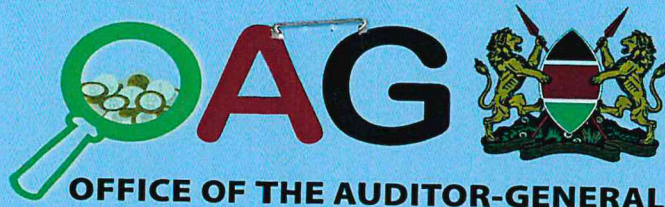
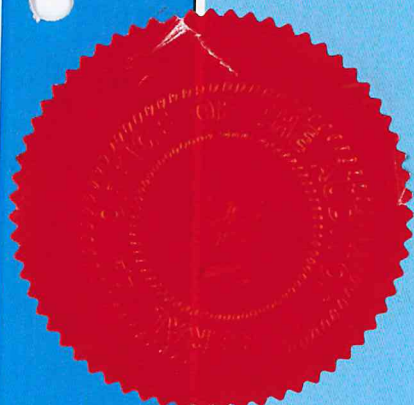


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY	
DATE: 16 FEB 2022	Day: Wed
TABLED BY:	LOM
CLERK-AT THE TABLE:	S. Kalamu

OF

THE AUDITOR-GENERAL

ON

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

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

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Revised Template 30th June 2019

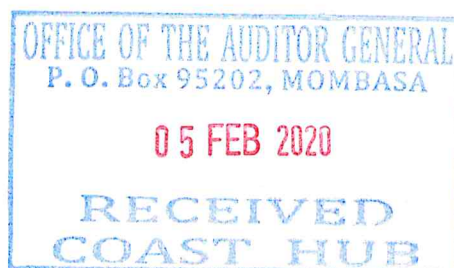


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -MATUGA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



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

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

**Reports and Financial Statements
For the year ended June 30, 2019**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Reports and Financial Statements

For the year ended June 30, 2019

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Andrew Lumunge.
2.	Sub-County Accountant	William Mulwa
3.	Chairlady NGCDFC	Mwanamkasi A. Zani.
4.	Member NGCDFC	Omari Mwagaga.

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF MATUGA Constituency Headquarters

P.O. Box 65-80403
NG-CDF Office Building
Kwale, KENYA

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MATUGA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF MATUGA Constituency Contacts

Telephone: (254) 0729548867

E-mail: cdformatuga@gmail.com

Website: www@cdf.go.ke

(g) NGCDF MATUGA Constituency Bankers

1. Equity Bank (K) Limited, Kwale Branch.
Account Number. 0440262171080

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

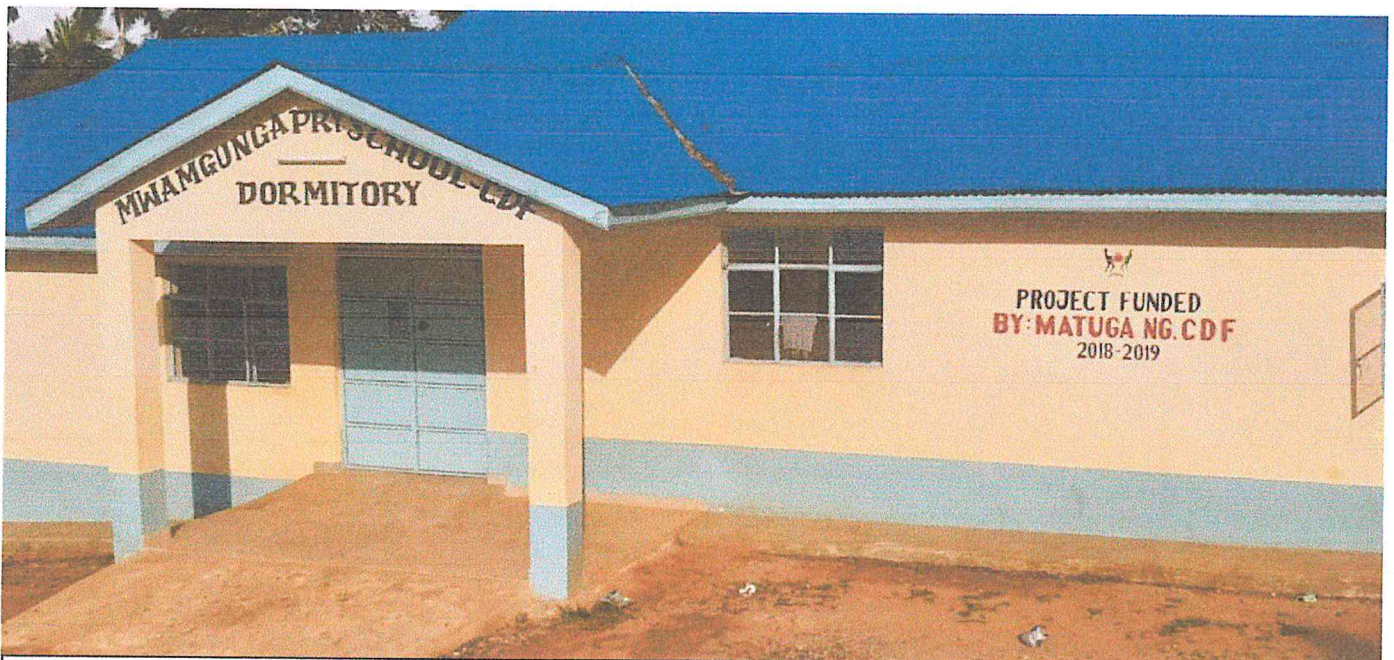
The Matuga NGCDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Matuga Constituency because out of the Ksh. 167,217,127 as the budget available to spend, the NG-CDFC managed to spend ksh. 106,523,908 slight improvement compared to the last financial year.

However, there have been emerging issues like political, economic, social, challenges influencing the implementation of NGCDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approvals of proposals and reallocations.

The NGCDFC wishes that late approvals and disbursement of funds be improved by the Board so as to increase utilization and absorption of the fund. Also the rate of NG-CDF Board staff transfers to be reduced so as to achieve the constituencies' objectives.

Thank you.

The following are photographs of the sampled projects implemented during the financial year 2018/2019.



Project name: Mwamunga Primary School **Financial Year:** 2018/2019
Activity: Construction of a Domitory **Amount allocated:** Ksh 6,000,000=



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



Project name: Mwaluphamba Secondary School **Financial Year:** 2018/2019
Activity: Completion of Administration block **Amount allocated:** Ksh 900,000=



Project name: Madibwani Primary School **Financial Year:** 2018/2019
Activity: Construction of 3No. Class rooms **Amount allocated:** Ksh 2,700,000=

Sign 

CHAIRPERSON NGCDF COMMITTEE

12-1-12

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NGCDF-MATUGA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MATUGA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MATUGA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The NGCDF-MATUGA Constituency financial statements were approved and signed by the Accounting Officer on 19/9/ 2019.


Fund Account Manager

Name: ANDREW LUMUNGE

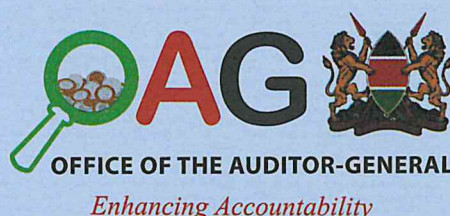

Sub-County Accountant

Name: WILLIAM MULWA

ICPAK Member Number: 18886

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matuga Constituency set out on pages 9 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund - Matuga Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Cash book not Updated

The statement of assets and liabilities as at 30 June, 2019 reflects a bank balance of Kshs.60,543,219. The supporting bank reconciliation statement as at 30 June, 2019 reflects payments in cash book not in bank statement of Kshs.1,063,466, out of which thirteen (13) cheques amounting to Kshs.153,447 were stale and not reversed in the cash book as at 30 June, 2019. Further, included in the outstanding cheques of Kshs.1,063,466 were twenty-six (26) stale cheques totaling Kshs.411,947 which had not been reversed as at the time of audit in February, 2020. No proper explanation was provided for retaining the stale cheques in cash book.

