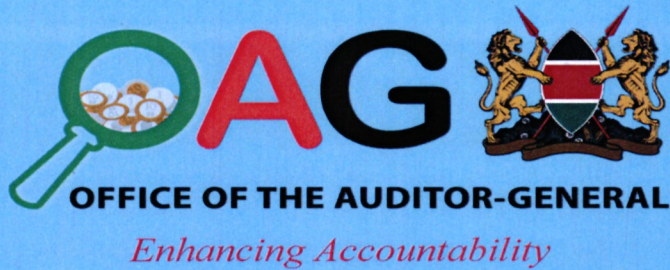


REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY

DATE: 07 AUG 2023

ON

DAY

WED

TABLED  
BY:

Hon. Naomi Wago, mp  
Deputy Majority Whip

CLERK-AT  
THE TABLE:

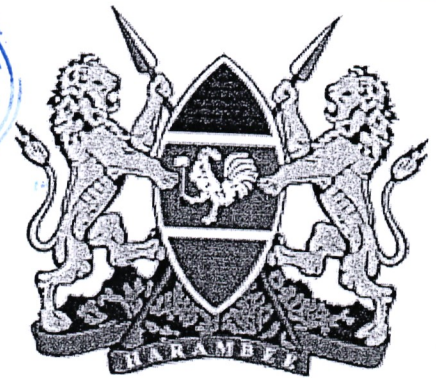
Fulaye Mwangi

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

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



*Revised Template 30<sup>th</sup> June 2022*



**MATUNGU CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

THE NATIONAL ASSEMBLY	
DATE: 02 AUG 2023	DAY:
TABLED BY:	
CLERK AT THE TABLE:	

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

## Table of Contents

	Page
I. Key Constituency Information and Management .....	iii
II. NG-CDFC Chairman's Report .....	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22 .....	xii
IV. Environmental and Sustainability Reporting .....	xiv
V. Statement Of Management Responsibilities .....	xviii
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency .....	xx
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022 .....	1
VIII. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2022 .....	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022 .....	3
X. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2022 .....	5
X. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2022 .....	8
XI. Significant Accounting Policies .....	14
XII. Notes To the Financial Statements .....	20

## 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
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 Matungu Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mary Mwaki
2.	Sub-County Accountant	Lawrence Nyagoto
3.	Chairman NGCDFC	Ramadhan Wesaya
4.	Member NGCDFC	Frankline Ometty

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Matungu Constituency NG-CDF. The reports and recommendation of ARMC when adopted by the NG-CDF 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) Matungu Constituency NGCDF Headquarters

P.O. Box 1045-50102  
Matungu CDF Building  
Mumias/Busia/Highway

(f) NG-CDF Matungu Constituency Contacts

Telephone: (254)723052513  
E-mail: [cdfmatungu@ngcdf.go.ke](mailto:cdfmatungu@ngcdf.go.ke)  
Website: [www.cdfmatungu.go.ke](http://www.cdfmatungu.go.ke)

(g) Matungu Constituency NGCDF Bankers

Equity Bank  
Branch Mumias  
P.O Box 1045-50102  
Mumias

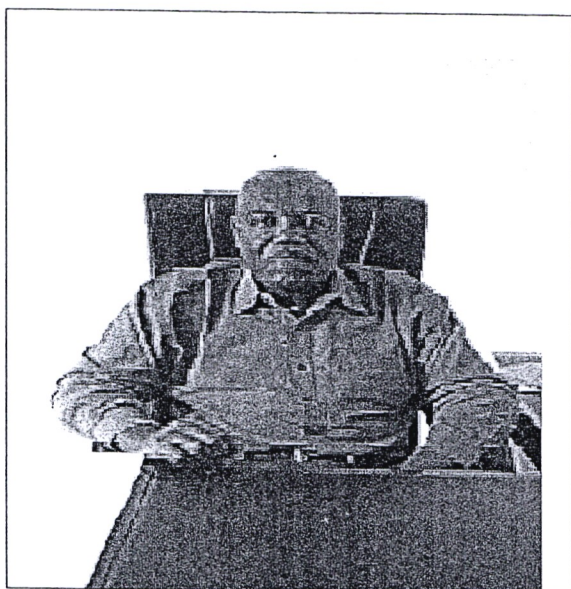
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

## II. NG-CDFC Chairman's Report



### Key achievements in the FY 2021/2022

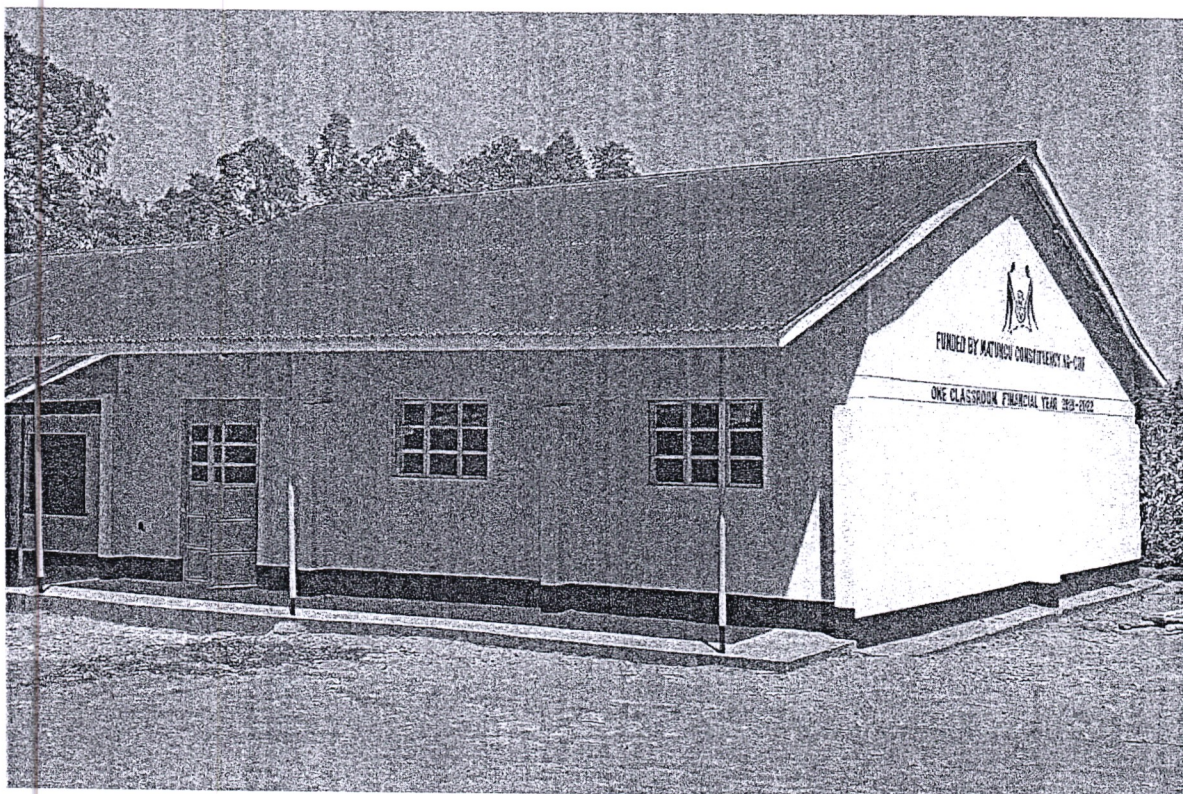
I present to you the performance of Matungu NG-CDF for the FY 2021/2022 as follows: Budget performance against actual amounts for current year based on economic classification and programmes

During the financial year 2021/22 we received Kshs.156, 763,070 from the CDFB and incurred an expenditure of Kshs 156,960,390 as Summarized in the table below.

