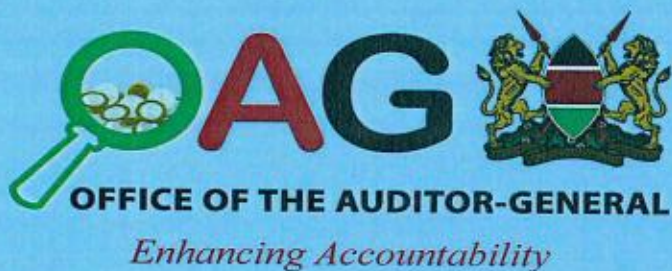


REPUBLIC OF KENYA



REPORT

OF

THE NATIONAL
PAPERS
DATE: 22 FEB 2023 Wednesday
TABLED BY: Leader of the Majority Party
ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2021



Revised Template 30th June 2021



MATUNGU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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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 Socioeconomic development countrywide

Mission

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

*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
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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 NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	DAVID OKOMA
2.	Sub-County Accountant	LAWRENCE NYAGOTO
3.	Chairman NG-CDFC	RAMADHAN WESAYA
4.	Member NG-CDFC	FRANKLINE OKOME

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF Matungu Constituency
P.O. Box 1045-50102
MatunguCDF Building
Mumias/Busia/Highway

*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
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(f) Contacts

Telephone: (254) 722402480
E-mail: cdmatungu@ngcdf.go.ke
Website: www.cdf.matungu.go.ke

(g) Bankers

1. EQUITY BANK
MUMIAS BRANCH
A/No: 0680299140869

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

(h) Principal Legal Adviser

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

ILNG-CDFC CHAIRMAN'S REPORT



RAMADHAN WASAYA
CHAIRMAN
MATUNGUNG CDFC

I present to you the performance of Matungu NG-CDF for the FY 2020/2021 as follows:

Budget performance against actual amounts for current year based on economic classification and programmes

During the financial year 2020/21 we received Kshs.154,198,724..from the CDFB and incurred an expenditure of Kshs135,689,401 on Compensation of employees, Use of goods and services, Transfers to Other Government Units, Other grants and transfers and Acquisition of Assets. An amount equal to Kshs54,898,879.was not received during the financial year.