In addition, the bank reconciliation statement reflects bank charges amounting to Kshs.792.94 as payments in bank statement not yet recorded in cash book. No explanation was given as to why the bank charges were not recorded in cash book and expensed.

Consequently, the accuracy and completeness of the bank balance of Kshs.60,543,219 as at 30 June, 2019, could not be confirmed.

2.0 Doubtful Recoverability of Imprest

As reported in 2017/2018, the statement of assets and liabilities as at 30 June, 2019 reflects outstanding imprest of Kshs.150,000. Records provided for audit indicate that the imprest was advanced to a government employee in March 2018 and who has since been transferred. Information available indicates that the Fund Manager has written to the Principal Secretary, Ministry of Interior and Coordination of National Government, for recovery of the money. However, the amount had not been surrendered as at January, 2020. It was not clear how an officer who is not an employee of the Board was directly advanced imprest.

Consequently, the recoverability of outstanding imprest of Kshs.150,000 as at 30 June, 2019 is doubtful.

3.0 Excess Disbursement to Matuga Girls Secondary School

The statement of receipts and payments reflects an amount of Kshs.67,581,000 in respect of transfers to other government units, out of which Kshs.25,550,000 was transferred to secondary schools as disclosed in Note 6 to the financial statements. Out of this amount, Kshs.2,545,653 was transferred to Matuga Girls Secondary School for the completion of a modern administration block. Information available indicates that a total of Kshs.20,626,634 had been transferred to the project since inception compared to the revised contract price of Kshs.18,626,634, resulting in excess disbursements of Kshs.2,000,000. Although the excess disbursement was approved by the National Constituencies Development Fund Board, justification for the same and details of how it was utilized were not provided for audit verification.

Consequently, value for money for this project and propriety of Kshs.2,545,653 transferred to Matuga Girls Secondary School for the year 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Matuga 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

During the year under review, National Government Constituencies Development Fund - Matuga Constituency had a revenue budget of Kshs.167,217,127 against actual receipts of Kshs.163,835,359 or 98%, resulting to an under disbursement of budget of Kshs.3,381,768 or 2% from the Constituency Development Fund Board. Further, included in the disbursement of Kshs.163,835,359 is Kshs.55,040,875 or 34% of which Authority to Incur Expenditure (AIE) detailing how the funds were to be utilized was received after the year end on 2 July, 2019.

In addition, the National Government Constituencies Development Fund - Matuga Constituency had a final expenditure budget of Kshs.167,217,127 and actual expenditure of Kshs.106,523,908 or 64%, resulting to net under expenditure of Kshs.60,693,219 or 36% of the budget.

Delays by the Board to disburse funds as per the budget and late release of the AIE may have adversely affected delivery of goods and services to the residents of Matuga Constituency, contrary to values and principles of public service as provided for under Article 232 (1 - c) of the Constitution.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Projects Implementation Status

The projects implementation status report as at 30 June, 2019 provided for audit review indicated that forty-three (43) development projects with a total allocation of Kshs.61,938,676 were approved by the National Government Constituency Development Fund Board for implementation in the financial year 2018/2019.

Audit review of the Project status report and as detailed in Appendix 1 indicated that:

- i. Six (6) projects with an allocation of Kshs.4,713,847 were initiated and completed during the year under review.
- ii. Twenty-two (22) Projects with a total allocation of Kshs.46,552,829 were started and ongoing.
- iii. Fifteen (15) Projects with an allocation of Kshs.10,672,000 were not started.

Slow implementation of projects due late disbursements greatly affects the delivery of services to the residents of Matuga Constituency.

2.0 Projects Inspection

An audit inspection was undertaken in the month of December, 2019 on fourteen (14) development projects valued at Kshs.32,900,000, out of which four (4) projects with total cost of Kshs.11,200,000 revealed the following state of affairs:

| No. | Project Name | Activity | Project Cost (Kshs.) | Observations |
|-----|----------------------------------|--|----------------------|---|
| 1 | Matuga Girls Secondary School | Completion of a modern administration Block. (Flooring and Painting works) | 2,000,000 | Contractor not on site. Flooring only done on 2 floors instead of 3 floors
Only 1 st coat paint applied |
| 2 | Mwamunga Girls' Secondary School | Construction of 1 No. Administration block to completion | 3,700,000 | Door frames amounting to Kshs.239,500 were not fixed. Metallic doors fixed instead of hardwood doors as provided for in the Bills of Quantities |
| 3 | Lunguma Primary School | Construction of 4No. New Classrooms to completion | 4,500,000 | Ongoing works at slab level |
| 4 | Mkomba Secondary School | Renovation of 2No. Classrooms (Roofing and painting) | 1,000,000 | Construction of ring beam completed but plastering had not been completed, Painting works of the half plastered structure was not done. |
| | Total | | 11,200,000 | |

The above state of affairs is an indication of poor project planning, implementation and monitoring which negatively affects quality of work done.

3.0 Irregular Procurement of Construction Contracts

The statement of receipts and payments for the year ended 30 June, 2019 reflect Kshs.67,581,000 in respect of transfers to other government units as disclosed in Note 6 to the financial statements, for construction contracts. Audit examination of the procurement processes revealed that three (3) contracts with a total cost of Kshs.14,991,880 were awarded without evidence of advertisement in a newspaper with countrywide circulation despite being above the threshold Kshs.4,000,000 required for use of open tender, contrary to Section 91 (2) of the Public Procurement and Asset Disposal Act, 2015 as detailed below:-

| No. | Project Name | Project Activity | Contract Sum (Kshs.) |
|-----|-------------------------------|---|----------------------|
| 1. | Mwangunga Primary School | Construction of 1 classroom to completion | 6,000,000 |
| 2. | Burani Girls Secondary School | Construction of laboratory and renovation of 3 classrooms | 4,491,880 |
| 3. | Lunguma Primary School | Construction of 4 classrooms | 4,500,000 |
| | Total | | 14,991,880 |

Further, there was no evidence that the bidders submitted any form of tender security as required by Section 61(1). As a result, public funds are exposed to great risk of loss.

In addition, there was no evidence that the tender documents included Bills of Quantities as required by part 4.4.1 of Procurement Manual for Works, 2009. It is therefore not clear how the project costs were arrived at and how value of work done was determined in the absence of Bills of Quantities.

As a result, the Management was in breach of the Laws.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

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

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

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

29 December, 2021

Appendix 1: Summary of the Implementation Status Report:

| No. | Project | Project Activity | Allocation (Kshs.) | Status |
|-----|--------------------------|--|--------------------|--------------|
| 1. | Mwanamkuu Primary School | Construction of 3 No. new classrooms to completion. | 3,000,000 | On going |
| 2. | Mwanamkuu Primary School | Procuring and delivery of 60 pieces of desks. | 240,000 | Not started |
| 3. | Kidongo Primary School | Renovation of 4 No. classrooms (roofing, plastering and painting). | 2,000,000 | On going |
| 4. | Lwara Primary school. | Construction of 3 No. new classrooms to completion. | 3,000,000 | On going |
| 5. | Lwara Primary School | Procuring and delivery of 50 pieces of desks. | 200,000 | Not started |
| 6. | Kizimbani Primary School | Construction of 3 No. new classrooms to completion. | 3,000,000 | On going |
| 7. | Kizimbani Primary School | Procuring and delivery of 40 pieces of desks. | 160,000 | Not started |
| 8. | Mwele Primary School | Construction of 3 No. new classrooms to completion. | 3,000,000 | On going |
| 9. | Mwele Primary School | Procuring and delivery of 50 pieces of desks. | 200,000 | Not started |
| 10. | Lunguma Primary school | Construction of 4 No. new Classrooms to completion. | 4,500,000 | On going |
| 11. | Lunguma Primary school | Procuring and delivery of 70 pieces of desks. | 280,000 | Not started |
| 12. | Mwanzwani Primary School | Construction of 3 No. New Classrooms to completion. | 3,000,000 | On going |
| 13. | Mwanzwani Primary School | Procuring and delivery of 58 pieces of desks. | 232,000 | Not started |
| 14. | Nzora Primary School | Construction of 2 No. New classrooms to completion. | 2,000,000 | On going |
| 15. | Nzora Primary School | Procuring and delivery of 50 pieces of desks | 200,000 | Not started |
| 16. | Nyando Primary School | Construction of 2 No. new classrooms to completion. | 2,000,000 | On going |
| 17. | Nyando Primary School | Procuring and delivery of 50 pieces of desks. | 200,000 | Not started |
| 18. | Mbwaka Primary School | Renovation of 2 No. classrooms (roofing, plastering and painting). | 1,000,000 | Complete |
| 19. | Deiry Primary School | Procuring and delivery of 40 pieces of desk. | 160,000 | Not started. |
| 20. | Lukore Secondary School | Renovation of 4 No. classrooms (roofing and painting). | 2,000,000 | Not started |
| 21. | Mkomba Secondary School | Renovation of 2 No. classrooms (roofing and painting). | 1,000,000 | Complete |
| 22. | Mkomba Secondary School | Construction of 2 No. of two door VIP pit latrines to completion. | 1,000,000 | Complete |

| No. | Project | Project Activity | Allocation (Kshs.) | Status |
|-----|------------------------------------|--|--------------------|-------------|
| 23. | Kirewe Secondary School | Construction of a new single laboratory to completion. | 3,500,000 | On going |
| 24. | Mbegani Secondary School | Construction of 1 No. new classroom to completion. | 1,200,000 | On going |
| 25. | Burani Secondary School | Construction of a new single laboratory to completion. | 3,000,000 | On going |
| 26. | Burani Secondary School | Renovation of 3 No. classrooms (roofing, plastering, painting and flooring). | 1,000,000 | On going |
| 27. | Balozi A.M Jorori Secondary School | Construction of 1 No. new classroom to completion. | 1,000,000 | Complete |
| 28. | Ziwani Secondary School | Renovation of one classroom (painting). | 200,000 | On going |
| 29. | Ziwani Secondary School | Construction 2door pit latrine to completion. | 500,000 | On going |
| 30. | Ziwani Secondary School | Purchase Office Furniture | 300,000 | Not started |
| 31. | Chitsanze Secondary School | Construction of 1 No. new classroom to completion. | 1,000,000 | On going |
| 32. | Kiteje Secondary School | Construction of a new single laboratory to completion. | 3,000,000 | On going |
| 33. | Mwanambeyu Secondary School | Construction of a new dormitory to completion. | 3,000,000 | Not started |
| 34. | Tiwi Girls Secondary School | Completion of a multi-purpose Hall. I.e. co-funding with the school. (roofing). | 1,000,000 | Not started |
| 35. | Matuga Girls Secondary School | Completion of a modern administration Block. (flooring and painting work) | 2,000,000 | On going |
| 36. | Ngombeni Police Post | Construction of a new police post to completion. | 2,000,000 | On going |
| 37. | Tsimba chiefs Office | Purchase of Land for the Tsimba chief's office of quarter an acre. | 300,640 | Complete |
| 38. | Matuga Constituency ICT Hub | Construction of a New ICT Hub to completion. | 2,000,000 | Not started |
| 39. | Matuga Constituency ICT Hub | Purchase of 10 tables and 30 chairs for the ICT hub. | 500,000 | Not started |
| 40. | Environmental Activities. | Purchase and installation of gutters, tank stands and water tank of 10,000 litres to Dima Primary school, Kirewe secondary school, Boyani primary school and Magwasheni primary. | 1,652,829 | On going |
| 41. | Environmental Activities. | Rehabilitation of Nyando Natural water springs. | 413,207 | Complete |


| No. | Project | Project Activity | Allocation
(Kshs.) | Status |
|--------------|---------------------------|--|-----------------------|----------|
| 42. | Kipambani Primary School | Construction of 1No. New classrooms to completion. | 1,000,000 | On going |
| 43. | Kilindini Primary School. | Construction of 1No. New classrooms to completion. | 1,000,000 | On going |
| Total | | | 61,938,676 | |




NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MATUGA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2019**

| | | | RESTATED |
|-------------------------------------|------|--------------------------|-------------------------|
| | Note | 2018 - 2019 | 2017 - 2018 |
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 163,825,359 | 43,905,172 |
| Proceeds from Sale of Assets | 2 | 0 | 0 |
| Other Receipts | 3 | <u>10,000</u> | <u>0</u> |
| TOTAL RECEIPTS | | 163,835,359 | 43,905,172 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,621,840 | 2,468,759 |
| Use of goods and services | 5 | 8,394,586 | 13,268,428 |
| Transfers to Other Government Units | 6 | 67,581,000 | 6,128,630 |
| Other grants and transfers | 7 | 27,127,261 | 19,492,586 |
| Acquisition of Assets | 8 | 799,221 | 120,000 |
| Other Payments | 9 | <u>0</u> | <u>0</u> |
| TOTAL PAYMENTS | | 106,523,908 | 41,478,403 |
| SURPLUS/(DEFICIT) | | <u>57,311,451</u> | <u>2,426,769</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUGA Constituency financial statements were approved on 5/2/ 2020 and signed by:


Fund Account Manager

Name: ANDREW LUMUHGE


Sub-County Accountant

Name: WILLIAM MULWA
ICPAK Member Number: 18886



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MATUGA CONSTITUENCY

Reports and Financial Statements

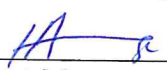
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2019


| | | | RESTATED |
|--|------|-------------------|-------------------|
| | Note | 2018-2019
Kshs | 2017-2018
Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 60,543,219 | 3,231,768 |
| Cash Balances (cash at hand) | 10B | 0 | 0 |
| Total Cash and Cash Equivalents | | 60,543,219 | 3,231,768 |
| Current Receivables | | | |
| Outstanding Imprests | 11 | 150,000 | 150,000 |
| TOTAL FINANCIAL ASSETS | | 60,693,219 | 3,381,768 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | | | |
| Retention | 12A | 0 | 0 |
| Gratuity | 12B | 0 | 0 |
| TOTAL FINANCIAL LIABILITIES | | 0 | 0 |
| NET FINANCIAL ASSETS | | 60,693,219 | 3,381,768 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 13 | 3,381,768 | 954,999 |
| Surplus/Deficit for the year | | 57,311,451 | 2,426,769 |
| Prior year adjustments | 14 | 0 | 0 |
| NET FINANCIAL POSITION | | 60,693,219 | 3,381,768 |

(The 2017/2018 financial statements have been restated to correct an error at disclosure note 14)(errors)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUGA Constituency financial statements were approved on 5/2/ 2020 and signed by:


Fund Account Manager

Name: ANDREW LUMVNGE


Sub-County Accountant

Name: WILLIAM MULWA
ICPAK Member Number: 18886

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


Reports and Financial Statements

For the year ended June 30, 2019

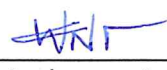
VI. STATEMENT OF CASHFLOW FOR THE YEAR ENDED JUNE 30, 2019

| | | | RESTATED |
|--|-----------|--------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | 2018 - 2019 | 2017 - 2018 |
| Receipts | | | |
| Transfers from NGCDF Board | 1 | 163,825,359 | 43,905,172 |
| Other Receipts | 3 | 10,000 | 0 |
| Total receipts | | 163,835,359 | 43,905,172 |
| Payments | | | |
| Compensation of Employees | 4 | 2,621,840 | 2,468,759 |
| Use of goods and services | 5 | 8,394,586 | 13,268,428 |
| Transfers to Other Government Units | 6 | 67,581,000 | 6,128,630 |
| Other grants and transfers | 7 | 27,127,261 | 19,492,586 |
| Other Payments | 9 | 0 | 0 |
| Total payments | | 105,724,687 | 41,358,403 |
| Total Receipts Less Total Payments | | 58,110,672 | 2,546,769 |
| Adjusted for: | | | |
| Outstanding imprest | 11 | 0 | 150,000 |
| Retention Payable | 12A | 0 | 0 |
| Gratuity Payable | 12B | 0 | 0 |
| Prior year adjustments | 14 | 0 | 0 |
| Net Adjustments | | 0 | -150,000 |
| Net cash flow from operating activities | | 58,110,672 | 2,396,769 |
| | | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | 0 | 0 |
| Acquisition of Assets | 8 | 799,221 | 120,000 |
| Net cash flows from Investing Activities | | (799,221) | (120,000) |
| | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 57,311,451 | 2,276,769 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 3,231,768 | 954,999 |
| Cash and cash equivalent at END of the year | | <u>60,543,219</u> | <u>3,231,768</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATUGA Constituency financial statements were approved on 5/21 2020 and signed by:


Fund Account Manager

Name: ANDREW LUMVONGE


Sub-County Accountant

Name: WILLIAM MULWA
ICPAK Member Number: 18886

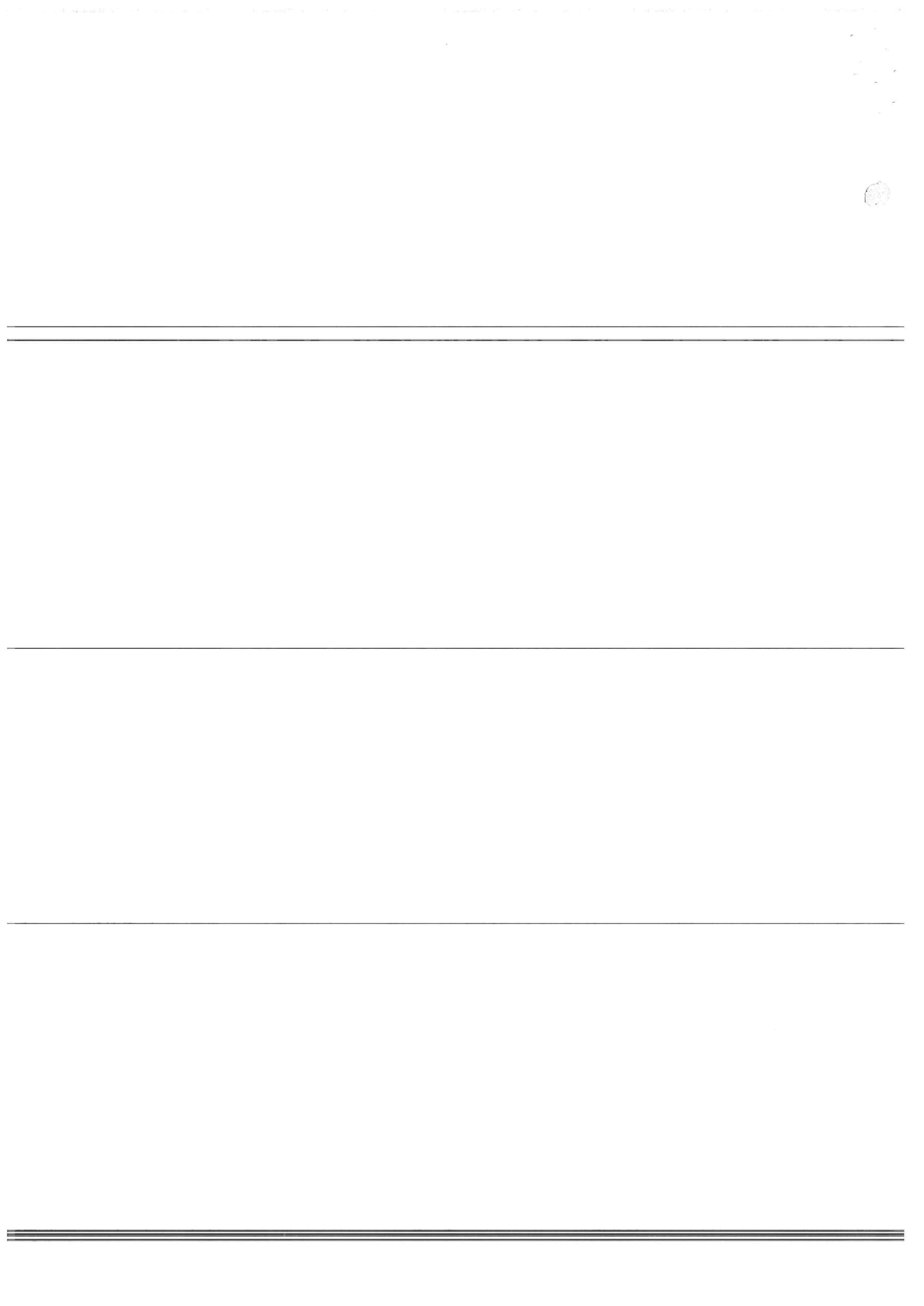
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|--------------------|-------------------|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 109,040,876 | 58,166,251 | 167,207,127 | 163,825,359 | 3,381,781 | 98 |
| Proceeds from Sale of Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Receipts | | 10,000 | 10,000 | 10,000 | 0 | 0 |
| TOTAL RECEIPTS | 109,040,876 | 58,176,251 | 167,217,127 | 163,835,359 | 3,381,781 | 98 |
| PAYMENTS | | | | | | |
| Compensation of Employees | 3,057,600 | 0 | 3,057,600 | 2,621,840 | 435,760 | 86 |
| Use of goods and services | 6,239,568 | 2,155,018 | 8,394,586 | 8,394,586 | 0 | 100 |
| Transfers to Other Government Units | 55,072,000 | 39,959,180 | 95,031,180 | 67,581,000 | 27,450,180 | 71 |
| Other grants and transfers | 41,871,068 | 10,885,026 | 52,756,094 | 27,127,261 | 25,628,833 | 51 |
| Acquisition of Assets | 300,640 | 500,000 | 800,640 | 799,221 | 1,419 | 100 |
| Other Payments | 2,500,000 | 4,667,027 | 7,167,027 | 0 | 7,167,027 | 0 |
| Unallocated | 0 | 10,000 | 10,000 | 0 | 10,000 | 0 |
| TOTAL | 109,040,876 | 58,176,251 | 167,217,127 | 106,523,908 | 60,693,219 | 64 |

AIA Collected from the sale of tender documents amounts to Kshs.10,000

The total amount received and utilized from the Board is 64%. This is because of late disbursement of funds from Board amounting to Kshs.55,040,876 which was received some days just before 30th June, 2019 thus could not be utilised.



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

ADJUSTMENTS- ksh. 58,166,251

This comprises of: 1) ksh. 44,784,483 which was for the 2017/2018 received during 2018/2019 financial year.

2). ksh. 10,000,000 which was for the 2017/2018 received during 2018/2019 financial year

3) Ksh.3, 381,768 which is the opening balance as at 1st July, 2018.

ON PAYMENT SIDE

The total percentage of the utilization is at 64%, this was as a result of the following.

1. Compensation of Employees: 86%. The balance is the gratuity retained for the staff.
2. Transfers to Other Government Units: 79%. This low rate of utilization was as a result of the board disbursing funds just before 30th June, 2019.
3. Other grants and transfers-51%. This low rate of utilization was as a result of the board disbursing funds just before 30th June, 2019.
4. Other Payments-0%. There was no clear direction on how to spend on ICT project which was allocated ksh. 4,677,027 and late receipt of the fund to construct Matuga ICT Project which was estimated to cost ksh. 2,500,000.