DESCRIPTION	AMOUNT (KSH)
Total Receipts	156,763,070
<b>Expenditure Per Sector</b>	
Compensation to Employees	3,399,604
Use of goods and Services	10,691,558
Transfer to other government Entities	69,471,432
Other Grants and Transfers	72,263,736
Other Payment	1,134,061
<b>Total</b>	<b>156,960,390</b>

We have faced a number of challenges during this financial year. The first being over dependency on bursary fund due to high level of poverty and too many orphans within the constituency. The outbreak of Covid 19 has also affected the performance of our constituency. These challenges have greatly curtailed successful implementation of our projects. However, despite the challenges we have faced during the financial year, we have managed to execute all the projects in our code list except one.

Below are samples of projects implemented during the year;



*FIG 01. CONSTRUCTION OF 1 CLASSROOM AT NGAIRWE PRIMARY SCHOOL F/Y 2021-2022*



**FIG. 02 ONGOING CONSTRUCTION OF MATUNGU KMTC ADMINISTRATION BLOCK & CLASSES**  
Matungu KMTC project is the Constituency flagship project. So far ground floor is almost complete fitted with doors and window pens. Similarly ground floor has not been painted yet. 1<sup>st</sup> floor has recently been casted with the upper slab and construction work is on-going. Recently NG-CDFB visited the project on normal audit evaluation and their recommendation was positive. After completion of the project FY 2022/2023 the project will have high economic impact within the Constituency.



FIG 03. ONGOING CONSTRUCTION OF MATUNGU KMTC



FIG. 04 CONSTRUCTION OF 1 CLASSROOM AT EMURABE SEC SCHOOL FY 2021/2022

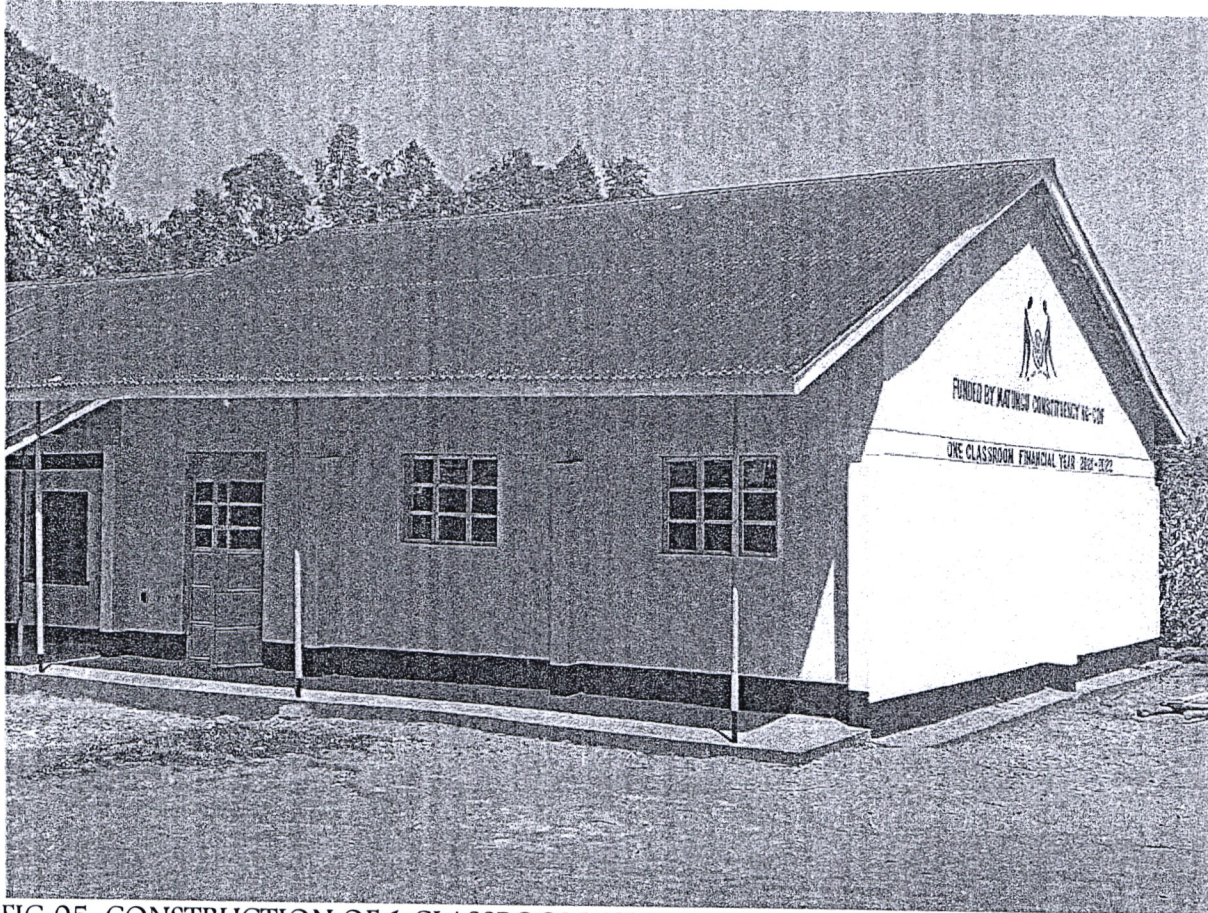


FIG 05. CONSTRUCTION OF 1 CLASSROOM AT BULONGA SECONDARY SCHOOL FY 2021/2022

#### Emerging issues

During the financial year in question, there was an outbreak of Covid 19 which greatly affected the budget. Inflation also greatly reduced the purchasing power, so the budget was not sufficient.

#### Recommendations

Since the effect of the above named issues were bad on the economy, we are recommending that the Board to allow for more allocation for projects since we don't have a provision for supplementary budget for projects at the constituency level.

Name: Ramadhan Wasaya

CHAIRMAN NG-CDF COMMITTEE

## III. Statement of Performance against Predetermined Objectives for FY2021/22

## Introduction

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

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

- a) Improve access to quality education by expansion of schools through rehabilitation, renovation and construction of classrooms, provision of school infrastructure, including sanitary facilities, laboratories and boarding facilities.
- b) Harnessing youth talent by funding of youth sporting initiatives, creating awareness on the establishment of youth groups, creating awareness among the youth on seeking development fund loans.
- c) Promoting environment in constituency by organizing tree planting days.
- d) Catering for any unforeseen occurrences in the constituency (emergency support)
- e) Enhancing security in the constituency by buying land for construction of Chiefs and Sub- Chiefs offices, AP housing units, rehabilitation of police stations, Chiefs offices among other initiatives.
- f) Improve the tracking of implementation NG-CDF Programmes.
- g) Promote performance management and smooth running of the NG-CDF office.

## Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	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 levels	In FY 20/21 - We increased number of class rooms from 324-332 - Bursary- There was an increase of beneficiaries of Bursary fund, a total of 4,338 students in both secondary, and tertiary institution benefited from the Bursary Fund.

Security	To harness youth talent and empower them	Increased campaign on drugs and substance abuse and on HIV and AIDS Awareness among the youth on establishment of youth groups	No. Of campaigns held, number of awareness forums held and amount of funds voted	There is ongoing construction of administration police posts ie Khalaba Police post, Indangalasia police post, Mirere Police Post within the Constituency in this Financial year to ensure sustainability security measures within the Constituency
Environment	To promote environmental sustainability in constituency	Increase number of trees planted that improve water catchment areas.	Number of trees planted	Improvement in number of trees planted in the constituency. Awareness importance
Sports	To harness youth talent and empowerment	To increase youth talents and empowerment through different sports activities	Different sporting activities	Soccer tournament was carried out which result in the youth and Community talent Empowerment
Emergency Support	To cater for any unforeseen occurrences in the constituency.	Increased funds for unforeseen activities	Number of cases assisted	We assisted two institutions in addressing unseen calamities like Itete primary school in construction of 1 No. Classroom.

