,245,700	33,604,300	51.9%
Other grants and transfers	46,196,536	23,787,441	69,983,977	41,362,218	28,621,759	59.1%
Other Payments		3,500,000	3,500,000	3,500,000	-	100.0%
<b>TOTALS</b>	<b>109,040,875</b>	<b>50,047,084</b>	<b>159,087,959</b>	<b>96,779,623</b>	<b>62,308,336</b>	<b>60.8%</b>

1. Transfer to other government entity; 51.9% this is as a result of delay in disbursement of funds from the Board
2. Other grants and transfers; 59.1% this is as a result of delay in disbursement of funds from the Board

The NGCDF-Matayos Constituency amended financial statements were approved on 20/07/20 2020 and signed by:

  
 Fund Account Manager  
 Name: Allan R. Chemayiek

  
 Sub-County Accountant  
 Name: Loyce Wanyama  
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

<b>Programme/Sub-programme</b>	<b>Original Budget 2018/2019</b>	<b>Adjustments</b>	<b>Final Budget 2018/2019</b>	<b>Actual on comparable basis 30/06/2019</b>	<b>Budget utilization difference</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>1.0 Administration</b>					
Employees' Salaries	3,134,705.00		3,134,705.00	3,127,957.00	6,748.00
Goods and Services	1,005,148.00		1,005,148.00	929,619.00	75,529.00
Committee Expenses	2,058,259.92		2,058,259.92	2,058,259.92	-
Employees' Salaries		1,934,138.00	1,934,138.00	1,934,138.00	-
Goods and Services		4,350,505.00	4,350,505.00	4,350,505.00	-
<b>Sub-Total</b>	<b>6,198,112.92</b>	<b>6,284,643.00</b>	<b>12,482,755.92</b>	<b>12,400,478.92</b>	<b>82,277.00</b>
<b>2.0 Monitoring and Evaluation</b>					
Goods and Services	611,134.00	-	611,134.00	611,134.00	7,469.00
Committee Expenses	977,924.42		977,924.42	977,924.42	-
Capacity Building of NG-CDFs/PMCs	1,682,167.85		1,682,167.85	1,682,167.85	-
Committee Expenses		-	-	-	-
<b>Sub-Total</b>	<b>3,271,226.27</b>	<b>-</b>	<b>3,271,226.27</b>	<b>3,271,226.27</b>	<b>-</b>
<b>3.0 Emergency</b>					
Emergency	5,738,993.50		5,738,993.45	-	-
Emergencies		568,965.51	568,965.51	-	-
Bukalama Primary School				1,105,944.00	5,202,014.96
St. Joseph's Busia Girls Primary				500,000.00	4,702,014.96
Busendabala Primary School				1,000,000.00	3,702,014.96
Siwongo Primary School				300,000.00	3,402,014.96
Bulanda Primary School				600,000.00	2,802,014.96
St. Paul Mabunge Primary School				500,000.00	2,302,014.96
St. Mary's Mundika Boys Sec.				1,200,000.00	1,102,014.96
<b>Sub-Total</b>	<b>5,738,993.50</b>	<b>568,965.51</b>	<b>6,307,958.96</b>	<b>5,205,944.00</b>	<b>1,102,014.96</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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<b>Programme/Sub-programme</b>	<b>Original Budget 2018/2019</b>	<b>Adjustments</b>	<b>Final Budget 2018/2019</b>	<b>Actual on comparable basis 30/06/2019</b>	<b>Budget utilization difference</b>
<b>4.0 Bursary and Social Security Programme</b>					-