The NGCDF-MATUGA Constituency financial statements were approved on 19/9/ 2019 and signed by:

AE
Fund Account Manager
Name: ANDREW LUMUNGE

WNR
Sub-County Accountant
Name: WILLIAM MULWA
ICPAK Member Number: 18886

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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget
2018/2019
Kshs | Adjustments
Kshs | Final Budget
2018/2019
Kshs | Actual on
comparable basis
30/06/2019
Kshs | Budget
utilization
difference
Kshs |
|---|--------------------------------------|---------------------|-----------------------------------|---|---|
| 1.0 Administration and Recurrent | | | | | |
| 1.1 Compensation of employees | 3,057,600.00 | 0.00 | 3,057,600.00 | 2,621,840.00 | 435,760.00 |
| 1.2 Committee allowances | 1,996,056.00 | 187,766.00 | 2,183,822.00 | 2,340,000.00 | (156,178.00) |
| 1.3 Use of goods and services | 2,044,512.00 | 617,759.00 | 2,662,271.00 | 2,661,906.00 | 365.00 |
| 2.0 Monitoring and evaluation | | | | | |
| 2.1 Capacity building | 1,340,000.00 | 0.00 | 1,340,000.00 | 1,338,000.00 | 2,000.00 |
| 2.2 Committee allowances | 756,000.00 | 0.00 | 756,000.00 | 756,000.00 | 0.00 |
| 2.3 Use of goods and services | 103,000.00 | 0.00 | 103,000.00 | 102,700.00 | 300.00 |
| 3.0 Emergency | | | | | |
| Burani primary school | 500,000.00 | 0.00 | 500,000.00 | 500,000.00 | 0.00 |
| Mwele primary school | 2,000,000.00 | 0.00 | 2,000,000.00 | 2,000,000.00 | 0.00 |
| Burani Girls High school | 300,000.00 | 0.00 | 300,000.00 | 300,000.00 | 0.00 |
| Rose makwere girls high school | 100,000.00 | 0.00 | 100,000.00 | 100,000.00 | 0.00 |
| | | | | | |

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

| Programme/Sub-programme | Original Budget
2018/2019 | Adjustments | Final Budget
2018/2019 | Actual on
comparable basis
30/06/2019 | Budget
utilization
difference |
|--|------------------------------|--------------|---------------------------|---|-------------------------------------|
| Mangawani Secondary school | 100,000.00 | 0.00 | 100,000.00 | 100,000.00 | 0.00 |
| Burani police station | 120,000.00 | 0.00 | 120,000.00 | 120,000.00 | 0.00 |
| Unspent Emergency | 2,618,993.00 | 3,137,931.00 | 5,756,924.00 | 0.00 | 5,756,924.00 |
| 4.0 Bursary and Social Security | | | | | |
| 4.1 Primary Schools | | | | | |
| 4.2 Secondary Schools | 24,000,000.00 | 5,000,000.00 | 29,000,000.00 | 16,380,000.00 | 12,620,000.00 |
| 4.3 Tertiary Institutions | 6,000,000.00 | 0.00 | 6,000,000.00 | 4,238,500.00 | 1,761,500.00 |
| 5.0 Sports | | | | | |
| Constituency sports activities | 2,066,037.00 | 1,685,788.00 | 3,751,825.00 | 1,736,140.00 | 2,015,685.00 |
| 6.0 Environment | | | | | |
| Nyando natural water spring | 413,207.00 | 0.00 | 413,207.00 | 413,207.00 | 0.00 |
| Kirewe secondary school | 413,207.00 | 0.00 | 413,207.00 | 0.00 | 413,207.00 |
| Magwasheni primary school | 413,207.00 | 0.00 | 413,207.00 | 413,207.00 | 0.00 |
| Dima primary school | 413,207.00 | 0.00 | 413,207.40 | 413,207.00 | 0.00 |
| Boyani primary school | 413,207.00 | 0.00 | 413,207.00 | 413,000.00 | 207.00 |
| Tserezani Primary school | 0.00 | 1,200,000.00 | 1,200,000.00 | 1,200,000.00 | 0.00 |



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATUGA CONSTITUENCY
Reports and Financial Statements
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| Programme/Sub-programme | Original Budget
2018/2019 | Adjustments | Final Budget
2018/2019 | Actual on
comparable basis
30/06/2019 | Budget
utilization
difference |
|-------------------------------------|------------------------------|-------------|---------------------------|---|-------------------------------------|
| 7.0 Primary Schools Projects | | | | | |
| (List all the Projects) | | | | | |
| Mwanamkuu primary school | 3,240,000.00 | 0.00 | 3,240,000.00 | 1,500,000.00 | 1,740,000.00 |
| Kidongo primary school | 2,000,000.00 | 0.00 | 2,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| Lwara Primary school. | 3,200,000.00 | 0.00 | 3,200,000.00 | 1,500,000.00 | 1,700,000.00 |
| Kizimbani primary school | 3,160,000.00 | 0.00 | 3,160,000.00 | 1,500,000.00 | 1,660,000.00 |
| Mwele primary school | 3,200,000.00 | 270,000.00 | 3,470,000.00 | 1,758,000.00 | 1,712,000.00 |
| Lunguma Primary school | 4,780,000.00 | 180,000.00 | 4,960,000.00 | 2,174,000.00 | 2,786,000.00 |
| Mwanzwani primary school | 3,232,000.00 | 0.00 | 3,232,000.00 | 1,500,000.00 | 1,732,000.00 |
| Nzora primary school | 2,200,000.00 | 0.00 | 2,200,000.00 | 1,000,000.00 | 1,200,000.00 |
| Nyando primary school | 2,200,000.00 | 0.00 | 2,200,000.00 | 0.00 | 2,200,000.00 |
| Mbweka primary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 500,000.00 | 500,000.00 |
| Deiry primary school. | 160,000.00 | 0.00 | 160,000.00 | 0.00 | 160,000.00 |
| Kibambani primary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 500,000.00 | 500,000.00 |
| Kilindini primary school. | 1,000,000.00 | 0.00 | 1,000,000.00 | 1,000,000.00 | 0.00 |



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2018/2019 | Adjustments | Final Budget
2018/2019 | Actual on
comparable basis
30/06/2019 | Budget
utilization
difference |
|---|------------------------------|--------------|---------------------------|---|-------------------------------------|
| Vuga primary school | 0.00 | 464,000.00 | 464,000.00 | 464,000.00 | 0.00 |
| Madibwani primary school | 0.00 | 2,700,000.00 | 2,700,000.00 | 2,700,000.00 | 0.00 |
| Mwamunga primary school | 0.00 | 6,000,000.00 | 6,000,000.00 | 6,000,000.00 | 0.00 |
| Bahakanda primary school | 0.00 | 6,000,000.00 | 6,000,000.00 | 6,000,000.00 | 0.00 |
| Noloni primary school | 0.00 | 450,000.00 | 450,000.00 | 430,000.00 | 20,000.00 |
| Mwachome primary school | 0.00 | 450,000.00 | 450,000.00 | 435,000.00 | 15,000.00 |
| Ngombeni primary school | 0.00 | 900,000.00 | 900,000.00 | 870,000.00 | 30,000.00 |
| 8.0 Secondary Schools Projects
(List all the Projects) | | | | | |
| Lukore Secondary school | 2,000,000.00 | 0.00 | 2,000,000.00 | 0.00 | 2,000,000.00 |
| Mkomba secondary school | 2,000,000.00 | 0.00 | 2,000,000.00 | 2,000,000.00 | 0.00 |
| Kirewe secondary school | 3,500,000.00 | 0.00 | 3,500,000.00 | 1,500,000.00 | 2,000,000.00 |
| Mbegani secondary school | 1,200,000.00 | 0.00 | 1,200,000.00 | 500,000.00 | 700,000.00 |
| Burani secondary school | 4,000,000.00 | 0.00 | 4,000,000.00 | 2,500,000.00 | 1,500,000.00 |
| Balozi Makwere secondary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 1,000,000.00 | 0.00 |