#### IV. Environmental and Sustainability Reporting

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

##### 1. Sustainability strategy and profile -

To ensure sustainability of Matungu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Matungu 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 tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

## 2. Environmental performance

Environmental Policy In this policy statement, Matungu NG-CDF commits to:

- Awareness of constituents on importance of environmental management conservation.
- To promote and encourage tree planting in the constituency by setting tree planting days to improve water catchment areas
- Strengthening of overall policy coordination of natural resource management.
- Raising real awareness of the importance of environmental matters within the constituency.
- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Creating awareness to the employees and Matungu residents at large the importance of keeping the environment clean and making a follow up on the same.
- Ensure proper waste disposal and management.
- Creating awareness to the public on the minimization of Land, Air and Water pollution.

## 3. Employee welfare

We invest in providing the best working environment for our employees. Matungu 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. Matungu constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

#### 4. Market place practices-

Matungu NG-CDF 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.

NG-CDF has put in efforts to ensure:

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

#### 5. Community Engagements-

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

#### Public Participation in Project Identification and Implementation and Monitoring

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

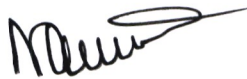
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

#### 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.

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



.....  
Name: Mary Mwaki

FAM

## 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 NG-CDF-Matungu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

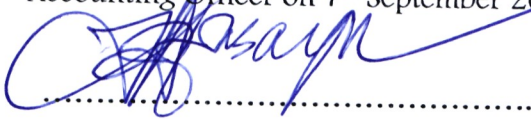
The Accounting Officer in charge of the NG-CDF Matungu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF- Matungu 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 NG-CDF Matungu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under

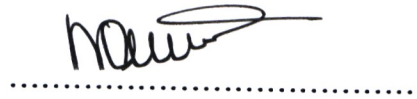
audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NG-CDF- Matungu Constituency financial statements were approved and signed by the Accounting Officer on 7<sup>th</sup> September 2022.



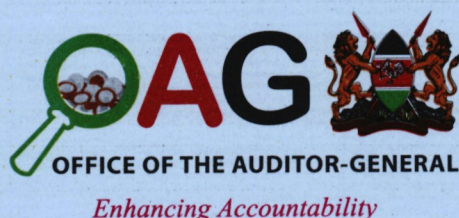
Name: Ramadhan Wasaya  
Chairman – NGCDF Committee



Name: Mary Mwaki  
Finance Account Manager

# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungu Constituency set out on pages 1 to 46,

which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 - Matungu Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Unsupported Assets Disclosed in the Summary of Fixed Assets**

Annex 4 to the financial statements on summary of the fixed asset register reflects assets worth Kshs.30,059,174 as at 30 June, 2022. The balance includes balances of Kshs.20,499,913 and Kshs.5,200,000 relating to buildings and structures and transport equipment. However, the balances were not supported by relevant documents like certificates of practical completion and log books.

In the circumstances, the accuracy, completeness and ownership of the fixed assets worth Kshs.30,059,174 could not be confirmed.

#### **2. Unsupported Bursaries Expenditure**

The statement of receipts and payments reflects payments totaling Kshs.72,263,736 for other grants and transfers which as disclosed in Note 7 the financial statements, includes an amount of Kshs.54,192,523 being bursaries disbursed to various secondary schools and tertiary institutions. Examination of payment records and other supporting documents revealed that out of the amount of Kshs.54,192,523, an amount of Kshs.4,757,178 was not supported by acknowledgement documents.

In the circumstances, the accuracy and completeness of the bursaries to secondary schools and tertiary institutions amount of Kshs.54,192,523 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 - Matungu Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

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

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects a receipts budget and actual on comparable basis amounts of Kshs.234,094,820 and Kshs.198,870,132 respectively, resulting to under-funding of Kshs.35,224,688 or 15% of the budget. Similarly, the statement reflects actual expenditure of Kshs.155,826,329 against approved budget of Kshs.234,094,820 resulting to under-performance of Kshs.98,268,491 or 33% of the budget.

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

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

### **Conclusion**

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

#### **1. Project Implementation Status**

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.69,471,432 and other grants and transfers amount of Kshs.72,263,736 as disclosed in Notes 6 and 7 to the financial statements respectively. These amounts relate to the expenditure on projects implemented in primary schools, secondary schools and tertiary institutions, security, sports, environment and emergency projects.

Review of the project implementation status report revealed that out of the fifty eight (58) projects, forty-six (46) or 79% were completed, eleven (11) or 19% were on-going while one (1) project, representing 2% had not started. No satisfactory explanation was provided on why eleven (11) projects had not been completed and one had not been started.

In the circumstances, the residents of Matungu Constituency did not receive value for money from the expenditure incurred on the projects.

## **2. Non-Compliance with the Law on Ethnicity**

Review of human resource records revealed that during the year under review, the Fund had ten (10) employees who were all from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that a public office shall not have more than one-third of its staff from the same ethnic community.

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

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

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

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a time 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 judgment and maintain professional skepticism throughout the audit. I also:

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

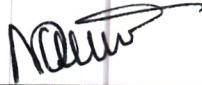
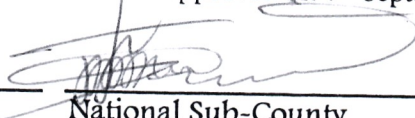
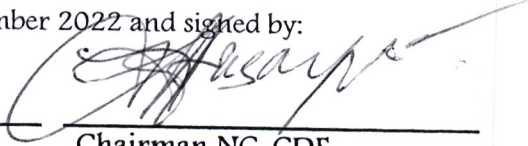
22 June, 2023

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

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	156,763,070	154,157,724
Other Receipts	3	98,000	41,000
<b>Total Receipts</b>		<b>156,861,070</b>	<b>154,198,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,399,604	2,814,143
Use Of Goods and Services	5	10,691,558	7,921,448
Transfers To Other Government Units	6	69,471,432	82,603,942
Other Grants and Transfers	7	72,263,736	42,349,868
<b>Total Payments</b>		<b>155,826,329</b>	<b>135,689,401</b>
<b>Surplus/ (Deficit)</b>		<b>1,034,741</b>	<b>18,509,323</b>

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

The Constituency financial statements were approved on 7<sup>th</sup> September 2022 and sighted by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee

Name: Mary Mwaki

Name: Lawrence Nyagoto  
ICPAK M/No:

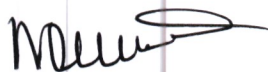
Name: Ramadhan Wasaya

VIII.Statement of Assets and Liabilities as at 30<sup>th</sup> June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	43,242,446	42,009,062
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>43,242,446</b>	<b>42,009,062</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>43,242,446</b>	<b>42,009,062</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	198,644	-
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b>43,043,803</b>	<b>42,009,063</b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	42,009,062	23,514,738
Prior Year Adjustments	14	-	
Surplus/Deficit for The Year		1,034,741	18,494,324
<b>Net Financial Position</b>		<b>43,043,803</b>	<b>42,009,062</b>

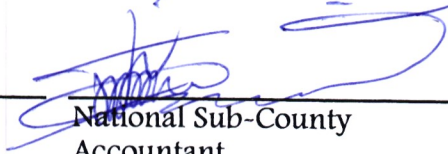
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 7<sup>th</sup> September 2022 and signed by:



Fund Account Manager

Name: Mary Mwaki



National Sub-County  
Accountant

Name: Lawrence Nyagoto  
ICPAK M/No:



Chairman NG-CDF Committee

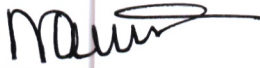
Name: Ramadhan Wasaya

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

	Notes	2021 – 2022	2020 – 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	156,763,070	154,157,724
Other Receipts	3	98,000	41,000
<b>Total Receipts</b>		<b>156,861,070</b>	<b>154,198,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,399,604	2,814,143
Use Of Goods and Services	5	10,691,558	7,921,448
Transfers To Other Government Units	6	69,471,432	82,603,942
Other Grants and Transfers	7	72,263,736	42,349,868
Other Payments	9	-	-
<b>Total Payments</b>		<b>155,826,329</b>	<b>135,704,402</b>
<b>Total Receipts Less Total Payments</b>		<b>1,034,741</b>	<b>18,494,322</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	198,644	-
Prior Year Adjustments	14	198,644	-
<b>Net Cash Flow from Operating Activities</b>		<b>1,233,385</b>	<b>18,494,323</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>1,233,385</b>	<b>18,494,323</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>10</b>	<b>42,024,061</b>	<b>23,514,738</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b>43,242,447</b>	<b>42,009,062</b>

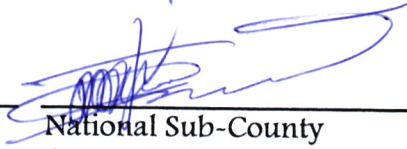
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 7<sup>th</sup> September 2022 and signed by:



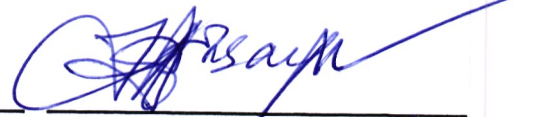
Fund Account Manager

Name: Mary Mwaki



National Sub-County  
Accountant

Name: Lawrence Nyagoto  
ICPAK M/No:



Chairman NG-CDF  
Committee

Name: Ramadhan Wasaya

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

X.Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis D	Budget utilization difference e=c-d	% of Utilization f=d/c%
	A	2021/2022	B	Previous Years' Outstanding Disbursements				
Receipts								
		2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879		42,009,062	54,898,879	233,996,820	198,772,132	35,224,688	84.9%
Other Receipts			98000	0	98,000	98,000	-	0.0%
Totals	137,088,879		42,107,062	54,898,879	234,094,820	198,870,132	35,224,688	85.0%
Payments								
Compensation Of Employees	4,673,228		664,515	1,415,897	6,753,640	3,399,604	3,354,036	50.3%
Use Of Goods and Services	7,664,770		5,398,858	1,894,548	14,958,176	10,691,558	4,266,618	71.5%
Transfers To Other Government Units	80,558,674		22,100,000	22,600,000	125,258,674	69,471,432	55,787,242	55.5%
Other Grants and Transfers	44,192,207		13,276,689	28,988,434	86,457,330	72,263,736	14,193,594	83.6%
Other Payments	0		300,000	0	300,000	-	300,000	0.0%
Funds Pending Approval**	0		367,000	0	367,000	-	367,000	

Receipts/Payments	Original Budget A	Adjustments B		Final Budget C=a+b	Actual on comparable basis D	Budget utilization difference e=c-d	% of Utilization f=d/e%
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements <sup>t</sup>				
	2021/2022			2021/2022	30/06/2022		
Receipts	137,088,879	42,107,062	54,898,879	234,094,820	155,826,329	78,268,491	66.6%
Totals							

*\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

*Explanatory Notes .*

*(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]*

*(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)] Under-utilization resulted from delayed funding from the Board.*

*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	78,268,491
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	35,224,688
	43,043,803
Add Accounts payable	198643.77

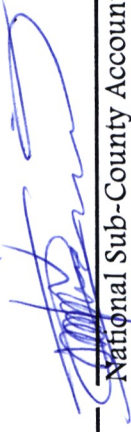
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	43,242,446

The Constituency financial statements were approved on 7<sup>th</sup> September 2022 and signed by:



Fund Account Manager

Name: Mary Mwaki



National Sub-County Accountant

Name: Lawrence Nyagoto  
ICPAK M/No:



Chairman NG-CDF Committee

Name: Ramadan Wasaya

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/BK) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,673,228	664,515	1,415,897	6,753,640	3,399,604	3,354,036
1.2 Committee allowances	1,648,000	1,414,139	-	3,062,139	3,070,268	(8,129)
1.3 Use of goods and services	1,904,104	2,238,504	393,509	4,536,117	2,066,244	2,469,873
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,200,990	475,390	643,700	2,320,080	663,700	1,656,380
2.2 Committee allowances	2,415,902	857,500	-	3,273,402	2,858,180	415,222
2.3 Use of goods and services	495,774	413,325	857,339	1,766,438	2,033,166	(266,728)
<b>3.0 Emergency</b>						
3.1 Primary Schools	5,100,000			5,100,000	5,100,000	-
3.2 Secondary schools	1,200,000			1,200,000	250,000	950,000
3.3 Tertiary institutions	892,207		2,600,508	3,492,715	4,190,300	(697,585)
3.4 Security projects		1,449,380	-	1,449,380	-	1,449,380
Utilized	-	1,691,568	1,549,765	3,241,333	2,092,207	1,149,126
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	24,050,000		8,382,430	32,432,430	39,864,988	(7,099,559)
4.3 Tertiary Institutions	12,950,000		12,846,840	25,796,840	14,327,535	11,469,305
4.4 Universities						