Key achievements in the FY 2020/2021

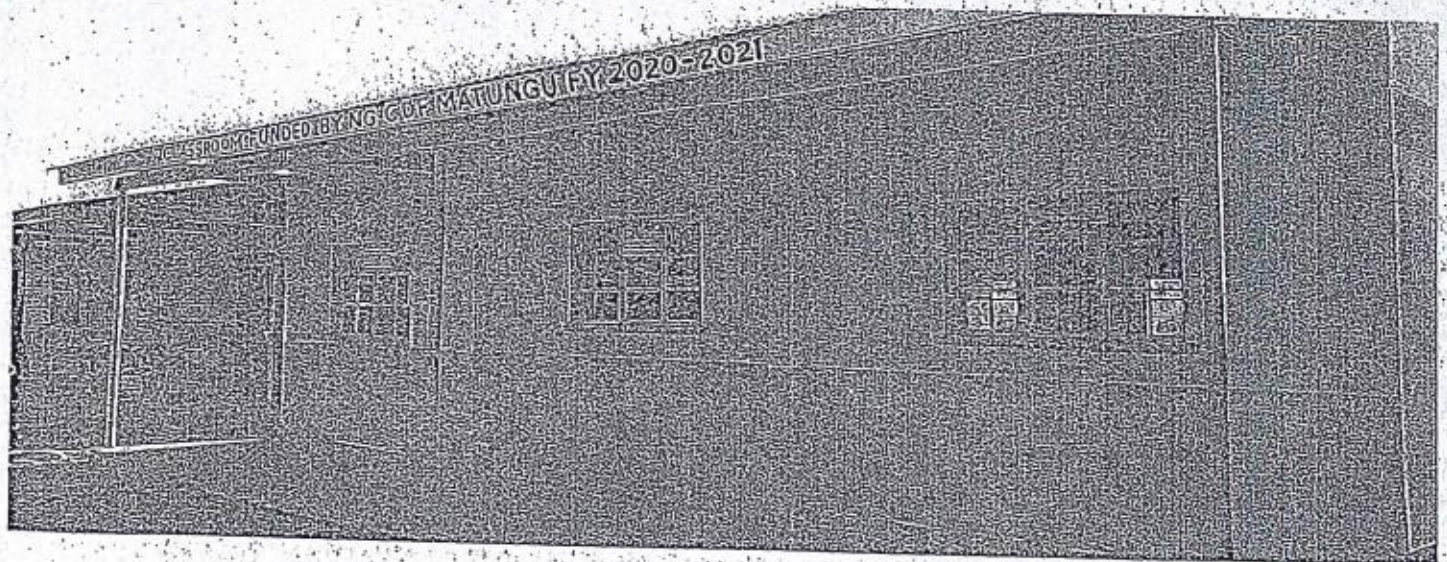


FIG 1: CONSTRUCTION OF 1 NO CLASSROOM AT SHIYABO PRIMARY SCHOOL F/Y 2020/21



FIG. 2 DORMITORY AT MAKUNDA MUSLIM SECONDARY SCHOOL F/Y 2020-2021

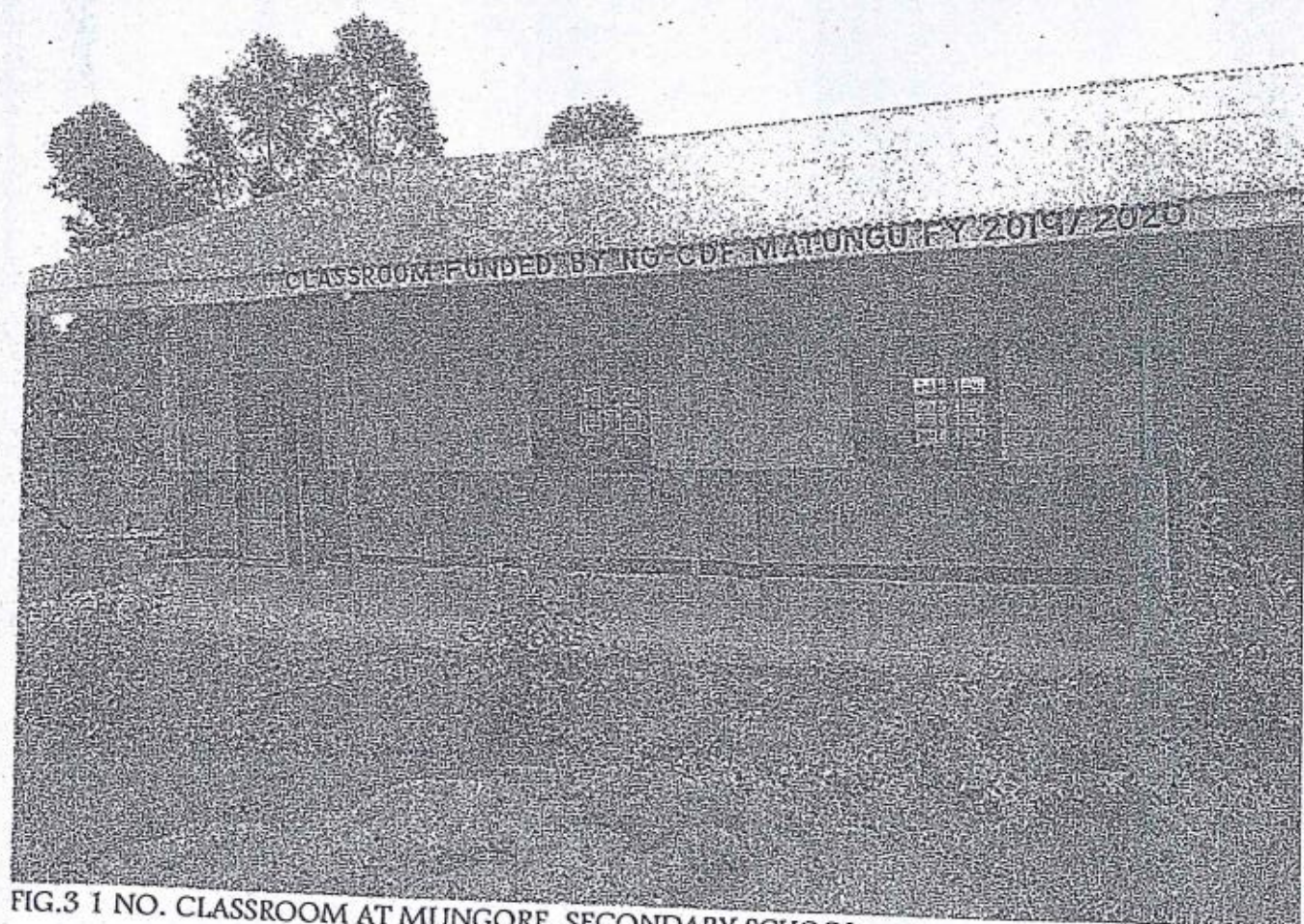


FIG.3 1 NO. CLASSROOM AT MUNGORE SECONDARY SCHOOL

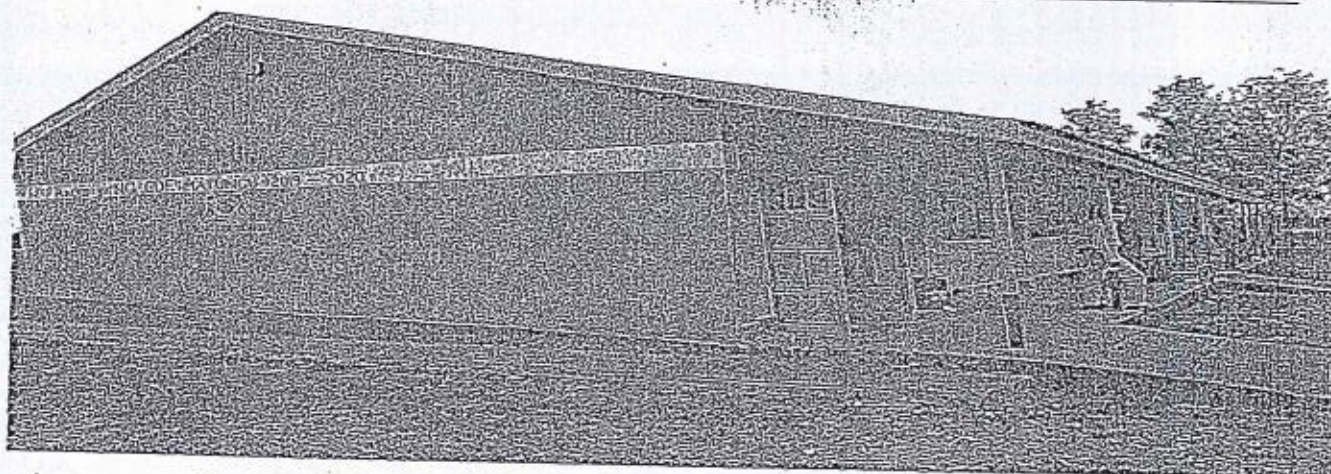


FIG. 4 2 NO CLASSROOMS AT KADIMA PRIMARY SCHOOL

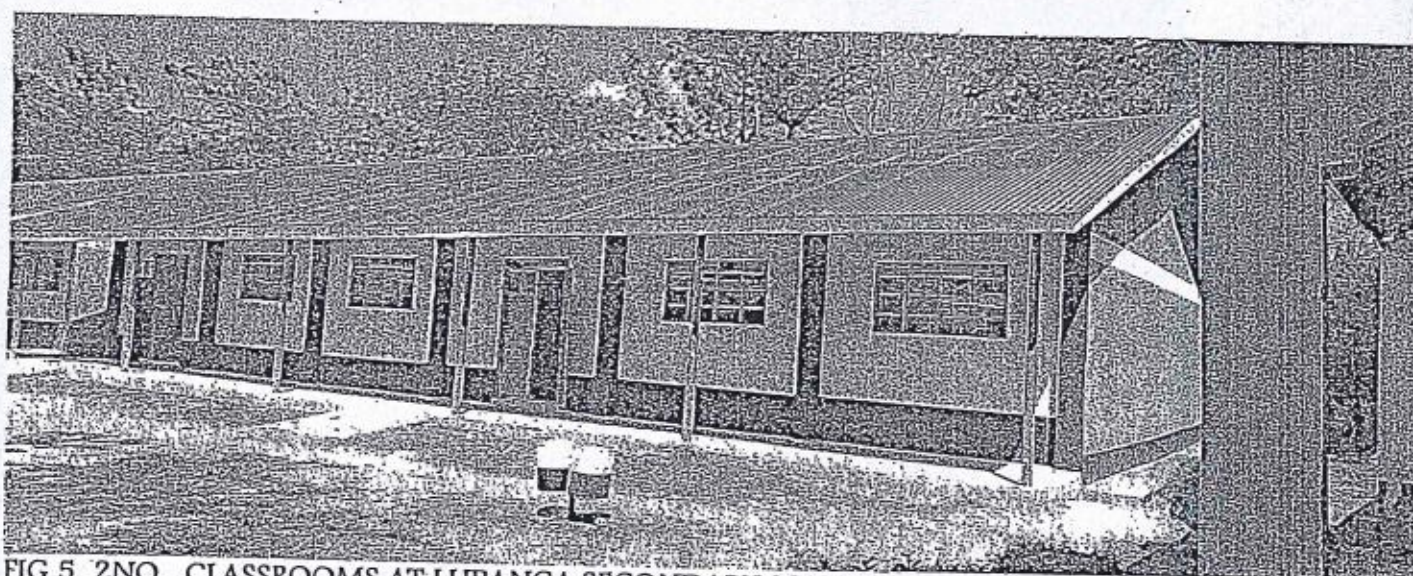


FIG.5 2NO . CLASSROOMS AT LUBANGA SECONDARY SCHOOL

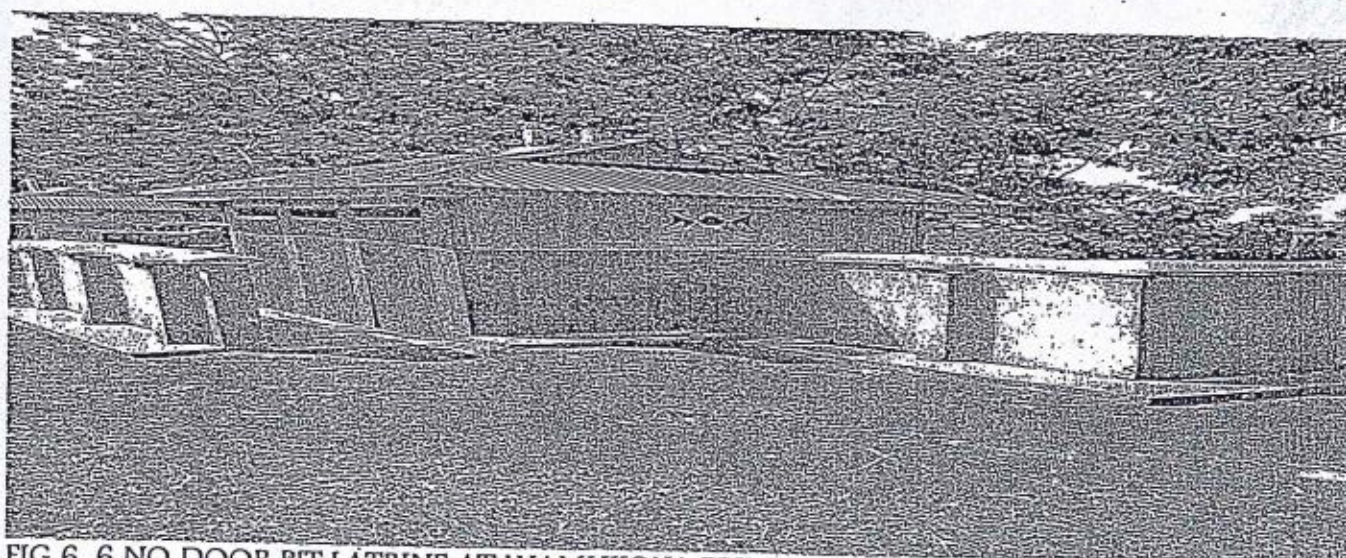


FIG 6. 6 NO DOOR PIT LATRINE AT WAMUKOYA PRIMARY SCHOOL

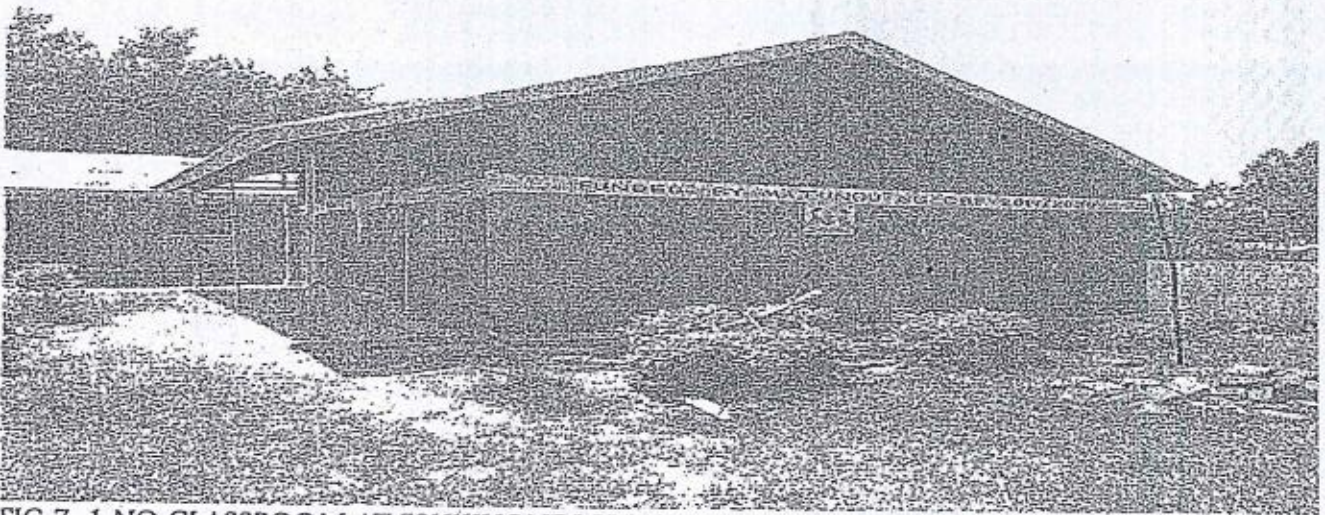


FIG 7. 1 NO CLASSROOM AT ESHIKHONDI PRIMRY SCHOOL

Implementation challenges

- ❖ Higher demand for Bursaries- Due to higher need of bursaries in the Constituency the NG-CDFC has embarked on classification of the applications for effective bursary allocation to needy students.
- ❖ Many schools in the constituency which are starting are in poor state due to inadequate educational facilities. There is need for more funding for such needy schools.
- ❖ To overcome this, we have embarked on implementation of priority projects in individual schools through public participation.
- ❖ There are no flagship projects to benefit the whole constituency such as TTI and KMTC. We have started the implementation of KMTC in this financial year.
- ❖ There is also slow implementation of projects due to late disbursement of funds from the NG-CDF Board which delays project implementation.
- ❖ The Matungu NG-CDFC to seek guidance and follow up from the NG-CDF board for timely disbursement of funds to ensure easy implementation of the projects within the constituency.

Signature
CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

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 NG-CDF *Matungu Constituency 2018-2022* plan are to:

- 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.
- 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.
- Promoting environment in constituency by organizing tree planting days.
- Catering for any unforeseen occurrences in the constituency (emergency support)
- 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.
- Improve the tracking of implementation NG-CDF Programmes.
- 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	<ul style="list-style-type: none"> number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels 	In FY 20/21 - We increased number of classrooms - Bursary- There was an increase of beneficiaries of Bursary fund, a total of 3,190 students in both secondary and tertiary institution benefited from the Bursary Fund.