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| Programme/Sub-programme | Original Budget
2018/2019 | Adjustments | Final Budget
2018/2019 | Actual on
comparable basis
30/06/2019 | Budget
utilization
difference |
|---|------------------------------|--------------|---------------------------|---|-------------------------------------|
| Ziwani secondary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 1,000,000.00 | 0.00 |
| Chitsanze secondary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 1,000,000.00 | 0.00 |
| Kiteje secondary school | 3,000,000.00 | 0.00 | 3,000,000.00 | 1,500,000.00 | 1,500,000.00 |
| Mwanambeyu secondary school | 3,000,000.00 | 0.00 | 3,000,000.00 | 0.00 | 3,000,000.00 |
| Tiwi Girls secondary school | 1,000,000.00 | 0.00 | 1,000,000.00 | 0.00 | 1,000,000.00 |
| Matuga Girls secondary school | 2,000,000.00 | 0.00 | 2,000,000.00 | 2,000,000.00 | 0.00 |
| Mwaluphamba secondary school | 0.00 | 900,000.00 | 900,000.00 | 900,000.00 | 0.00 |
| Tumaini secondary school | 0.00 | 750,000.00 | 750,000.00 | 750,000.00 | 0.00 |
| Kichakasimba girls secondary school | 0.00 | 750,000.00 | 750,000.00 | 750,000.00 | 0.00 |
| Tiwi boys secondary school | 0.00 | 1,700,000.00 | 1,700,000.00 | 1,700,000.00 | 0.00 |
| Mbuguni secondary school | 0.00 | 1,350,000.00 | 1,350,000.00 | 1,350,000.00 | 0.00 |
| Rose makwere Girls sec school | 0.00 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 0.00 |
| Mkongani secondary school | 0.00 | 2,400,000.00 | 2,400,000.00 | 2,400,000.00 | 0.00 |
| Mwangunga Girls secondary school | 0.00 | 3,700,000.00 | 3,700,000.00 | 3,700,000.00 | 0.00 |
| 9.0 Tertiary institutions Projects
(List all the Projects) | | | | | |



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| Programme/Sub-programme | Original Budget
2018/2019 | Adjustments | Final Budget
2018/2019 | Actual on
comparable basis
30/06/2019 | Budget
utilization
difference |
|--|------------------------------|----------------------|---------------------------|---|-------------------------------------|
| Matuga Technical Training Institute | 0.00 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 0.00 |
| 10.0 Security Projects | | | | | |
| Ngombeni police post | 2,000,000.00 | 0.00 | 2,000,000.00 | 0.00 | 2,000,000.00 |
| 11.0 Acquisition of assets | | | | | |
| 11.1 Motor Vehicles (including motorbikes) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11.2 Construction of CDF office | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11.3 Purchase of furniture and equipment | 0.00 | 500,000.00 | 500,000.00 | 499,221.00 | 779.00 |
| 11.4 Purchase of computers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11.5 Purchase of land | 300,640.00 | 0.00 | 300,640.00 | 300,000.00 | 640.00 |
| 12.0 Others | | | | | |
| 12.1 Strategic Plan | 0.00 | 1,195,980.00 | 1,195,980.00 | 1,195,980.00 | 0.00 |
| 12.2 Innovation Hub | 2,500,000.00 | 4,677,027.00 | 7,177,027.00 | 0.00 | 7,177,027.00 |
| 12.3 Unallocated | 0.00 | 10,000.00 | 10,000.00 | 0.00 | 10,000.00 |
| | 109,040,876.00 | 58,176,251.00 | 167,217,127.00 | 106,523,908.00 | 60,693,219.00 |

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

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

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100

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

The 2017/2018 financial statement were misstated by ksh. 100,000. The misstatement has been traced to Routine maintainance-other assets under use of goods and services in Note no. 5 in the financial statement.

The reported figure of ksh. 2,993,728 for routine maintainance – other assets was overstated by ksh. 100,000 thus affecting the statement of assets and liabilities resulting to imbalance of ksh. 100,000. The error has been corrected through restatement of 2017/2018 comparative figure.

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2018-2019 | 2017-2018 |
|--------------|---------|--------------------|-------------------|
| | | Kshs | Kshs |
| NGCDF Board | | | |
| AIE NO | B005119 | 44,784,483 | |
| AIE NO | B030100 | 10,000,000 | |
| AIE NO | B005249 | 10,000,000 | |
| AIE NO | B005406 | 20,000,000 | |
| AIE NO | B006455 | 6,000,000 | |
| AIE NO | A724479 | 11,000,000 | |
| | B042803 | 7,000,000 | |
| | B047572 | 55,040,876 | |
| AIE NO | A855930 | | 5,500,000 |
| AIE NO | A892673 | | 500,000 |
| AIE NO | A892629 | | 37,905,172 |
| TOTAL | | 163,825,359 | 43,905,172 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Receipts from sale of Buildings | 0 | 0 |
| Receipts from the Sale of Vehicles and Transport Equipment | 0 | 0 |
| Receipts from sale of office and general equipment | 0 | 0 |
| Receipts from the Sale Plant Machinery and Equipment | 0 | 0 |
| Total | 0 | 0 |



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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2018-2019 | 2017-2018 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Interest Received | 0 | 0 |
| Rents | 0 | 0 |
| Receipts from Sale of tender documents | 10,000 | 0 |
| Other Receipts Not Classified Elsewhere | 0 | 0 |
| Total | 10,000 | 0 |

4. COMPENSATION OF EMPLOYEES

| | 2018-2019 | 2017-2018 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 2,508,440 | 2,026,403 |
| Basic wages of casual labour | 0 | 0 |
| Personal allowances paid as part of salary | | |
| House allowance | 0 | 0 |
| Transport allowance | 0 | 0 |
| Leave allowance | 0 | 0 |
| Gratuity – paid | | 442,356 |
| ~ accrued | 0 | |
| Employer contribution to NSSF | 113,400 | 0 |
| Total | 2,621,840 | 2,468,759 |

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2018-2019 | 2017-2018 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Transfers to National Government entities | | |
| Transfers to primary schools (see attached list) | 32,031,000 | 1,350,000 |
| Transfers to secondary schools (see attached list) | 25,550,000 | 4,778,630 |
| Transfers to tertiary institutions (see attached list) | 10,000,000 | 0 |
| Transfers to health institutions (see attached list) | 0 | 0 |
| TOTAL | 67,581,000 | 6,128,630 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2018-2019 | 2017-2018 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 16,380,000 | 12,590,000 |
| Bursary – tertiary institutions (see attached list) | 4,238,500 | 3,602,586 |
| Bursary – special schools (see attached list) | 0 | 0 |
| Mock & CAT (see attached list) | 0 | 0 |
| Security projects (see attached list) | 0 | 2,500,000 |
| Sports projects (see attached list) | 1,736,140 | 0 |
| Environment projects (see attached list) | 1,652,621 | 0 |
| Emergency projects (see attached list) | 3,120,000 | 800,000 |
| Total | 27,127,261 | 19,492,486 |

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

8. ACQUISITION OF ASSETS

Non Financial Assets

| | 2018-2019 | 2017-2018 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Purchase of Buildings | 0 | 0 |
| Construction of Buildings | 0 | 0 |
| Refurbishment of Buildings | 0 | 0 |
| Purchase of Vehicles and Other Transport Equipment | 0 | 0 |
| Overhaul of Vehicles and Other Transport Equipment | 0 | 0 |
| Purchase of Household Furniture and Institutional Equipment | 0 | 0 |
| Purchase of Office Furniture and General Equipment | 499,221 | 0 |
| Purchase of ICT Equipment, Software and Other ICT Assets | 0 | 120,000 |
| Purchase of Specialized Plant, Equipment and Machinery | 0 | 0 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 0 | 0 |
| Acquisition of Land | 300,000 | 0 |
| Acquisition of Intangible Assets | 0 | 0 |
| Total | 799,221 | 120,000 |