Programme/Sub-programme	Original Budget 2021/2022	Adjustments Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
4.5 Social Security						
5.0 Sports	-	1,788,985	2,058,433	3,847,418		
5.1						
5.2						
5.3						
6.0 Environment	-	2,744,960	1,550,458	4,295,418	2,743,961	1,551,458
6.1						
6.2						
6.3						
7.0 Primary Schools Projects (List all the Projects)						
ACK Namanga Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Buloma Primary School	700,000	-	-	700,000	700,000	-
Ebubambula Primary School	600,000	-	-	600,000	600,000	-
Ebuataliko Primary School	600,000	1,000,000		1,600,000	600,000	-
Emanani Muslim Primary School	600,000	-		600,000	600,000	-
Emurabe Primary School	600,000	-		600,000	600,000	-
Eshikhondi Primary School	600,000	-		600,000	600,000	-
Imakale Primary School	600,000	-		600,000	600,000	-
Itete Primary School	600,000	-		600,000	600,000	-
Kadiina Primary School	1,000,000	-		1,000,000	1,000,000	-
Lunganyiro Primary School	600,000	-		600,000	600,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Malanga Primary School	1,000,000	-		1,000,000	1,000,000	-
Marinda Primary School	600,000	-		600,000	600,000	-
Munanga Primary School	600,000	-		600,000	600,000	-
Namalasire Primary School	1,200,000	-		1,200,000	1,200,000	-
Nanasanda Primary School	600,000	-		600,000	600,000	-
Namulungu Muslim Primary School	600,000	-		600,000	600,000	-
Ngairwe Primary School	600,000	-		600,000	600,000	-
Nyapwaka Primary School	600,000	-		600,000	600,000	-
Sayangwe Primary School	900,000	-		900,000	900,000	-
St. Ambrose Eshikhonesi Primary School	600,000	-	-	600,000	600,000	-
Wamukoya Muslim Primary School	600,000			600,000	600,000	-
Namamali Muslim Primary School	1,772,962			1,772,962	1,772,962	-
Emabolo Primary School		700,000.00	1,500,000	2,200,000	700,000	1,500,000
Bukosia Primary School		4,000,000.00		4,000,000	4,000,000	-
Nyambula Primary School		1,600,000.00		1,600,000	1,000,000	600,000
Lutasio Primary School		1,000,000.00		1,000,000	1,000,000	-
Ebusambe Primary School		900,000.00		900,000	900,000	-
Khabukoshe Primary School		700,000.00		700,000	700,000	-
Makunda Primary school		900,000.00		900,000	900,000	-
Kholera Primary School		700,000.00		700,000	700,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kholera Primary school		300,000.00		300,000	300,000	-
Koyonzo Special School		1,000,000.00	600,000	1,600,000	1,000,000	600,000
Soweto Primary School			1,600,000	1,600,000	-	1,600,000
Kholera Muslim Makunda			2,200,000	2,200,000	-	2,200,000
Navunulu Primary School			1,000,000	1,000,000	-	1,000,000
Mukunyuku Sec School			600,000	600,000	-	600,000
Mukheya Primary School			900,000	900,000	900,000	-
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
Bulonga Secondary School	1,000,000			1,000,000	1,000,000	-
ACK Koyonzo girls Sec School	600,000			600,000	-	600,000
Ebubambula Secondary School	600,000	1,000,000		1,600,000	1,600,000	-
Ebusambe Secondary School	600,000			600,000	-	600,000
Emanani Muslim Sec School	600,000			600,000	-	600,000
Eshirumbwe Sec School	600,000			600,000	-	600,000
Koyonzo boys Sec School	1,000,000			1,000,000	1,000,000	-
Matungu SDA Sec School	1,000,000			1,000,000	1,000,000	-
Mungakha Sec School	1,000,000	1,000,000		2,000,000	2,000,000	-
Namalasire Secondary School	1,400,000			1,400,000	-	1,400,000
Namamba Girls Sec School	600,000			600,000	-	600,000
Sayangwe Secondary School	600,000			600,000	600,000	-
St. Agnes Mwira girls Sec School	700,000			700,000	700,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Namulungu Muslim Sec School	708,169			708,169	708,169	(0)
St. Cecilia Makokhwe Sec School	1,000,000	1,300,000		2,300,000	2,300,000	-
St. Charles Khalaba Sec School	1,800,000			1,800,000	1,800,000	-
St. Emmanuel Lutasio Sec School	600,000			600,000	600,000	-
St. Francis Shiyabo Sec School	600,000			600,000	-	600,000
St. Ida Girls Sec School	600,000			600,000	-	600,000
St. James Namamba Boys Sec School	600,000			600,000	-	600,000
St. Maurice Mwira Sec School	12,000,000	1,000,000	-	13,000,000	1,000,000	12,000,000
St. Pauls Ejinja Sec School	1,500,000			1,500,000	-	1,500,000
St. Stephens Namulungu Sec School	1,200,000			1,200,000	1,200,000	-
Bulimbo Girls Sec School	900,000			900,000	900,000	-
Eshibanze Muslim Sec School	1,078,424			1,078,424	-	1,078,424
Makunda Muslim Sec School	1,513,407.00			1,513,407	-	1,513,407
Mukhweya Secondary School		1,000,000		1,000,000	1,000,000	-
Shiyabo Secondary School		1,000,000		1,000,000	1,000,000	-
Nyapora Secondary School		1,000,000	600,000	1,600,000	1,000,000	600,000
Emuberi Secondary School		1,000,000		1,000,000	1,000,000	-
Mayoni Township Secondary		-	3,000,000	3,000,000		3,000,000
Nyambula Sec School			600,000	600,000		600,000
9.0 Tertiary institutions Projects (List all the Projects)						
Matungu KMTC	25,946,272	1,000,000		26,946,272	15,600,000	11,346,272

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Matungu TTI	3,039,440			3,039,440	-	3,039,440
Kibabii University			10,000,000	10,000,000	-	10,000,000
9.4						
<b>10.0 Security Projects</b>						
Manager DCC Matungu		4,101,796	-	4,101,796	4,101,796	0
Indangalasia Police Post		1,500,000		1,500,000	1,500,000	-
10.3						
<b>11.0 Acquisition of assets</b>						
11.1 Mortobike	-	300,000	-	300,000	-	300,000
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
<b>12.0 Others</b>						
12.1 Strategic Plan						
12.2 AIA	-	367,000	-	367,000	-	367,000
12.2						
Funds pending approval**						
<b>Total</b>	<b>137,088,879</b>	<b>42,107,062</b>	<b>54,898,879</b>	<b>234,094,820</b>	<b>155,826,328</b>	<b>78,268,491</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

## XI. Significant Accounting Policies

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

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

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

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

### 2. Reporting Entity

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

### 3. Reporting Currency

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

### 4. Significant Accounting Policies

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

#### a) Recognition of Receipts

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

*Significant Accounting Policies continued*

**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.

### *Significant Accounting Policies continued*

#### **Compensation of Employees**

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

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

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

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

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

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

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

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

*Significant Accounting Policies continued*

6. Cash and Cash Equivalents.

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

*Significant Accounting Policies continued*

7. Accounts Receivable

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

8. Accounts Payable

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

## *Significant Accounting Policies continued*

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

*Significant Accounting Policies continued*

**14. Errors**

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

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

**15. Related Party Transactions**

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B104705		20,000,000
AIE NO A823634		35,000,000
AIE NO B104105		9,000,000
AIE NO B128203		13,300,000
AIE NO B119962		12,000,000
AIE NO B129165		6,000,000
AIE NO B132258		6,000,000
AIE NO B138927		12,000,000
AIE NO B105147		7,857,724
AIE NO B105015		11,000,000
AIE NO B126220		9,000,000
AIE NO B105815		13,000,000
AIE NO B105210	33,000,000	
AIE NO B105664	44,000,000	
AIE NO B105869	22,000,000	
AIE NO B128621	5,000,000	
AIE. NO. B154131	12,000,000	
AIE NO. B128934	12,000,000	
AIE NO. B164362	18,000,000	
AIE NO. B155892	10,763,070	
<b>TOTAL</b>	<b>156,763,070</b>	<b>154,157,724</b>

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Others (specify)		
<b>Total</b>	<b>-</b>	<b>-</b>

### 3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of tender documents	98,000	41,000
Unutilized funds from PMCs	-	-
<b>Total</b>	<b>98,000</b>	<b>41,000</b>

*Notes To the Financial Statements (Continued)*

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,586,345	1,836,317
Gratuity to contractual employees	561,325	771,379
Employer Contributions Compulsory national social security schemes	251,933	206,447
<b>Total</b>	<b>3,399,604</b>	<b>2,814,143</b>

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	5,928,448	3,899,380
Utilities, supplies and services	4,099,410	2,821,078
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	663,700	1,200,990
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
<b>Total</b>	<b>10,691,558</b>	<b>7,921,448</b>

*Notes To The Financial Statements (Continued)*

**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	29,072,963	22,096,692
Transfers To Secondary Schools (See Attached List)	20,408,169	44,107,250
Transfers To Tertiary Institutions (See Attached List)	19,990,300	16,400,000
<b>Total</b>	<b>69,471,432</b>	<b>82,603,942</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	39,864,988	19,150,933
Bursary – tertiary institutions (see attached list)	14,327,535	12,290,000
Security projects (see attached list)	5,601,796	8,200,000
Sports projects (see attached list)	2,283,249	648,000
Environment projects (see attached list)	2,743,961	-
Emergency projects (see attached list)	7,442,207	2,060,935
<b>Total</b>	<b>72,263,736</b>	<b>42,349,868</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>	<b>43,242,446</b>	<b>42,009,062</b>
<i>Name Of Bank, Account No. Equity Bank (06802991408690)</i>	-	-
<b>Total</b>	<b>43,242,446</b>	<b>42,009,062</b>

10 B: Cash on Hand		
Other Locations ( <i>Specify</i> )	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

**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>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Total</i>		-	-	-

*[Include an annex if the list is longer than 1 page.]*

**Notes to the Financial Statement Continued**

**12A. Retention**

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

*[Provide short appropriate explanations as necessary.]*

**12B. Gratuity**

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	771,379	-
Gratuity held during the year (B)	561,325	-
Gratuity paid during the Year (C)	1,134,061	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	198,644	-

*[Provide short appropriate explanations as necessary]*

### 13. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	42,009,062	23,514,738
Cash in hand	-	-
Total	42,009,062	23,514,738