Security	To harness youth talent and	Increased campaign on	No. Of campaigns held, number of	There is ongoing construction of

Matungu Constituency
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Constituency Sector	Objective	Outcome	Indicator	Performance
	empower them	drugs and substance abuse and on HIV and AIDS Awareness among the youth on establishment of youth groups	awareness forums held and amount of funds voted	administration police posts ieKhalaba 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
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. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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 marginalized groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NG-CDF 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 agroforestry 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environmental protection initiative remains a core objective of Matungu NG-CDF.

A clean environment is essential for healthy living and that one of the core objective of the Management.

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

- To promote and encourage tree planting in the constituency by setting tree planting days.
- 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.

Our Environmental Action Plan

Matungu NG-CDF has identified three areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. The three areas include;

Impact Area	Approach
Capacity Building	✧ Promote environmental awareness by sensitizing the Matungu NG-CDFC members, NG-CDFC staff and PMCs on importance of good conservation practices.
Conservation of Energy and Resources	<ul style="list-style-type: none">✧ Sensitizing the Matungu Constituents of different methods of Energy Conservation.✧ Create awareness among the residents to practise tree planting to enable serve as water catchment strategy.
Environmental Protection and Conservation	<ul style="list-style-type: none">✧ Creating awareness to the public on the minimization of Land, Air and Water pollution.✧ To promote and encourage tree planting in the constituency by setting tree planting days.✧ Raising real awareness of the importance of environmental matters within the constituency.✧ Creating awareness among the residents of Matungu on importance of green economy.

3. Employee welfare

Categories of Employment

As stipulated by NG-CDF Act 2015 the Matungu NG-CDF offers two categories of employment, which are Contract and Casual employment. Contract employment given to employees who are employed for 2 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis when need arise and they are remunerated on a piece rate payment system.