9. OTHER PAYMENTS

| | 2018-2019 | 2017-2018 |
|----------------|------------------|------------------|
| | Kshs | Kshs |
| Strategic plan | 0 | 0 |
| ICT Hub | 0 | 0 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | 0 | 0 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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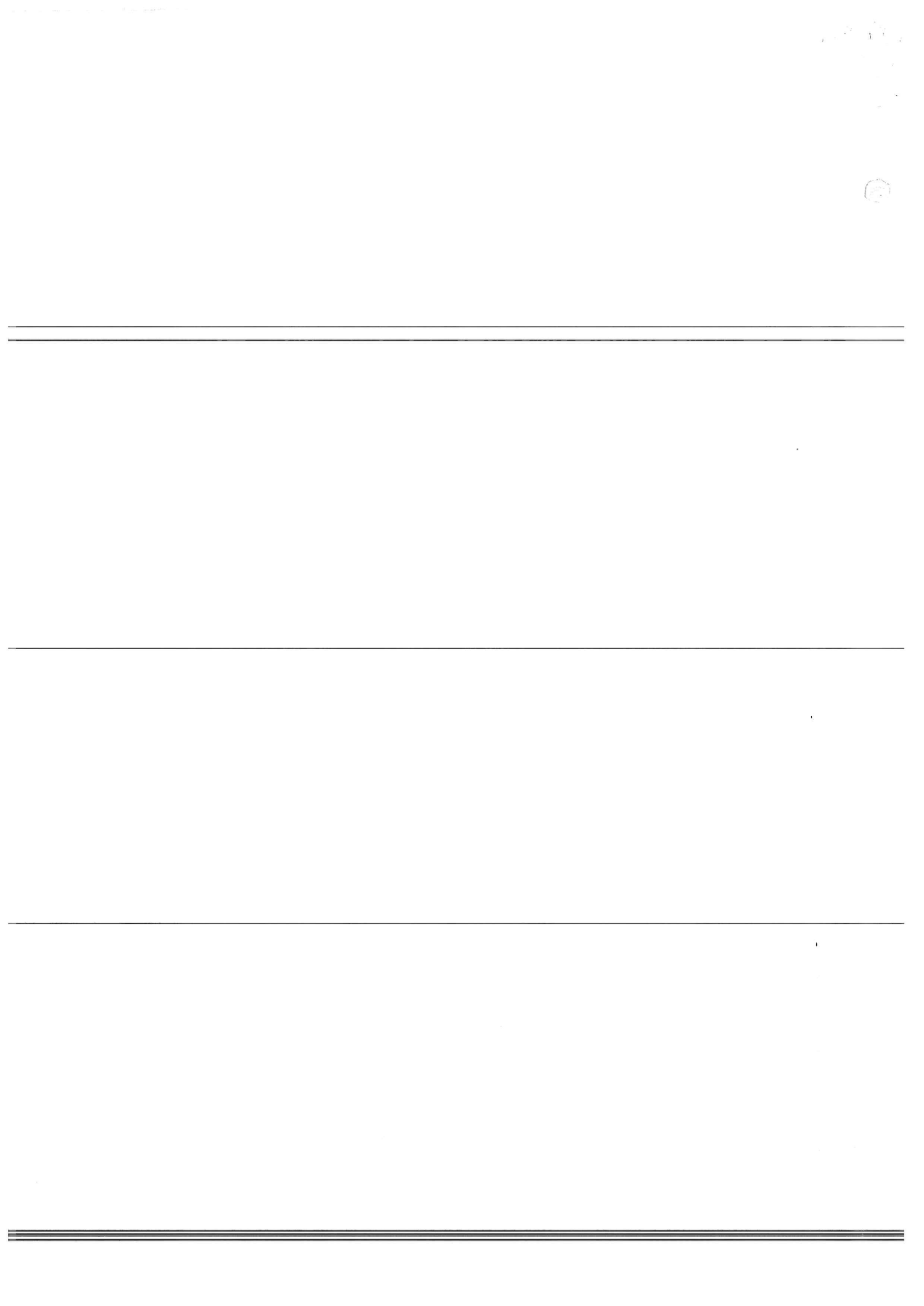
Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2018-2019 | 2017-2018 |
|--|-------------------|------------------|
| | Kshs(30/06/2019) | Kshs(30/06/2018) |
| <i>Equity Bank, A/C No. 0440262171080 and ksh.</i> | 60,543,219 | 3,231,768 |
| | | |
| | | |
| Total | 60,543,219 | 3,231,768 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | 0 | 0 |
| Location 2 | 0 | 0 |
| Location 3 | 0 | 0 |
| Other Locations (<i>specify</i>) | 0 | 0 |
| | | |
| Total | 0 | 0 |
| <i>[Provide cash count certificates for each]</i> | | |



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

11: OUTSTANDING IMPRESTS

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
| | | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| Benson M.Maisori (DCC) | 27/03/2018 | 150,000 | 0 | 150,000 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | | 150,000 |

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

12A. RETENTION

| | 2018 - 2019 | 2017-2018 |
|--------------|--------------------|------------------|
| | Kshs | Kshs |
| Supplier 1 | 0 | 0 |
| Supplier 2 | 0 | 0 |
| Supplier 3 | 0 | 0 |
| Total | 0 | 0 |

[Provide short appropriate explanations as necessary]

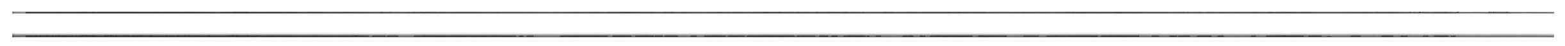
12B. STAFF GRATUITY OUTSTANDING

| | 2018 - 2019 | 2017-2018 |
|--------------------|--------------------|------------------|
| | Kshs | Kshs |
| Name 1 | 0 | 0 |
| Name 2 | 0 | 0 |
| Name 3 | 0 | 0 |
| Add as appropriate | | |
| Total | 0 | 0 |

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

| | 2018-2019 | 2017-2018 |
|---------------|-----------------------|-----------------------|
| | Kshs(1/7/2018) | Kshs(1/7/2018) |
| Bank accounts | 3,231,768 | 954,999 |
| Cash in hand | 0 | 0 |



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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| | | |
|--------------|------------------|----------------|
| Imprest | 150,000 | 0 |
| Total | 3,381,768 | 954,999 |

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

| | 2018-2019 | 2017-2018 |
|---------------|------------------|------------------|
| | Kshs | Kshs |
| Bank accounts | 0 | 0 |
| Cash in hand | 0 | 0 |
| Imprest | 0 | 0 |
| Total | 0 | 0 |



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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2018-2019 | 2017-2018 |
|-----------------------------|------------------|------------------|
| | Kshs | Kshs |
| Construction of buildings | 0 | 0 |
| Construction of civil works | 0 | 0 |
| Supply of goods | 0 | 0 |
| Supply of services | 0 | 0 |
| | 0 | 0 |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | Kshs | Kshs |
|---------------------------|-------------|-------------|
| NGCDFC Staff | 0 | 0 |
| Others (<i>specify</i>) | 0 | 0 |
| | 0 | 0 |

15.3: UNUTILIZED FUND (See Annex 3)

| | 2018-2019 | 2017-2018 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | 435,760 | 48,411 |
| Use of goods and services | 0 | 648,229 |
| Amounts due to other Government entities (see attached list) | 27,450,180 | 38,964,000 |
| Amounts due to other grants and other transfers (see attached list) | 25,628,833 | 12,822,283 |
| Acquisition of assets | 1,419 | 506,272 |
| Others (<i>ICT Projects</i>) | 7,167,027 | 4,667,027 |
| Unallocated fund (AIA) | 10,000 | 0 |
| | 60,693,219 | 57,666,252 |