*[Provide short appropriate explanations as necessary]*

### 14. Prior Year Adjustments

Description of the error	Balance b/f FY 2020/2021 as per Audited Financial statements Kshs	Adjustments Kshs	Adjusted Balance** b/f FY 2021/2022 Kshs
Bank account Balances	42,009,062	-	42,009,062
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
Total	42,009,062	-	42,009,062

\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)

### 15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	198,644	-
closing account payables D= A+B-C	198,644	-
Changes in Accounts Payable E= D-E	-	-

*Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff Pending staff Gratuity Payable FY 2021/2022	-	771,379
Others ( <i>specify</i> )	-	-
Total	-	771,379

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,925,868	2,080,413
Use of goods and services	4,266,618	7,293,826
Amounts due to other Government entities (see attached list)	61,479,542	25,360,000
Amounts due to other grants and other transfers (see attached list)	8,403,294	51,827,701
Acquisition of assets	300,000	300,000
Funds pending approval	367,000	46,000
Others	-	10,000,000
Total	76,742,322	96,907,940

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
Details	2022	2021
PMC account balances (see attached list)		

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

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
<b>NG-CDFC Staff</b>				
1. FRIEDRICK MWENJE	CLERK OF WORKS	1 <sup>st</sup> March 2020	47,227	TO BE PAID AFTER THE END OF CONTRACT
2. NORMAN OPATI	ACCOUNTS ASSISTANT	1 <sup>st</sup> March 2020	39,611	TO BE PAID AFTER THE END OF CONTRACT
3. SHABAN NAWATE	DRIVER	1 <sup>st</sup> March 2020	22,820	TO BE PAID AFTER THE END OF CONTRACT
4. BRENDA KONGANI	OFFICE SECRETARY	1 <sup>st</sup> March 2020	22,820	TO BE PAID AFTER THE END OF CONTRACT
5. IDD MULOSI	SECURITY	1 <sup>st</sup> March 2020	16,542	TO BE PAID AFTER THE END OF CONTRACT
6. LILIAN MAKERO	OFFICE ASSISTANT	1 <sup>st</sup> March 2020	16,542	TO BE PAID AFTER THE END OF CONTRACT
7. VICTOR WEYIME	OFFICE ASSISTANT	1 <sup>st</sup> March 2020	16,542	TO BE PAID AFTER THE END OF CONTRACT
8. JUMA MURUNGA	SECURITY	1 <sup>st</sup> March 2020	16,542	TO BE PAID AFTER THE END OF CONTRACT
Sub-Total				
Grand Total			198,644	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of NG-CDFC Staff Salaries	1,925,868	2,080,413	Increase in Compensation resulted in increase in payment of Staff Gratuity
Use of goods & services	Purchase of Office Stationery, Motor vehicle fuel, Allowances to NG-CDFC	4,266,618	7,293,326	The delayed funding of Admin funding in previous years
Amounts due to other Government entities	Transfer to Primary School, Secondary Schools and Tertiary Institutions	61,479,542	33,900,000	More implantation of unfunded previous Budgeted projects
Primary School				
Emabolo Primary School	Construction 2 No. Classrooms	1,500,000	1,500,000	Delayed funding from the Board
Nyambula Primaty School	Purchase 1 Acre of Land	600,000		
Koyonzo Special School	Purchase 1 Acre of Land	600,000	600,000	Delayed funding from the Board
Soweto Primary School	Purchase 1 Acre of Land	600,000	600,000	Reallocation
Kholera Muslim Makunda	Construction of 1 No. Classroom & Purchase 1 Acre of Land	2,200,000	2,200,000	Reallocation
Navunulu Primary School	Purchase 1 Acre of Land	1,000,000	1,000,000	Reallocation
Mukunyuku Primary School	Purchase 1 Acre of Land	600,000	600,000	Reallocation
Secondary School				
ACK Koyonzo Girls	Purchase 1 Acre of Land	600,000		Delay in identification of Land
Ebusambe Secondary School	Purchase 1 Acre of Land	600,000		Lack of legal documentation for Land Processing
Emanani Sec School	Purchase 1 Acre of Land	600,000		Lack of legal documentation for Land Processing
Eshirumbwe Sec School	Purchase 1 Acre of Land	600,000		Lack of legal documentation for Land Processing

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Namalasire Sec School	Purchase 2 Acre of Land	1,200,000		Lack of legal documentation for Land Processing
Namamba Girls Sec	Purchase 1 Acre of Land	600,000		Lack of legal documentation for Land Processing
St. IDA Girls Sec School	Purchase 1 Acre of Land	600,000		Lack of legal documentation for Land Processing
St. James Namamba Boys Sec School	Purchase 1 Acre of Land	600,000		
St. Maurice Mwira Sec School	Construction of Storyed building comprising of 3 no. Classrooms	12,000,000		Late funding from the Board
St. Pauls Ejinja Sec School	Renovation of 5 Classrooms	1,500,000		Change of Name
Eshibanze Muslim Sec School	Completion of Construction of Laboratory	1,078,424		Delayed Funding
Makunda Muslim Sec School	Completion of Construction of Dormitory	1,513,407		Re- Submission
Mayoni Township Sec School	Construction of 2 No. Classrooms and purchase of 1 Acre of Land	3,000,000	3,000,000	Inadequate Land
Nyambula Sec School	Purchase 1 Acre of Land	600,000		Inadequate Land
Nyapora Sec School	Purchase 1 Acre of Land	600,000	600,000	Lack of legal documentation for Land Processing
Tertiary Projects				
KMTC Matungu	Construction of Admin. Block and Offices	11,346,272		Delayed funding from the Board, Project on-going well
Matungu TTI	Construction of Admin Block and Classrooms	3,039,440	3,039,440	Reallocation
Kibabii University	Construction branch Campus	10,000,000	10,000,000	Reallocation
Sub-Total				
Amounts due to other grants and other transfers				
Bursary to Secondary	Disbursement to needy students	7,099,559	8,342,430	Delayed Funding
Bursary to Tertiary Institutions	Disbursement to needy students	11,469,305	12,846,840	Delayed Funding

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Environment	Planting of trees to Various Institutions	1,551,458	4,295,418	Delayed Funding
Sports			3,847,418	
Security			5,650,796	
Sub-Total				
Acquisition of assets				
Mortobike	Purchase of Motorbike	300,000	300,000	Delayed Procurement
Others ( <i>specify</i> )				
Sub-Total				
Funds pending approval				
AIA	Sale of Tender documents	98,000	46,000	Delayed Approval
Grand Total		<b>76,742,322</b>	96,907,942	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	0			0
Buildings and structures	20,499,913			20,499,913
Transport equipment	5,200,000			5,200,000
Office equipment, furniture and fittings	2,457,861			2,457,861
ICT Equipment, Software and Other ICT Assets	1,059,000			1,059,000
Other Machinery and Equipment	842,400			842,400
Heritage and cultural assets	-			-
Intangible assets	-			-
<b>Total</b>	<b>30,059,174</b>			<b>30,059,174</b>

Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Buloma Primary School	EQUITY	0680272987735	29/05/2017	1,830	7,130
Bulanda Primary School	EQUITY	0680260797557	25/03/2013	1,743	129,055
Bulimbo Primary School	EQUITY	0680293183001	17/11/208	26,729	2,086,040
Bulonga Primary School	EQUITY	0680299832978	22/10/2012	1,830	1,830
Busombi Primary School	EQUITY	0680294187720	22/07/209	2,642	2,642
Chibanga Primary School	EQUITY	0680297518622	24/06/2011	2,755	2,755
Eshikhondi Primary School	EQUITY	0680264348817	19/09/2015	61,868	15,270
Emabolo Primary School	EQUITY	0680279494070	23/12/2019	817,085	1,339,567
Emanani Muslim Primary School	EQUITY	0680299843789	25/10/2012	567,752	2,755
Ebusambe Primary School	EQUITY	0680265127457	1/10/2015	73,645	15,419
Eshibanze Primary School	EQUITY	0680260748181	12/3/2013	11	11
Ebubambula Primary School	EQUITY	0680193218674	25/11/2008	604,464	4,464
Ebutaliko Primary School	EQUITY	0680294289555	17/08/2009	1,600,602	602
Ejinja Primary Primary School	EQUITY	0680264282155	5/6/2015	3,454	3,454
Emuberi Primary School	EQUITY	0680298163925	14/10/2021	878	878
Eshirumbwe Primary School	EQUITY	0680293439159	26/01/2009	4,646	4,646
Indangalasia Primary School	EQUITY	0680261352385	21/08/2013	53,638	53,638
Imakale Primary School	EQUITY	0680298971186	14/03/2012	50,574	50,574
Itete Primary School	EQUITY	0680298963957	14/03/2012	601,183	538,751

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Kadima Primary School	EQUITY	0680294214553	10/13/2012	1,001,491	1,491
Kandai Primary School	EQUITY	0680297143120	29/07/2009	51,815	1,003,023
Koyonzo Special Primary School	EQUITY	0680270336618	18/03/2011	48,812	3,883
Kholera Primary School	EQUITY	0680298990027	25/10/2016	44,198	1,208
Khabukoshe Primary School	EQUITY	0680293135078	16/01/2009	17,894	15,712
Khalaba Primary School	EQUITY	0680299835470	19/3/2012	905	905
Koyonzo Primary School	EQUITY	0680264323104	25/7/2012	4,025	4,025
Lubanga Primary School	EQUITY	0680295751340	15/03/2011	1,753	1,753
Lunganyiro Primary School	EQUITY	0680299859513	20/4/2011	54,946	140,274
Munanga Primary School	EQUITY	0680295503640	18/09/2017	71,691	718
Makunda Primary School	EQUITY	0680294215084	22/7/2018	486	54,911
Musango Primary School	EQUITY	0680270428139	22/7/2007	50,385	5,984
Malanga Primary School	EQUITY	0680299466748	27/5/2012	173,440	2,024
Matungu SDA Primary School	EQUITY	0680294211900	18/8/2019	57,086	120,300
Makokhwe Primary School	EQUITY	0680293145780	10/9/2012	945	945
Marinda Primary School	EQUITY	0680299432951	22/5/2022	65,231	25
Matungu Special Primary School	EQUITY	0680265113188	16/07/2020	807	1,534
Mayoni Primary School	EQUITY	0680299501021	1/12/2011	107,462	21,058
Mirere Primary School	EQUITY	0680293403940	2/22/2012	0	-
Mukhwacya Primary School	EQUITY	0680293184339	2/5/2009	82,312	901,657

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Mukunyuku Primary School	EQUITY	0680293988165	15/08/2009	1,780	1,780
Munami Primary School	EQUITY	0680299001218	3/4/2012	2,649	2,649
Mungakha "W" Primary School	EQUITY	0680299834930	12/5/2018	157	157
Mungore Primary School	EQUITY	0680293125989	24/10/2008	931	17,551
Mwira Primary School	EQUITY	0680298172762	4/5/2018	122,531	90
Namalasirc Primary School	EQUITY	0680295414357	7/12/2009	145,428	48,256
Namalenje Primary School	EQUITY	0680262649166	20/7/2009	46,544	46,544
Namamali Muslim Primary School	EQUITY	0680297186807	1/3/2013	218,504	4,367
Nyambula Primary School	EQUITY	0680297132005	23/09/2016	141,952	68,135
Nyanyeni Primary School	EQUITY	0680299576693	23/6/2019	9,750	9,750
Namanga Primary School	EQUITY	0680297203200	28/8/2020	6,881	314
Namamba Primary School	EQUITY	0680299848382	20/12/2014	233	-
Namasanda Primary School	EQUITY	0680299895924	20/6/2016	77,281	-
Namberekeya Primary School	EQUITY	0680261567929	30/7/2018	0	-
Namulungu Muslim Primary School	EQUITY	0680280208584	23/8/2012	4,828	-
Ngairwe Primary School	EQUITY	0680293276852	20/7/2009	5,296	25,014
Nyapora Primary School	EQUITY	0680270176427	27/1/2016	163	-
Nyapwaka Primary School	EQUITY	0680261547620	25/1/2016	23,969	53,331
Nyambula Primary School	EQUITY	0680297132005	7/4/2022	141,952	-
Navunulu Primary School	EQUITY	0680279843773	5/8/2009	0	-

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Sayangwe Primary School	EQUITY	0680294327634	5/8/2009	737,467	586
Shiyabo Primary School	EQUITY	0680260665059	14/10/2008	10,820	438,977
St. Emmanuel Lutasio Primary School	EQUITY	0680293398246	13/10/2009	5,672	20,626
St. Mathias Kholera Primary School	EQUITY	0680298990027	29/07/2009	44,198	1,208
St. Pauls Ejinja Primary School	EQUITY	0680299426336	26/01/2016	25,804	984,280
St. Josephs Indangalasia Primary Sch	EQUITY	0680261352385		53,638	53,638
Suwo Primary School	EQUITY	0680297127052	17/11/2011	207	207
Soweto Primary School	EQUITY	0680279881315	10/12/2012	487	-
Wamukoya Muslim Primary School	EQUITY	0680297274617	8/8/2010	945	945
Secondary Schools					
ACK Namulungu Sec School	EQUITY	0680262631133	17/6/2012	568,885	2,158
Bulonga Secondary School	EQUITY	0680277482145	13/4/2017	130,943	55,242
Busombi Muslim Sec School	EQUITY	0680294186889	12/2/2015	495	493
Ebusambe Secondary School	EQUITY	0680299267935	29/7/2020	100,902	902
Ejinja Mixed Day Sec School	EQUITY	0680294295611	10/6/2020	1,861	600,724
Eshibanze Muslim Sec School	EQUITY	0680299679677	21/05/2020	176,211	176,211
Ebubambula Sec School	EQUITY	0680279834200	3/4/2009	127,540	-
Emuberi Mixed Sec School	EQUITY	0680279944789	27/7/2009	3,198	65,487
Eshikhondi Sec School	EQUITY	0680298466211	15/5/2009	29,954	322,032
Koyonzo girls Sec	EQUITY	0680298779502	1/1/2021	55,286	298,443

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Koyonzo Mixed Sec School	EQUITY	0680293951883	11/2/2014	1,008,497	849
Makunda Muslim Sec School	EQUITY	0680294284402	27/11/2018	106,314	106,314
Mary Seat of Wisdom Bulimbo Girls Secondary School	EQUITY	0680299054488	9/6/2015	221,228	96,266
Marinda Secondary School	EQUITY	0680276980463	10/6/2016	150	130
Munami Secondary School	EQUITY	0680293084424	9/4/2012	73,720	73,720
Mungore Secondary School	EQUITY	0680277023499	12/10/2016	1,849	222,540
Namalasire Secondary School	EQUITY	0680294730867	16/01/2009	3,464	3,464.00
Namamba Day Mixed Secondary School	EQUITY	0680294181177	19/3/2012	3,944	3,944
Namberekya Secondary School	EQUITY	0680260715868	25/7/2012	56,410	56,410
Namulungu Muslim Secondary School	EQUITY	0680269921965	15/03/2011	6,567	22,177
Nanyeni Secondary School	EQUITY	0680279401227	20/4/2011	7,840	-
Navunulu Primary School	EQUITY	0680279843773	23/6/2021	99,307	-
Ngairwe Secondary School	EQUITY	0680298601149	22/7/2018	2,599	2,599
SDA Matungu Secondary School	EQUITY	0680262643364	22/7/2007	4,697	-
St. Agnes Mwira Girls Secondary School	EQUITY	0680277489320	27/5/2012	1,760	1,760
St. Cecilia Secondary School	EQUITY	0680299608063	18/8/2019	119,855	831,118
St. Charles Khalaba Secondary School	EQUITY	0680294181162	10/9/2012	207,882	33,715
St. Emmanuel Lutasio Secondary School	EQUITY	0680266553200	22/5/2022	654,404	4,404
St. Francis Shiyabo Secondary School	EQUITY	0680266541157	16/07/2020	126,595	4,127
St. Ida Girls high School	EQUITY	0680282496389	1/12/2011	601,000	-