Recruitment Procedure

The Matungu NG-CDF follow the NG-CDF Act 2015 in the recruitment, appointment and promotion of the NG-CDF staffs.

We invest in providing the best working environment for our employees. Matungu NG-CDF constituency recruitment is guided by Employment Act, NG-CDF 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

Matungu Constituency

National Government Constituencies Development Fund (NGCDF)

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Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

Employees are encouraged and supported to continually build on their skills and knowledge through provision of bursaries. Matungu NG-CDFC also 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.

4. Market place practices-

Matungu NG-CDFC Constituency is committed to fair and ethical market practices.

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 practices ensure the fund get value for money on all goods and services procured.

MatunguNG-CDF has put in efforts to ensure:

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

5. Community Engagements-

Matungu NG-CDF has endeavoured to sustain community engagement through corporate Social responsibility by engaging the community through sports and community projects. It has also engaged by sensitizing the community on the importance of environmental sustainability and conservation.

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 communitybased 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.

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

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.

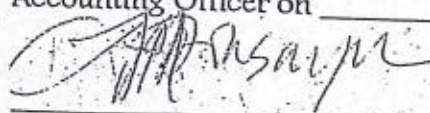
The Accounting Officer in charge of the NG-CDF Matungu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021.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

The Accounting Officer in charge of the 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, 2021, and of the entity's financial position as at that date. The Accounting Officer in 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.

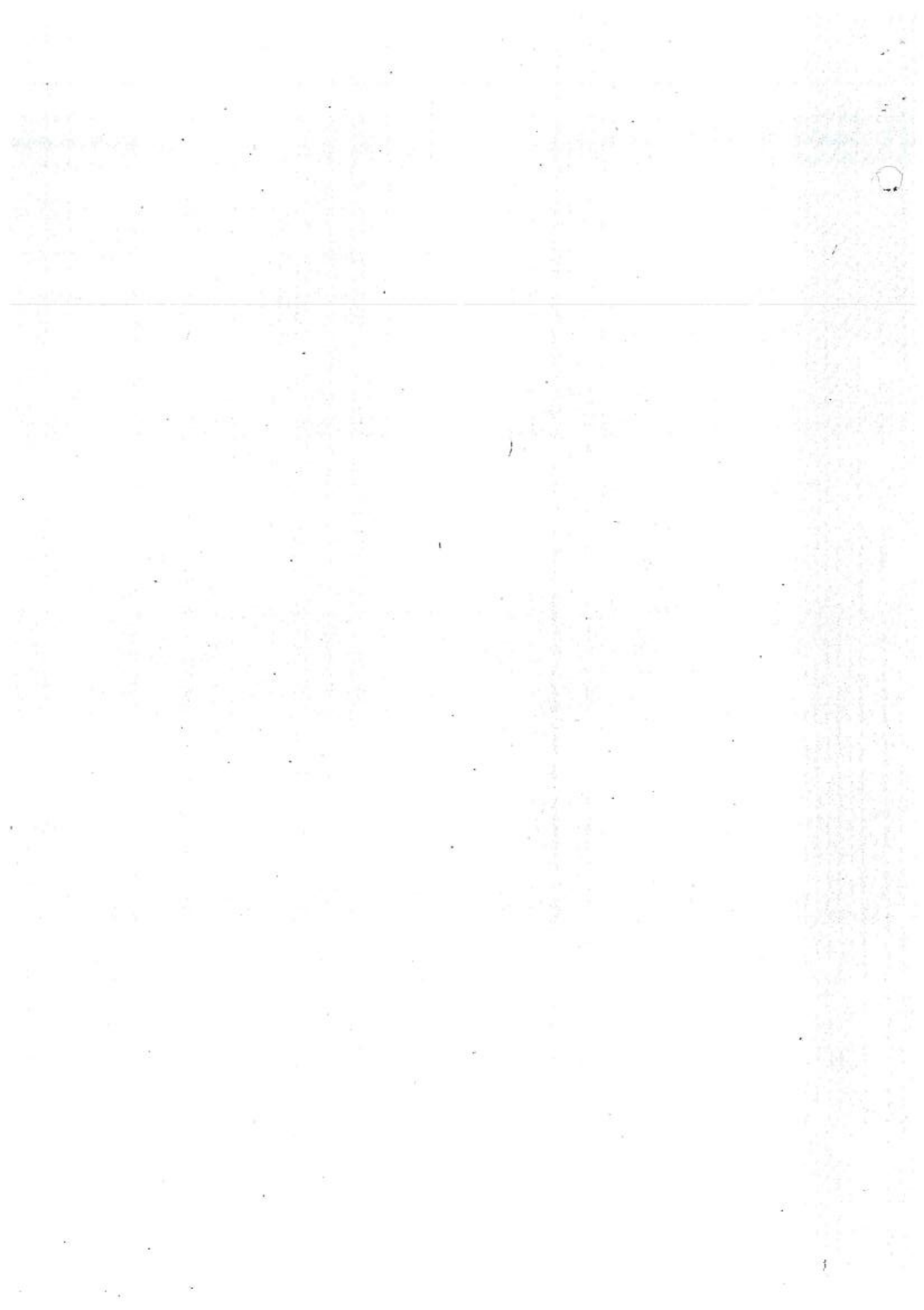
Approval of the financial statements

The NG-CDF-Matungu Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



Chairman NG-CDF Committee
Name: FALUMA WASAYA


Fund Account Manager
Name: DAVID OKOMA



REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungu Constituency set out on pages 16 to 54,

which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 - Matungu Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bursaries Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers balance of Kshs.42,349,868 which includes bursary disbursements to Tertiary Institutions amounting to Kshs.12,290,000. Out of the amount, bursaries totalling to Kshs.6,143,000 were disbursed to Colleges and Universities but payment vouchers and other underlying documents were not provided for audit review.

In the circumstances, accuracy of the expenditure of Kshs.6,143,000 could not be confirmed.

2. Misstatement of Cash and Cash Equivalent Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.42,009,062 which, as disclosed in Note 10(A), relates to the Fund's bank balance. The bank statements shows bank charges totalling to Kshs.1,440 for the month of June, 2021 which have not been recorded in the cashbook and also not included as a reconciling items in the bank reconciliation statement.

Further, the statement of cash flows reflects cash and cash equivalents balance of Kshs.42,009,062. However the re-casted balance is Kshs.42,024,062. The difference of Kshs.15,000 was not reconciled or explained.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.42,009,062 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

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.232,638,341 and Kshs.177,739,462 respectively, resulting to an underfunding of Kshs.54,898,879 or 23.6% of the budget. Similarly, the Fund expended Kshs.135,745,402 against the actual receipts of Kshs.177,739,462 resulting to an under-absorption of Kshs.41,994,060 or 23.6% of the budget.

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

2. Unconfirmed Land Size

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers balance of Kshs.42,349,868 which includes disbursements for security projects of Kshs.8,200,000. Out of the amount, Kshs.600,000 was for purchase of land measuring approximately 0.10 hectares for construction of Indangalisia police post. However, a valuation report for the land dated September, 2020, indicates that the size of the land is 0.24 hectares. The anomaly was not explained.

In the circumstances, correct value of the land could not be confirmed.