Bursary Secondary Schools	20,000,000.00		20,000,000.00	10,067,797.90	9,932,202.10
Bursary Tertiary Schools	14,000,000.00		14,000,000.00	2,470,000.00	11,530,000.00
Bursary Special Schools	-		-	-	-
Social Security Programmes -NHIF	-		-	-	-
Bursaries		18,050,109.00	18,050,109.00	18,050,109.00	-
<b>Sub-Total</b>	<b>34,000,000.00</b>	<b>18,050,109.00</b>	<b>52,050,109.00</b>	<b>30,587,906.90</b>	<b>21,462,202.10</b>
<b>5.0 Sports</b>					-
Matayos Tournament	2,107,542.88		2,107,542.88	-	-
Matayos Sports PMC	-			300,000.00	1,807,542.88
Matayos Sports PMC	-			300,000.00	1,507,542.88
<b>Sub-Total</b>	<b>2,107,542.88</b>		<b>2,107,542.88</b>	<b>600,000.00</b>	<b>1,507,542.88</b>
<b>6.0 Environment</b>					-
Lwanya Primary School	100,000.00		100,000.00	-	100,000.00
Igero Primary School	100,000.00		100,000.00	-	100,000.00
Muyafwa Primary School	100,000.00		100,000.00		100,000.00
Khuduru Boys Primary School	100,000.00		100,000.00		100,000.00
Mundika Boys Primary School	100,000.00		100,000.00		100,000.00
Burumba Secondary School	100,000.00		100,000.00		100,000.00
St. Mathias Secondary School	100,000.00		100,000.00		100,000.00
Nang'oma Secondary School	100,000.00		100,000.00		100,000.00
Mayenje Primary School	100,000.00		100,000.00		100,000.00
Buyosi Secondary School	100,000.00		100,000.00		100,000.00
Bulanda Primary School	100,000.00		100,000.00		100,000.00
Mabunge Secondary School	100,000.00		100,000.00	-	100,000.00
Purchase PMC		1,200,000.00	1,200,000.00	1,200,000.00	-
<b>Sub-Total</b>	<b>1,200,000.00</b>	<b>1,200,000.00</b>	<b>2,400,000.00</b>	<b>1,200,000.00</b>	<b>1,200,000.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
<b>7.0 Primary School Projects</b>					-
Munongo Primary School	200,000.00		200,000.00	-	200,000.00
Mabale Primary School	300,000.00		300,000.00	-	300,000.00
Muyafywa Primary School	700,000.00		700,000.00	-	700,000.00
Mabale Primary School	300,000.00		300,000.00	300,000.00	-
Buyama Primary School	700,000.00		700,000.00	-	700,000.00
Buyende Primary School	400,000.00		400,000.00	-	400,000.00
Luliba Primary School	800,000.00		800,000.00	-	800,000.00
Mundika Boys Primary School	200,000.00		200,000.00	-	200,000.00
Mabunge Primary School	400,000.00		400,000.00	-	400,000.00
Bugengi Special School	1,000,000.00		1,000,000.00	-	1,000,000.00
Lukonyi Primary School	270,000.00		270,000.00	270,000.00	-
Nasira RC Primary School	400,000.00		400,000.00	-	400,000.00
Lwanya Primary School	400,000.00		400,000.00	-	400,000.00
Sigwata Primary School	500,000.00		500,000.00	-	500,000.00
Esikulu Primary School	400,000.00		400,000.00	-	400,000.00
Nang'oma Secondary School	300,000.00		300,000.00	-	300,000.00
Bungengi Primary School	400,000.00		400,000.00		400,000.00
Burumba Primary School	800,000.00		800,000.00		800,000.00
Buriangi Primary School	700,000.00		700,000.00	700,000.00	-