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
St. Charles Lunganyiro Girls Secondary School	EQUITY	0680294242047	2/22/2012	11,296	11,296
St. James Namamba Girls Secondary School	EQUITY	0680279095066	2/5/2009	50	50
St. Johns Mukhweya Secondary School	EQUITY	0680293043463	15/08/2009	79,742	33,925
St. Joseph Indangalasia Secondary School	EQUITY	0680294522864	3/4/2012	268	268
St. LukesKhabukoshe Mixed Secondary School	EQUITY	0680294214707	12/5/2018	52,780	324,666
St. Marys Namasanda Secondary School	EQUITY	0680266539458	24/10/2008	76,694	76,694
St. Mathias Kholera Boys Secondary School	EQUITY	0680298362987	4/5/2018	105,995	-
St. Michael Eshirumbwe Secondary School	EQUITY	0680298356381	7/12/2009	291,554	75,552
St. Peters Lubanga Secondary School	EQUITY	0680263495304	20/7/2009	98,584	894,316
St. Stephens Mungakha Secondary School	EQUITY	0680262706551	1/3/2013	217,470	1,419
St. Teresa Itete Secondary School	EQUITY	0680294323955	23/09/2016	2,690	2,690
St. Maurice Mwira Sec School	EQUITY	0680279878454	28/8/2020	14,358	-
Security/Tertiary Projects					
Harambee Police Post	EQUITY	0680263751723	20/12/2014	54,584	54,808
Indangalasia AP Post	EQUITY	0680279975575	21/7/2018	241,113	1
Khalaba Police Post	EQUITY	0680279866752	30/7/2018	680,189	2,061,694
Matungu KMTC	EQUITY	0680279829487	23/8/2012	1,256	23,903
Lunganyiro Youth Polytechnic	EQUITY	0680293754860	20/7/2009	0	-
Matungu CDF Office	EQUITY	0680293869150	27/1/2016	1,193	2,529
Matungu Sub-District Hospital	EQUITY	0680294206688	25/1/2016	325	325

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Mung'ungu Dispensary	EQUITY	0680293920309	7/4/2022	635	635
Namasanda Health centre	EQUITY	0680299518761	5/8/2009	1,586	1,586
Namulungu Dispensary	EQUITY	0680263391507	5/8/2009	298	298
Wananchi AF Post	EQUITY	0680277489697	14/10/2008	20,585	20,585
Mirere Police Post	EQUITY	0680279947637	13/10/2009	2,167	1,530,167
Acc Koyonzo	EQUITY	0680280922844	29/07/2009	2,630	-
DCC Office Matungu	EQUITY	0680280921926	26/01/2016	4,102,346	-
Cooperative Bank					-
Ikulu Mwoyo Primary School	Cooperative	0114149860410	23/08/2021	2,092	-
Bukosia Primary School	Cooperative	0114149892060	20/08/2016	4,864	-
Emanani Muslim Sec School	Cooperative	0114149853160	10/11/2016	213,527	-
Matungu AP Head Quarters	Cooperative	0114149895410	5/9/2017	3,231	-
Emurabe Primary School	Cooperative	0114149860090	9/10/2021	600,332	-
Emakale Primary School	Cooperative	0114149853250	5/7/2018	22,401	-
Matungu Admin Police	Cooperative	0114149895410	15/3/2014	3,231	-
<b>Total</b>				<b>18,684,958</b>	<b>16,421,952</b>

**Annex 6: Progress On Follow Up of Auditor Recommendations**

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REF 1.1	Change in opening - It was noted in the financial statements had their comparative balances changed from previous confirmed figures without documentation supporting the changes in retention of statement of assets, Net financial assets, fund balances b/f.	The attached copy of amendment financial statement to correct the anomalies. Annex 1	Resolved	
1.2	Figures not agreeing with schedules Figures of Compensation of employees, Acquisition of Assets, Bank balance cash book, Fund balance cf/wd, , Net increase in cash and cash Equivalent.- It was not possible to ascertain accuracy and completeness of figures reflected in financial statements.	Attached was the copy of amended financial statements to correct the anomalies of the issues stated.	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>Cash and Cash Egiuvalents            Thu fund reported a figure of ksh. 23,288,939, under Cash and Cash Equivalent as reflected in statement of assets and Liabilities. However confirmed cash book balances had a figure of 23,514, 738resulting to unreconciled variance of Ksh. 225,799.</p>	<p>Attached was the copy of amended financial staerments to correct the anomalies. Annex 1</p>	Resolved	
3.0	<p><b>Other grants and Transfers</b>            Non receipt of Bursary disbursments-            The Bursary disbursed to beneficiaries through various institutions totaling to Ksh. 19,444,769 as reported in financial statements. However only Ksh. 14, 354,669 was acknowledged through receipt raised by the respective to Matungu CDF, resulting to a variance of Ksh, 5,090,100 not</p>	<p>The records of bursary returns are always kept in teh office dispite challenges. The office has always forwarded bursary cheques to institutions with firm instruction to acknowledge receipt of funds.            Attached is a copy of forwarding letter with the firm instructions for acknowledging. Annex 2</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	acknowledged by the recipient Institutions.			
	<b>Other Matters</b> a) <b>Budget Analysis</b> During the year review, the National government Constituencies Develop. Fund Matungu Constituency had approved a budget of Ksh. 194, 856,978 compare the actual receipt of Ksh. 120, 486,876 including b/f in 2018/2019 of receipt Ksh. 2,402,378 from previous year resulting to a budget shortfall of Ksh. 71,967,724 translating to 36% budget under funding.	The bulk of funds for the year Ksh. 71,967,724 was received after 30 <sup>th</sup> June 2020 Annex 1 making it difficult for absorption as reported by the auditor Annex 3	Resolved	
1	Delay in completion of projects	Delay to disburse funds timely make it difficult for the management to complete planned projects in the stipulated time as bulk of the funds for the year (ksh. 71, 967,724) was received	Resolved	
2	Review project implementation status report of NG-CDF Matungu Constituency revealed that the management of the fund had approved to			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>implement 109 worth Ksh. 85,423,369 in the year under review. Out of 109 projects, 68 projects worth Ksh. 53,291,643 ( 62%) Performance had been completed. 31 projects worth Ksh. 24,294,719 (9%) were ongoing and 10 environmental projects worth Ksh. 7, 837,006 had not started at the audit time. There is notable delay in completion of the projects</p>	<p>after 30<sup>th</sup> June 2020 Annex 3 making implementation a tall order.</p>		
	<p><b>Other Transfers to the government units</b> It was noted that the transfer to other government units figure of Ksh. 49,725,000 includes Ksh. 6,470,758 in respect to contract awarded in respect of a contract awarded to a local contractor for construction of administration block at Emanani Muslim</p>	<p>The management has not fully made payment to the contractor worthy Ksh. 301,325 being retention for any defects. Attached are the documents to that effects. Annex 5</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Secondary School.            Though the contract price has been fully paid and retention money released to the contractor in full, the project was poorly done and the roof of the building was leaking and there was the evidence of poor workmanship in the finishes and the fittings including doors, door frames, ceiling and plumbing works.</p>			

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 Name  
 Fund Account Manager.