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 matter 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

Stalled Project - Khalaba Police Post

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers balance of Kshs.42,349,868 which includes expenditure on

security projects of Kshs.8,200,000. Out of the amount, Kshs.2,993,024 was for construction of Khalaba Police Post. The Management did not provide tender opening minutes and structural design for audit review. The contract period was twenty-four (24) weeks commencing on 15 March, 2021 and ending on 27 August, 2021. However, as at the time of the audit in May, 2022, the project was incomplete and had stalled. The contractor was also not on site.

In the circumstances, proper procurement procedures and value for money could not be confirmed.

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 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 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 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

I communicate with 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

09 September, 2022

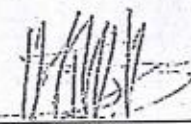
*Matungu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

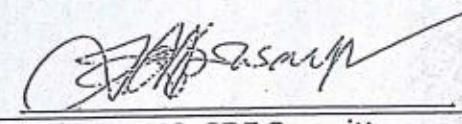
VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 – 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	154,157,724	120,440,876
Other Receipts	3	<u>41,000</u>	<u>46,000</u>
TOTAL RECEIPTS		154,198,724	120,486,876
PAYMENTS			
Compensation of employees	4	2,814,143	3,123,016
Use of goods and services	5	7,921,448	9,032,269
Transfers to Other Government Units	6	82,603,942	48,182,861
Other grants and transfers	7	42,349,868	35,698,370
Acquisition of Assets	8	-	1,795,861
Other Payments	9	-	-
TOTAL PAYMENTS		135,689,401	97,832,377
SURPLUS/(DEFICIT)		<u>18,509,324</u>	<u>22,654,499</u>

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


Fund Account Manager
Name: DAVID OKOMA


National Sub-County
Accountant
Name: LAWRENCE
NYAGOTO
ICPAK M/No:


Chairman NG-CDF Committee
Name: RAMADHAN WESAYA

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

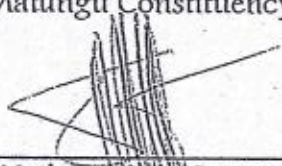
VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	42,009,063	23,514,738
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		42,009,063	23,514,738
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		42,009,063	23,514,738
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		42,009,063	23,514,738
REPRESENTED BY			
Fund balance b/fwd	13	23,514,738	2,402,378
Prior year adjustments	14	-	(860,239)
Surplus/Deficit for the year		18,494,324	22,654,499
NET FINANCIAL POSITION		42,009,062	23,514,738

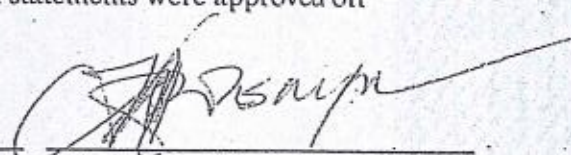
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Matungu Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: DAVID OKOMA



National Sub-County
Accountant
Name: LAWRENCE NYAGOTO
ICPAK M/No:



Chairman NG-CDF Committee
Name: RAMADHAN WESAYA

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

VIII. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	154,157,724	120,440,876
Other Receipts	3	41,000	46,000
Total receipts		154,198,724	120,486,876
Payments for operating activities			
Compensation of Employees	4	2,814,143	3,123,016
Use of goods and services	5	7,921,447	9,032,269
Transfers to Other Government Units	6	82,603,942	49,725,000
Other grants and transfers	7	42,349,868	35,698,370
Other Payments	9	-	-
Total payments		135,704,402	97,578,654
Total Receipts Less Total Payments		18,494,322	22,908,222
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding in prests)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		18,494,323	22,908,222
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,795,861)
Net cash flows from Investing Activities		-	(1,795,861)
NET INCREASE IN CASH AND CASH EQUIVALENT		18,494,323	21,112,360
Cash and cash equivalent at BEGINNING of the year	10	23,514,738	2,402,378
Cash and cash equivalent at END of the year		42,009,062	23,514,738

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

Fund Account Manager
Name: David Okoma

National Sub-County
Accountant
Name: Lawrence Nyagoto
ICPAK M/No:

Chairman NG-CDF Committee
Name: Ramadhan Wesaya

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Blk) and AIA	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	23,540,738	71,967,724	232,597,341	177,698,462	54,898,879	76.4%
Proceeds from Sale of Assets		41000	0	41,000	-	41,000	0.0%
Other Receipts				0	41,000	(41,000)	0.0%
TOTAL RECEIPTS	137,088,879	23,581,738	71,967,724	232,638,341	177,739,462	54,898,879	76.4%
PAYMENTS							
Compensation of Employees	3,447,234	1,364,243	83,079	4,894,556	2,814,143	2,080,413	57.5%
Use of goods and services	8,725,145	2,690,132	3,799,997	15,215,274	7,921,448	7,293,826	52.1%
Transfers to Other Government Units	67,313,942	8,965,000	41,685,000	117,963,942	82,603,942	35,360,000	70.0%
Other grants and transfers	57,602,558	10,175,363	26,399,648	94,177,569	42,364,86	51,827,701	45.0%
Acquisition of Assets		300,000		300,000	-	300,000	0.0%
Other Payments	0	46,000.00		46,000	-	46,000	0.0%
Funds Pending Approval	0	41,000.00	0	41,000	41,000	-	100.0%
TOTAL	137,088,879	23,581,738	71,967,724	232,638,341	135,745,402	96,907,940	58.3%

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


**Reasons for utilization below 90%*


- i. *Under utilization of Compensation of Employees is due to the fact that the fund has only received half of the allocation from the Board for the FY 2020/21.*
- ii. *Under-utilization of Transfers from the NG-CDF Board is due to the fact that the fund hasn't yet fully received all transfers from the Board for the FY 2020/21.*
- iii. *Under utilization of Compensation of Employees is due to the fact that the fund has only received half of the allocation from the Board for the FY 2020/21.*
- iv. *Under utilization of Use of goods and services is due to the fact that the fund has only received half of the allocation from the Board for the FY 2020/21.*
- v. *Under utilization of Transfers to Other Government Units is due to the fact that the fund had not received the entire funding for FY 2020/21.*
- vi. *Under utilization of Other grants and transfers is due to the fact that the fund had not received the entire funding for F/Y 2020/21.*
- vii. *Under utilization of acquisition of assets which is for Purchase of motorbike and the fund hasn't received funds from the Board.*

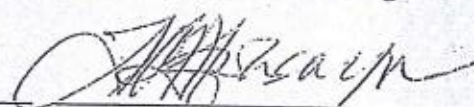
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	96,907,940
Less undisbursed funds receivable from the Board as at 30th June 2021	54,898,879
	42,009,062
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/21	42,009,062

The NG-CDF MATUNGU Constituency financial statements were approved on and signed by:


Fund Account Manager
Name: David Okoma


National Sub-County
Accountant
Name: Lawrence Nyagoto
ICPAK M/No:


Chairman NG-CDF Committee
Name: Ramadhan Wesaya

X. BUDGET EXECUTION BY SECTORS AND PROJECTS: RECURRENT AND DEVELOPMENT COMBINED

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,447,234	1,364,243	83,079	4,894,556	2,814,143	2,080,413
1.2 Committee allowances	1,900,000	239,834	531,185	2,671,019	1,256,880	1,414,139
1.3 Use of goods and services	2,707,019	2,450,298	-	5,157,317	2,525,304	2,632,013
2.0 Monitoring and evaluation						
2.1 Capacity building	1,120,000	-	1,200,000	2,320,000	1,200,990	1,119,010
2.2 Committee allowances	2,000,000	-	1,500,000	3,500,000	2,642,500	857,500
2.3 Use of goods and services	998,126	-	568,812	1,566,938	296,274	1,270,664
3.0 Emergency						
3.1 Primary Schools	1,300,000	-	-	1,300,000	1,300,000	-
3.2 Secondary schools	-	-	1,000,508	1,000,508	-	1,000,508
3.3 Tertiary institutions	487,435	-	1,449,380	1,936,815	487,435	1,449,380
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilized funds	5,105,772	-	11,156,641	16,262,413	-	16,262,413
4.0 Bursary and Social Security	7,192,207	-	-	-	-	-
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	19,818,000	7,675,363	-	27,493,363	19,150,933	8,342,430
4.3 Tertiary Institutions	14,317,720	-	10,793,120	25,110,840	12,264,000	12,846,840
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	2020/2021	30/06/2021	
5.0 Sports	2,745,418	1,750,000	4,495,418	648,000	3,847,418
6.0 Environment		-	-	-	-
Busombi Muslim Secondary School	500,000	-	500,000	-	500,000
Deputy County Commissioner	245,418	-	245,418	-	245,418
Ilete Primary School	500,000	-	500,000	-	500,000
Matungu SDA Special School	500,000	-	500,000	-	500,000
Musango Primary School	500,000	-	500,000	-	500,000
Namayaikalo Primary School	500,000	-	500,000	-	500,000
Planting of Trees	-	750,000	750,000	-	750,000
Purchase of Office Tanks	-	-	800,000	-	800,000
7.0 Primary Schools Projects (List all the Projects)					
7.1 Bulimbo Primary School	2,661,692		4,661,692	4,661,692	-
7.2 Bukosia Primary School	4,000,000	350,000	4,350,000	350,000	4,000,000
7.3 Ebusambe Primary School	900,000	-	900,000	-	900,000
7.4 Ebutaliko Primary School	1,000,000	-	1,000,000	-	1,000,000
7.5 Emabolo Primary School	500,000	-	500,000	500,000	-
7.6 Eshirumbwe Primary	900,000	-	900,000	-	900,000
7.7 Kandai Primary School	1,000,000	-	1,000,000	700,000	300,000
7.8 Khabukoshe Primary School	700,000	-	1,400,000	700,000	700,000
7.9 Kholera Primary School	300,000	-	1,000,000	-	1,000,000
8.0 Koyonzo Special School	1,600,000	-	1,600,000	-	1,600,000
8.1 Lutasio Primary School	1,000,000.00	-	1,300,000	300,000	1,000,000
8.2 Mukhweya Primary School	900,000.00	-	900,000	-	900,000
8.3 Soweto School School	1,000,000	-	1,600,000	-	1,600,000
8.4 Chibunga Primary School	-	-	400,000	400,000	-

Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursements	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Operating Balance (C/Bk) and AIA				
8.5 Namalenge Primary School	1,200,000	-	-	1,200,000	1,200,000	-
8.6 Navunulu Primary School	1,000,000	-	600,000	1,600,000	600,000	1,000,000
8.7 Nyambula Primary School	1,600,000	-	-	1,600,000	-	1,600,000
8.7 Makunda Primary School	900,000	-	-	900,000	-	900,000
Eshiyabo Primary School	-	1,000,000	-	1,000,000	1,000,000	-
Emanani Primary	-	-	800,000	800,000	800,000	-
Eshikhonesi Primary School	-	1,470,000	-	1,470,000	1,470,000	-
Namaviakalo Primary	-	575,000	-	575,000	575,000	-
Matungu SDA Primary	-	700,000	-	700,000	700,000	-
Namulungu Muslim Primary	-	-	1,000,000	1,000,000	1,000,000	-
St. Paul Ejinja Primary School	-	-	1,000,000	1,000,000	1,000,000	-
Namamali Muslim Primary School	-	-	-	-	900,000	(900,000)
Nyambula Primary School	-	-	-	-	700,000	(700,000)
Namanga Primary School	-	-	-	-	650,000	(650,000)
Eshikhodi Primary School	-	-	-	-	790,000	(790,000)
Kandai Primary School	-	-	-	-	700,000	(700,000)
Namalenge Primary School	-	-	-	-	1,200,000	(1,200,000)
Emabolo Primary School	-	-	-	-	1,200,000	(1,200,000)
8.0 Secondary Schools Projects (List all the Projects)	-	-	-	-	-	-
9.1 Emuberi Secondary School	1,000,000	-	1,200,000	2,200,000	1,200,000	1,000,000
9.2 Eshikhondi Secondary School	200,000	-	800,000	1,000,000	1,000,000	-
9.3 Khabukoshe Secondary School	200,000	-	800,000	1,000,000	1,000,000	-
9.4 Makokhwe Secondary School	4,000,000	-	-	4,000,000	2,700,000	1,300,000
9.5 Makunda Muslim Secondary School	7,452,250	-	-	7,452,250	7,452,250	-

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.6 Matungu SDA Sec School	200,000	800,000	-	1,000,000	1,000,000	0
9.7 Mayoni Township Sec School	900,000	-	-	900,000	-	900,000
9.8 Ebubambula Sec School	1,600,000	-	-	1,600,000	-	1,600,000
9.9 Mukhweya Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
10.0 Mukunyuku Sec school	600,000	-	-	600,000	-	600,000
10.1 Munanga Secondary School	500,000	-	1,560,000	2,060,000	1,260,000	800,000
10.2 Mungakha Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
10.3 Namasanda Secondary School	200,000	-	600,000	800,000	800,000	-
10.4 Nanyeni Secondary School	900,000	-	-	900,000	-	900,000
10.5 Nyapora Secondary School	1,000,000	-	600,000	1,600,000	-	1,600,000
10.6 Shiyabo Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
10.7 St. Maurice Mwira Sec	1,000,000	-	-	1,000,000	-	1,000,000
10.8 St. Marks Imakale Sec	200,000	-	800,000	1,000,000	1,000,000	-
10.9 Lubanga Secondary School	1,000,000	1,000,000	-	2,000,000	1,000,000	1,000,000
Ejinja Secondary School	-	-	600,000	600,000	600,000	-
Bulimbo Girls Sec School	-	-	1,000,000	1,000,000	1,000,000	-
Kholera Secondary School	-	-	1,000,000	1,000,000	1,000,000	-
Lutasio Secondary	-	-	75,000	75,000	75,000	-
Marinda Secondary School	-	-	1,150,000	1,150,000	1,150,000	-
Namulungu ACK Secondary	-	-	560,000	560,000	560,000	-
Nyambula Secondary	-	-	600,000	600,000	-	600,000
Eshibanze Secondary School	-	-	4,820,000	4,820,000	4,820,000	-
Mungore Secondary	-	-	750,000	750,000	750,000	-
Makunda Secondary	-	-	2,370,000	2,370,000	2,370,000	-
Mwira girls Secondary	-	-	3,550,000	3,550,000	3,550,000	-