Busibwabo Primary School	400,000.00		400,000.00		400,000.00
Busidibu Special School	600,000.00		600,000.00		600,000.00
Alungoli Primary School	350,000.00		350,000.00	350,000.00	-
Siwongo Primary School	600,000.00		600,000.00		600,000.00
Khuduru Boys Primary School	800,000.00		800,000.00		800,000.00
Bukalama Primary School	800,000.00		800,000.00		800,000.00
Mundulusia Primary School	400,000.00		400,000.00		400,000.00
Lunga Primary School	600,000.00		600,000.00		600,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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<b>Programme/Sub-programme</b>	<b>Original Budget 2018/2019</b>	<b>Adjustments</b>	<b>Final Budget 2018/2019</b>	<b>Actual on comparable basis 30/06/2019</b>	<b>Budget utilization difference</b>
Khuduru Boys Primary School	600,000.00		600,000.00		600,000.00
Busendabala Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Nambere Primary School	500,000.00		500,000.00		500,000.00
Siteko Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Bulanda Primary School	400,000.00		400,000.00		400,000.00
Buyende Primary School		400,000	400,000	400,000	-
Mundika Primary School		500,000	500,000	500,000	-
Mundika Special School		700,000	700,000	700,000	-
Buringala Primary School		300,000	300,000	300,000	-
Siwongo Primary School		200,000	200,000	200,000	-
Budokomi Primary School		800,000	800,000	800,000	-
Siwongo Primary School		500,000	500,000	500,000	-
Khuduru Primary School		500,000	500,000	500,000	-
Bukalama Primary School		500,000	500,000	500,000	-
Mundulusia Primary School		240,000	240,000	240,000	-
St. Eugene Primary School		1,000,000	1,000,000	1,000,000	-
Mabunge Primary School		300,000	300,000	300,000	-
Sigwata Primary School		500,000	500,000	500,000	-
Lwanya Special School		400,000	400,000	400,000	-
Muyafwa Primary School		500,000	500,000	500,000	-
Mayenje Primary School		500,000	500,000	500,000	-
Busibwabo Primary School		210,000	210,000	210,000	-
Alungoli Primary School		500,000	500,000	500,000	-
Lwanya Special School		400,000	400,000	400,000	-
Lung'a Primary School		900,000	900,000	900,000	-
Mayenje Primary School		500,000	500,000	500,000	-
Lung'a Primary School		500,000	500,000	500,000	-
<b>Sub-Total</b>	<b>17,220,000.00</b>	<b>10,850,000.00</b>	<b>28,070,000.00</b>	<b>12,470,000.00</b>	<b>15,600,000.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
<b>8.0 Secondary School Projects</b>					-
Burumba Secondary School	5,120,000.00		5,120,000.00	5,120,000.00	-
Mabunge Secondary School	5,120,000.00		5,120,000.00	5,120,000.00	-
Our Lady of Mercy Sec School	800,000.00		800,000.00	-	800,000.00
St. Mathias Boys Sec School	300,000.00		300,000.00	-	300,000.00
Muyafwa Secondary School	800,000.00		800,000.00		800,000.00
Mundika Secondary School	9,000,000.00		9,000,000.00	5,000,000.00	4,000,000.00