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

| | 2018-2019 | 2017-2018 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 32,623,085 | 3,130,018 |
| | | |
| | 32,623,085 | 3,130,018 |

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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019 | 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. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |



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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019 | Comments |
|--------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|----------|
| | | a | b | c | d=a-c | |
| Senior Management | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Middle Management | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Unionisable Employees | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Others (<i>specify</i>) | | | | | | |
| 10. | | | | | | |
| 11. | | | | | | |
| 12. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |



ANNEX 3 – UNUTILIZED FUND

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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

| Name | Brief Transaction Description | Outstanding
g Balance
2018/19 | Outstanding
Balance
2017/18 | Comments |
|---------------------------|-------------------------------|-------------------------------------|-----------------------------------|----------|
| | Emergency projects | 7,149,589 | 4,337,931 | |
| | Environmental projects | 413,207 | 1,200,000 | |
| | Bursary secondary schools | 12,160,000 | 5,510,000 | |
| | Bursary secondary schools | 2,840,000 | | |
| | Security projects | 2,000,000 | | |
| Sub-Total | | 25,628,833 | 12,822,283 | |
| Acquisition of assets | Purchase of furniture | 1,419 | 506,272 | |
| Sub- Total | | 1,419 | 506,272 | |
| Others (<i>specify</i>) | ICT Project | 7,167,027 | 4,677,027 | |
| | | | | |
| Unallocated (AIA) | | 10,000 | 0 | |
| | | | | |
| Sub-Total | | 7,177,027 | 4,677,027 | |
| Grand Total | | 60,693,219 | 57,666,252 | |

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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost
b/f
(Kshs)
2017/18 | Additions
during the
year (Kshs) | Disposals
during the
year (Kshs) | Historical
Cost
(Kshs)
2018/19 |
|--|---|--|--|---|
| Land | 0 | 300,000 | 0 | 300,000 |
| Buildings and structures | 10,279,638 | 0 | 0 | 10,279,638 |
| Transport equipment | 3,114,125 | 0 | 0 | 3,114,125 |
| Office equipment, furniture and fittings | 2,941,380 | 499,221 | 0 | 3,440,601 |
| ICT Equipment, Software and Other ICT Assets | 361,760 | 0 | 0 | 361,760 |
| Other Machinery and Equipment | 0 | 0 | 0 | 0 |
| Heritage and cultural assets | 0 | 0 | 0 | 0 |
| Intangible assets | 0 | 0 | 0 | 0 |
| Total | 16,696,903 | 799,221 | 0 | 17,496,124 |



NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

| PMC | Bank | Account number | Bank Balance 2018/19 | Bank Balance 2017/18 |
|------------------------------------|--------|----------------|----------------------|----------------------|
| Burani Police station | Equity | 1580178513131 | 40 | |
| Burani Primary school. | Equity | 1580278895585 | 499,687 | |
| Burani Girls High School | Equity | 1580278582262 | 1,907,829 | |
| Mwaluphamaba Secondary school | Equity | 1580269868148 | 643,825 | |
| Mwamgunga Girls Secondary School. | Equity | 1580263450383 | 1,586 | |
| Tiwi Boys secondary school. | Equity | 0440268533731 | 115,552 | |
| Mwamgunga Primary school. | Equity | 1580277508985 | 496,368 | |
| Madibwani Primary school. | Equity | 0440270775105 | 8,091 | 340 |
| Vuga Primary school. | Equity | 1580272116599 | 2,012 | 14,132 |
| Mbuguni Secondary School. | Equity | 1580277501233 | 760,846 | |
| Mkongani Mixed Secondary school. | Equity | 1580276524938 | 122,513 | 2,261 |
| Tserezani Primary school. | Equity | 1580278457829 | 131,513 | |
| Balozi AM Jorori Secondary school. | Equity | 1580278602786 | 120,412 | |
| Mwanamkuu Primary School | Equity | 1580278677663 | 86,416 | |
| Kirewe secondary school. | Equity | 1580278673309 | 1,499,488 | |
| Kizimbani Primary School. | Equity | 1580278654723 | 1,504,488 | |
| Nyando Water springs PMC | Equity | 1580178648195 | 413,207 | |
| Kidongo Primary school. | Equity | 0440278680683 | 1,000,000 | |
| Mbweka Primary school. | Equity | 1580278648053 | 184,030 | |
| Mwamzwani Primary school. | Equity | 1580278749559 | 1,505,000 | |
| Mbegani Secondary school. | Equity | 1580268395239 | 691 | |
| Bahakanda Primary school. | Equity | 1580278829350 | 6,000,000 | |
| Lunguma Primary school. | Equity | 1580278680313 | 2,004,307 | |
| Dima Primary school. | Equity | 1580278845332 | 16,027 | |
| Boyani West Primary school. | Equity | 1580278890961 | 3,820 | |

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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF

Reports and Financial Statements

For the year ended June 30, 2019

| PMC | Bank | Account number | Bank
Balance
2018/19 | Bank
Balance
2017/18 |
|-----------------------------------|--------|----------------|----------------------------|----------------------------|
| Kipambani primary school | Equity | 1580278821531 | 500,000 | |
| Nzora Primary school. | Equity | 1580278865735 | 258,900 | |
| Matuga Girls High school. | Equity | 1580266195898 | 4,360,356 | |
| Kiteje Mixed secondary school. | Equity | 1580278700678 | 4,400 | |
| Rose Makwere Secondary school. | K.C.B | 1136297227 | 183,584 | 3,050,000 |
| Mwele Primary School. | K.C.B | 1257316621 | 1,652,020 | |
| Tumaini Secondary school. | K.C.B | 1176395734 | 432 | |
| Kichakasimba Secondary school. | K.C.B | 1123446806 | 264,990 | |
| Mkomba Secondary school. | K.C.B | 1253577846 | 454,054 | |
| Ziyani Secondary school. | K.C.B | 1255105941 | 997,580 | |
| Kilindini Primary school. | K.C.B | 1254886281 | 997,580 | |
| Chitsanze Girls Secondary school. | K.C.B | 1256622729 | 1,002,230 | |
| Lwara Primary school. | K.C.B | 1256783382 | 1,503,310 | |
| Magwasheni Primary school. | K.C.B | 1257683977 | 412,182 | |
| Noloni Primary school. | Equity | 1580271301348 | 6,037 | 61,966 |
| Golini secondary school. | Equity | 1580266614680 | 1,319 | 1,319 |
| Total | | | 32,623,085 | 3,130,018 |

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NATIONAL GOVERNMENT ENTITY – MATUGA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2019

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Time frame: (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|---|
| ADL/4
1/17/18(5) | 1.0 Use of goods and services
1.1 committee allowances-
The management could not explain how ex-officio and officers not employed by the board were paid allowances. | These were lunch allowances paid during the field visits and were approved by minutes of the meeting held on 10 th January, 2018 | Andrew Lumunge (Fund Account Manager) | Not resolved. | 30 th October, 2019 |
| | 2.0 Cash and cash equivalent-
Bank charges not accounted in the cash book amounting to ksh.22, 029.55. | The management regrets the oversight but it's already recorded in the cashbook during the month of September, 2019. | Andrew Lumunge (Fund Account Manager) | Resolved. | |
| | 3.0 outstanding imprests- An imprests amounting to ksh.150, 000 payable to DCC is not recovered as at 30 th June, 2018. | The Management has written to the Principal secretary Ministry of Interior and Coordination of the National Government for the recovery of the imprests and a follow up letter has been issued to the County Commissioner for the recovery of the same. | Andrew Lumunge (Fund Account Manager) | Not Resolved. | 30 th October, 2019 |
| | | | | | |
| | | | | | |