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Khalaba Secondary School	-	-	1,250,000	1,250,000	1,250,000	0
Koyonzo girls secondary	-	1,500,000	-	1,500,000	1,500,000	0
Namalenge Secondary School	-	1,570,000	-	1,570,000	1,570,000	0
Mayoni Township Primary School	-	-	2,100,000	2,100,000	-	2,100,000
Nanyeni Secondary School	-	-	-	-	1,500,000	-
Eshirumbwe Secondary School	-	-	-	-	3,000,000	-
Lubanga Secondary School	-	-	-	-	1,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)	-	-	-	-	-	-
Matungu KMTC	10,000,000	-	1,700,000	11,700,000	10,700,000	1,000,000
Kibabii University (Pending Approval)	10,000,000	-	5,700,000	15,700,000	5,700,000	10,000,000
10.0 Security Projects	-	-	-	-	-	-
Indangalasia Police Post	1,500,000	-	600,000	2,100,000	600,000	1,500,000
Mirere Police Post	1,500,000	-	600,000	2,100,000	2,100,000	0
Khalaba Police Post	2,000,000	-	-	2,000,000	2,000,000	0
ACC Koyonzo	1,500,000	-	-	1,500,000	1,500,000	0
Deputy District Commissioners office	4,101,796	-	-	4,101,796	-	4,101,796
Harambee Police Post	2,000,000	-	-	-	2,000,000	0
11.0 Acquisition of assets	-	-	-	-	-	-
11.1 Motor Vehicles (Purchase Motorbike)	-	300,000	-	300,000	-	300,000
Funds pending approval**	-	-	-	-	-	-
AIA	182,000	46,000	-	228,000	-	228,000
Kibabii University	-	-	10,000,000	-	-	10,000,000
Total	137,088,879	23,541,738	71,967,724	232,638,341	135,730,401	96,907,941

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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) payable that include deposits (gratuity and retention).

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

Transfers from the National Government Constituency Development Fund (NG-CDF)
Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

All Unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognized as other

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

For the purposes of these financial statements, Imprests and advances to authorized 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

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10 June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

I. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	BO41055		45,940,875
AIE NO	BO41135		4,000,000
AIE NO	BO47785		16,000,000
AIE NO	BO47837		7,000,000
	B104105		10,000,000
AIE NO	B104406		15,000,000
AIE NO	B096615		16,000,000
AIE NO	B104705	20,000,000	
AIE NO	A 823634	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	RGTS	13,000,000	
TOTAL		157,157,724	120,440,876

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of tender documents	41,000	46,000
Total	41,000	46,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,836,317	1,779,538
Personal allowances paid as part of salary		
Gratuity to contractual employees	771,379	1,144,086
Employer Contributions Compulsory national social security schemes	206,447	199,392
Total	2,814,143	3,123,016

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

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	3,899,380	4,007,720
Utilities, supplies and services	2,821,078	3,815,819
Training expenses	1,200,990	1,217,900
Total	7,921,448	9,032,269

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	22,096,892	18,400,000
Transfers to secondary schools (see attached list)	44,107,250	24,825,000
Transfers to tertiary institutions (see attached list)	16,400,000	6,500,000
TOTAL	82,603,942	49,725,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,150,933	15,337,889
Bursary – tertiary institutions (see attached list)	12,290,000	4,106,880
Security projects (see attached list)	8,200,000	2,700,000
Sports projects (see attached list)	648,000	1,127,000
Environment projects (see attached list)	-	699,900
Emergency projects (see attached list)	2,060,934.60	11,726,701
Total	42,349,868	35,698,370

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings		1,795,861
Total	-	1,795,861

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Equity Bank, Mumias Branch, Matungu NG-CDF	42,009,062	23,514,738
Equity Bank A/C No. 0680299140869		
Total	42,009,062	23,514,738
10B: CASH IN HAND		
Total		
[Provide cash count certificates for each]	42,009,062	23,514,738

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	225,799
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	225,799
Closing Retention as at 30 th June D= A+B-C	-	225,799

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	771,096	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June 2021 D= A+B-C	771,096	-

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	23,514,738	2,176,579
Cash in hand	-	-
Total	23,514,738	2,176,579

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	2,176,579	-	2,176,579
Cash in hand	-	-	-
TOTAL	2,176,579	-	2,176,579

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15. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019– 2020
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	225,799
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	225,799
closing account receivables D= A+B-C	-	225,799

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff (Gratuity March 2020 June 2020)	192,845	192,845
Others (<i>specify</i>) (Gratuity July 2020 June 2021)	578,534	-
	771,379	192,845

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,080,413	1,364,261
Use of goods and services	7,293,826	2,129,335
Amounts due to other Government entities (see attached list)	25,360,000	63,991,365
Amounts due to other grants and other transfers (see attached list)	51,827,701	23,782,358
Acquisition of assets	300,000	300,000
Others	46,000	46,000
Funds pending approval	10,000,000	-
Total	96,907,940	91,613,319

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	-	22,210,398
TOTAL	-	22,310,398

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Construction of buildings	A	b	c	d=a-c	
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					

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2021	Comments
NG-CDFC Staff				
1. FREDRICK MWENJE	CLERK OF WORKS	1 ST MARCH 2020	144,732	TO BE PAID AFTER THE END OF CONTRACT
2. NORMAN OPATI	ACCOUNTS	1 ST MARCH 2020	118,444	TO BE PAID AFTER THE END OF CONTRACT
3. SHABAN NAWATE	DRIVER	1 ST MARCH 2020	91,278	TO BE PAID AFTER THE END OF CONTRACT
4. VIOLET ODUNGA	ICT	1 ST MARCH 2020	91,278	TO BE PAID AFTER THE END OF CONTRACT
5. BRENDAH KONGANI	SECRETARY	1 ST MARCH 2020	91,278	TO BE PAID AFTER THE END OF CONTRACT
6. IDD MULOSI	SECURITY	1 ST MARCH 2020	66166	TO BE PAID AFTER THE END OF CONTRACT
7. LILIAN MAKERO	CLEANER	1 ST MARCH 2020	66166	TO BE PAID AFTER THE END OF CONTRACT
8. VICTOR WEYIME	FRONT DESK	1 ST MARCH 2020	66166	TO BE PAID AFTER THE END OF CONTRACT
9. JUMA AURA	SECURITY	1 ST MARCH 2020	66166	TO BE PAID AFTER THE END OF CONTRACT
Sub-Total			801,679	
Grand Total				

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees				
Use of goods & services				
Sub Total		2,080,413	1,364,261	
Amounts due to other Government entities		7,293,326	2,129,335	
Primary Schools		9,373,739	3,493,596	
Ebukosia Primary School	Construction of classroom and admin block	18,400,000	34,370,000	
	Classroom	4,000,000		
Ebusambe Primary School	Classroom	900,000		
Ebutaliko Primary School	Classroom	1,000,000		
Eshirumbwe Primary	Office	900,000		
Khabukoshe Primary School	Renovations	700,000		
Kholera Primary School	Classroom	1,000,000		
Koyonzo Special School	Classroom	1,600,000		
Lutasio Primary School	Classroom	1,000,000		
Mukhweya Primary	Classroom	900,000		
Soweto Primary School	Classroom	1,600,000		
Navunulu Primary School	Classroom	1,000,000		
Nyambula Primary School	Classroom	1,600,000		
Kholera Muslim Primary Makunda	Academic Block	2,200,000		
Secondary Schools				
Emuberi Secondary School	Construction of one classroom	14,500,000	21,610,000	
	Construction of one classroom	1,000,000		
Makokhwe Secondary School	Construction of one classroom	1,300,000		
Mayoni Township Sec School	Construction of one classroom	900,000		
Ebubambula Sec School	Construction of laboratory	1,600,000		
Mukhweya Secondary School	Construction of	1,000,000		