Buyende Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Lwanya Girls Sec School	1,000,000.00		1,000,000.00	1,000,000.00	-
Mabunge Secondary School	600,000.00		600,000.00	-	600,000.00
Muyafwa Secondary School	465,000.00		465,000.00		465,000.00
St. Augustine Nasira Sec School	1,000,000.00		1,000,000.00		1,000,000.00
Mayenje Secondary School	800,000.00		800,000.00		800,000.00
Igero Secondary School	1,500,000.00		1,500,000.00	160,700.00	1,339,300.00
Burumba Secondary School	2,500,000.00		2,500,000.00		2,500,000.00
Budokomi Secondary School	2,500,000.00		2,500,000.00		2,500,000.00
Alungoli Secondary School	2,500,000.00		2,500,000.00		2,500,000.00
Mundika Secondary School	1,150,000.00		1,150,000.00	1,150,000.00	-
Buyende Secondary School		200,000	200,000	200,000	-
Alungoli Secondary School		1,725,000	1,725,000	1,725,000	-
Lung'a Secondary School		900,000	900,000	900,000	-
Lwanya Girls Secondary School		1,000,000	1,000,000	1,000,000	-
Mabale Secondary School		200,000	200,000	200,000	-
Buyosi Secondary School		200,000	200,000	200,000	-
St. Mathias Secondary School		200,000	200,000	200,000	-
Matayos Arrestors		1,500,000	1,500,000	1,500,000	-
Mayenje Secondary School		300,000	300,000	300,000	-
<b>Sub-Total</b>	<b>36,155,000.00</b>	<b>6,225,000.00</b>	<b>42,380,000.00</b>	<b>23,775,700.00</b>	<b>18,604,300.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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<b>Programme/Sub-programme</b>	<b>Original Budget 2018/2019</b>	<b>Adjustments</b>	<b>Final Budget 2018/2019</b>	<b>Actual on comparable basis 30/06/2019</b>	<b>Budget utilization difference</b>
<b>9.0 Tertiary institutions projects</b>					-
					-
<b>10.0 Security Projects</b>					-
Bukhayo West Chief's Office	400,000.00		400,000.00	400,000.00	-
Bugengi Asst. Chief's Office	500,000.00		500,000.00		500,000.00
AP House Mjini	350,000.00		350,000.00		350,000.00
Maduwa Police Post	800,000.00		800,000.00	-	800,000.00
Lwanya Chief's Office	300,000.00		300,000.00		300,000.00
Matayos Police Division	800,000.00		800,000.00		800,000.00
ACCs Office		1,872,367	1,872,367	1,872,367	-
Nasewa AP Camp		746,000	746,000	746,000	-
Assistant Chief Mjini		150,000	150,000	150,000	-
Marachi/Madua		300,000	300,000	300,000	-
Busibwabo Chief office		300,000	300,000	300,000	-
<b>Sub-Total</b>	<b>3,150,000.00</b>	<b>3,368,367.00</b>	<b>6,518,367.00</b>	<b>3,768,367.00</b>	<b>2,750,000.00</b>
<b>11.0 Acquisitions of Assets</b>					-
					-
<b>12.0 Others</b>					-
Strategic Plan		3,500,000.00	3,500,000.00	3,500,000.00	-
NG- CDF office					-
<b>Sub-Total</b>		<b>3,500,000.00</b>	<b>3,500,000.00</b>	<b>3,500,000.00</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>109,040,875.57</b>	<b>50,047,084.51</b>	<b>159,087,960.03</b>	<b>96,779,623.09</b>	<b>62,308,336.94</b>

**IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-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.

**Tax Receipts**

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

## **NATIONAL GOVERNMENT ENTITY – MATAYOS CONSTITUENCY**

### **Reports and Financial Statements**

**For the year ended June 30, 2019**

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#### **Transfers from the Exchequer**

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

#### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

#### **Other receipts**

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

### **b) Recognition of payments**

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

#### **Compensation of Employees**

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

#### **Use of Goods and Services**

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

#### **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange

## **NATIONAL GOVERNMENT ENTITY – MATAYOS CONSTITUENCY**

### **Reports and Financial Statements**

**For the year ended June 30, 2019**

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transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

#### **5. In-kind contributions**

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

#### **6. Cash and Cash Equivalents**

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

#### **7. Accounts Receivable**

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

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

## **NATIONAL GOVERNMENT ENTITY – MATAYOS CONSTITUENCY**

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#### **10. Unutilized Funds**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

#### **14. Errors**

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

During the year, casting errors in the prior year asset register have been corrected and the nature and amounts are disclosed under annexure 4.

#### **15. Related Party Transactions**

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

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2018-2019 Kshs	2017-2018 Kshs
NGCDF Board		
AIE NO. B005078	6,879,310	-
AIE NO. B030275	10,000,000	-
AIE NO. B005402	12,000,000	-
AIE NO. B006449	8,000,000	-
AIE NO. A724477	11,000,000	-
AIE NO. B047528	13,000,000	-
AIE NO.	-	5,500,000
AIE NO.	-	1,500,000
AIE NO.		37,905,172
AIE NO.		42,405,172
<b>TOTAL</b>	<b>60,879,310</b>	<b>87,310,344</b>

**2. COMPENSATION OF EMPLOYEES**

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	2,600,175	1,915,914
Basic wages of casual labour	-	674,765
<b>Personal allowances paid as part of salary</b>		
Employer contribution to NSSF	145,800	-
Gratuity – paid	2,316,120	-
<b>Total</b>	<b>5,062,095</b>	<b>2,590,679</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,524,870	9,845,400
Communication, supplies and services	455,000	1,239,801
Domestic travel and subsistence	1,247,200	-
Printing, advertising and information supplies & services	323,042	-
Hospitality supplies and services	1,776,000	-
Office and general supplies and services	825,498	-
Other operating expenses	1,728,000	-
Fuel, Oil and Lubricants	400,000	-
Routine maintenance – vehicles and other transport equipment	330,000	-
<b>Total</b>	<b>10,609,610</b>	<b>11,085,201</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to primary schools	12,470,000	5,762,000
Transfers to secondary schools	23,775,700	9,500,000
<b>TOTAL</b>	<b>36,245,700</b>	<b>15,262,000</b>

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**5. OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	26,017,907	10,000,000
Bursary – tertiary institutions	4,570,000	9,782,000
Security projects	3,768,367	-
Sports projects	600,000	-
Environment projects	1,200,000	-
Emergency projects	5,205,944	-
<b>Total</b>	<b>41,362,218</b>	<b>19,782,500</b>

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**6. OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	3,500,000	-
	3,500,000	-

**7: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>EQUITY BANK ACCOUNT NO 0780266047486</i>	2,767,462	38,667,774
<b>Total</b>	<b>2,767,462</b>	<b>38,667,774</b>

**8. BALANCES BROUGHT FORWARD**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	38,667,774	77,810
<b>Total</b>	<b>38,667,774</b>	<b>77,810</b>

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**9. OTHER IMPORTANT DISCLOSURES**

**9.1: PENDING STAFF PAYABLES (See Annex 1)**

	Kshs	Kshs
NGCDFC Staff Gratuity	228,855	-
	<u>228,855</u>	<u>-</u>

**9.2: UNUTILIZED FUND (See Annex 2)**

	Kshs	Kshs
Compensation of employees	-	504,718
Use of goods and services	-	4,217,453
Amounts due to other Government entities (see attached list)	43,781,815	25,561,418
Amounts due to other grants and other transfers (see attached list)	11,259,060	20,051,563
Acquisition of assets	-	969,811
Others	-	8,177,027
	<u>59,540,875</u>	<u>59,481,990</u>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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9.3: PMC account balances (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	7,546,503	39,474,905
	7,546,503	39,474,905

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**XI. ANNEXURES  
ANNEX 1- ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		A	b	c	d=a-c	
<b>NG CDFC staff Gratuity</b>						
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	70,000	39,053	
6. Mercyline Okaya	F	29,760	28/02/2017	-	29,760	
	<b>Sub-Total</b>	<b>228,855</b>			<b>228,855</b>	
	<b>Grand Total</b>	<b>228,855</b>			<b>228,855</b>	

**ANNEX 2 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
	Compensation of employees	-	504,718	
	Use of goods & services	-	4,217,453	
	<b>Amounts due to other Government entities</b>		<b>25,561,418</b>	
	Siwongo Primary School	600,000.00		
	Khuduru Boys Primary School	800,000.00		
	Bukalama Primary School	800,000.00		
	Mundulusia Primary School	400,000.00		

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Lunga Primary School		600,000.00		
Khuduru Boys Primary School		600,000.00		
Busendabala Primary School		1,000,000.00		
Nambere Primary School		500,000.00		
St. Mathias Boys Sec School		300,000.00		
Muyafwa Secondary School		800,000.00		
Mundika Secondary School		4,000,000.00		
Buyende Secondary School		1,000,000.00		
Lwanya Girls Sec School		1,000,000.00		
Mabunge Secondary School		600,000.00		
Muyafwa Secondary School		465,000.00		
St. Augustine Nasira Sec School		1,000,000.00		
Mayenje Secondary School		800,000.00		
Igero Secondary School		1,500,000.00		
<b>Sub-Total</b>		<b>27,772,961</b>	<b>25,561,418</b>	
<b>Amounts due to other grants and other transfers</b>				
Bursary university and college		21,462,202	1,208,613	
Assistant Chiefs Office Lutacho		2,000,000		
Chiefs Office Maraka		4,496,154		
Environment activity		1,200,000		
Sports activity		1,507,543	1,000	
Emergency		1,102,015	637,932	
<b>Sub-Total</b>		<b>31,767,914</b>	<b>29,198,401</b>	
<b>Grand Total</b>		<b>59,540,875</b>	<b>59,481,401</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATAYOS  
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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2017/18</b>	<b>Bank Balance 2016/17</b>
NG-CDF Main Account	Equity Bank	0780266047486	2,767,462	38,667,774
St Mathias Busia Secondary Cdf a/c	National Bank	01242037200600	91,478	111,472
Nangoma Secondary Cdf a/c	National Bank	01242038172501	-	-
Budokomi Mixed Sec	National Bank	01242037125201	102,608	2,603
Lung'a Secondary Cdf a/c	National Bank	01242037680601	4,427	4,427
Mundulusia Primary Cdf a/c	National Bank	01242036870500	450,0000	-
Murende Primary Cdf a/c	National Bank	01242036855601	3,456	-
Igero Primary Cdf a/c	Kcb	116799762	156	-
Nang'oma Primary Cdf a/c	Kcb	1205809619	637	870
Lwanya Primary Cdf a/c	Kcb	1146746466	34,500	2,880
Mujuru Primary Cdf a/c	Kcb	1146745931	170	170
Bukhayo West Chiefs Office	Equity	0780261655272	78	78
Nasira Primary PMC	Equity	0780261655528	3,467	-
Matayos Construction Pmc	Equity	0780270097687	-	1,538
Matayos Purchasing Pmc	Equity	0780270372376	-	60,310
St Teresa's Nambere RC Primary	Equity	0780270362773	459	-

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Siteko Primary PMC	Equity	0780261655179	3,450	520
Matayos Sports Pmc	Equity	0780270748303	4,600	-
St Pius Lukonyi Primary	Equity	0780261655149	5,568	596,445
Mjini Ass Chief office Pmc	Equity	0780261655312	23,348	25,818
Mundika Special Sch	Family	079000025410	639	-
<b>Total</b>			<b>7,546,503</b>	<b>39,474,905</b>

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

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2017/2018			2018/2019
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
<b>Total</b>	<b>34,600,000</b>	<b>-</b>	<b>-</b>	<b>34,600,000</b>

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The nature and amounts of prior year adjustments are as tabulated below:

Asset Class	Prior Year Certified Balance	Casting Error	Restated Balance
Buildings and Structures	25,000,000	(1,176,220)	23,823,780
Office equipment, Furniture and Fittings	2,000,000	1,537,225	3,537,225
ICT Equipment, Software & Other ICT Assets	700,000	839,995	1,538,995
<b>Total</b>	<b>27,700,000</b>	<b>200,000</b>	<b>28,900,000</b>

**XII.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timeframe: ( <i>Put a date when you expect the issue to be resolved</i> )
1.0	Incomplete and Stalled Projects	Additional funding has been factored by management to ensure completion of the projects	Fund Account Manager	Resolved	30 <sup>th</sup> June 2020
2.0	Budget Control and Project Performance	The Fund did not meet its implementation targets because the board did not release funds in time due to the uncertainty that happened after the electioneering period	Fund Account Manager	Resolved	30 <sup>th</sup> June 2020