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Mukunyuku Sec school	one classroom			
Munanga Secondary School	Renovation	600,000		
Mungakha Secondary School	Construction	800,000		
	Construction of one classroom	1,000,000		
Mayoni Township Sec School	Construction of one classroom	900,000		
Ebubambula Sec School	Construction of one classroom	1,600,000		
Mukhweya Secondary School	Construction of one classroom	1,000,000		
Nanyeni Secondary School	Construction of one classroom	900,000		
Nyapora Secondary School	Construction of two classrooms	1,600,000		
Shiyabo Secondary School	Construction of one classroom	1,000,000		
St. Maurice Mwira Sec	Construction of one classroom	1,000,000		
Nanyeni Secondary School	Construction of one classroom	900,000		
Nyapora Secondary School	Construction of twin classrooms	1,600,000		
Shiyabo Secondary School	Construction of one classroom	1,000,000		
St. Maurice Mwira Sec	Construction of one classroom	1,000,000		
Mukunyuku Sec school	Construction of one classroom	600,000		
Munanga Secondary School	Construction of one classroom	800,000		
Mungakha Secondary School	Construction of one classroom	1,000,000		
Tertiary		1,000,000	8,011,365	
Sub-Total		33,900,000	63,991,365	
Amounts due to other grants and other transfers				
Security		5,650,796	4,000,000	

**National Government Constituencies Development Fund (NGCDF)
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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Indangalasia Police Post	Construction of police post	1,500,000		
DCC Office	Construction of DCC Office	4,101,796		
Bursary Fund		21,189,840	2,700,000	
Secondary Schools	Needy students support	8,342,430		
Tertiary Institutions	Needy students support	12,846,840		
Environment Project		4,295,418	1,750,000	
Sports		3,847,418	1,550,000	
Emergency		16,844,229	13,782,352	
Sub-Total		51,827,701	23,782,352	
Acquisition of assets				
CDF Office				
Motorbike		300,000	300,000	
Others (specify)				
AIA		46,0000	46,000	
Sub-Total		41,000	46,000	
Funds pending approval		10,000,000	0	
Grand Total		96,907,942	91,613,313	[

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	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	299,000		2,756,861
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	-			-
Total	30,059,174			30,358,174

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Buloma Primary School	EQUITY	0680272987735	7,130	7,130.00
Buland Primary School	EQUITY	0680260797357	129,055	-
Bulinbo Primary School	EQUITY	0680293183001	2,086,040	-
Bulonga Primary School	EQUITY	0680299832978	1,830	-
Busonbi Primary School	EQUITY	0680294187720	2,642	-
Chibanga Primary School	EQUITY	0680297518622	2,755	66,961
Eshikhondi Primary School	EQUITY	0680264348817	15,270	14,065
Emabolo Primary School	EQUITY	0680279494070	1,339,567	92,840
Emanani Muslim Primary School	EQUITY	0680299843789	2,755	1,860
Ebusambe Primary School	EQUITY	0680265127457	15,419	15,419
Eshibanze Primary School	EQUITY	0680260748181	11	26,111
Ebubambula Primary School	EQUITY	0680193218674	4,464	-
Ebutaliko Primary School	EQUITY	0680294289555	602	-
Ejinja Primary Primary School	EQUITY	0680264282155	3,454	-
Emuberi Primary School	EQUITY	0680298163925	878	-
Eshirumbwe Primary School	EQUITY	0680293439159	4,646	-
Indangalasia Primary School	EQUITY	0680261352385	53,638	144,819
Imakale Primary School	EQUITY	0680298971186	50,574	50,574
IkuluMwoyo Primary School	COOPERATIVE	01141498604100	-	57,092
Itete Primary School	EQUITY	0680298963957	538,751	-
Kadiina Primary School	EQUITY	0680294214553	1,491	143,551
Kandai Primary School	EQUITY	0680297143120	1,003,023	4,363
Koyonzo Special Primary School	EQUITY	0680270336618	3,883	1,393,195
Kholera Primary School	EQUITY	0680298990027	1,208	44,388
Khabukoshe Primary School	EQUITY	0680293135078	15,712	-

Matungu Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Khalaba Primary School	EQUITY	0680299835470	905	-
Koyonzo Primary School	EQUITY	0680264323104	4,025	-
Lubanga Primary School	EQUITY	0680295751340	1,753	67,405.00
Lunganyiro Primary School	EQUITY	0680299859513	140,274	140,274
Munanga Primary School	EQUITY	0680295503640	718	80,778
Makunda Primary School	EQUITY	0680294215084	54,911	733,803
Musango Primary School	EQUITY	0680270428139	5,984	1,314,849
Malanga Primary School	EQUITY	0680299466748	2,024	90,024
Matungu SDA Primary School	EQUITY	0680294211900	120,300	57,505
Makokhwe Primary School	EQUITY	0680293145780	945	-
Marinda Primary School	EQUITY	0680299432951	25	-
Matungu Special Primary School	EQUITY	0680265113188	1,534	-
Mayoni Primary School	EQUITY	0680299501021	21,058	-
Mirere Primary School (Economic Stimulus)	EQUITY	0680293403940	-	-
Mukhweya Primary School	EQUITY	0680293184339	901,657	-
Mukunyuku Primary School	EQUITY	0680293988165	1,780	-
Munani Primary School	EQUITY	0680299001218	2,649	-
Mungakha "W" Primary School	EQUITY	0680299834930	157	-
Mungore Primary School	EQUITY	0680293125989	17,551	-
Mwira Primary School	EQUITY	0680298172762	90	-
Namalasire Primary School	EQUITY	0680295414357	48,256	48,256
Namalenje Primary School	EQUITY	0680262649166	46,544	962,387
Namamali Muslim Primary School	EQUITY	0680297186807	4,367	82,839
Nyambula Primary School	EQUITY	0680297132005	68,135	40,183
Nyanyeni Primary School	EQUITY	0680299576693	9,750	56,632
Namanga Primary School	EQUITY	0680297203200	314	9,184

Matungu Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Namamba Primary School	EQUITY	0680299848382	-	-
Namasanda Primary School	EQUITY	0680299895924	-	-
Namberekeya Primary School	EQUITY	0680261567929	-	-
Ngairwe Primary School	EQUITY	0680293276852	25,014	-
Nyapora Primary School	EQUITY	0680270176427	-	-
Nyapwaka Primary School	EQUITY	0680261547620	53,331	-
Sayangwe Primary School	EQUITY	0680294327634	586	-
Shiyabo Primary School	EQUITY	0680260665059	438,977	-
St. Emmanuel Lutasio Primary School	EQUITY	0680293398246	20,626	-
St. Mathias Kholera Primary School	EQUITY	0680298990027	1,208	-
St. Pauls Ejinja Primary School	EQUITY	0680299426336	984,280	-
Suwo Primary School	EQUITY	0680297127052	207	37,280
Wamukoya Muslim Primary School	EQUITY	0680297274617	945	1,167,116
Secondary				
ACK Namulungu Sec School	EQUITY	0680262631133	2,158	127,729
Bulonga Secondary School	EQUITY	0680277482145	55,242	55,242
Busombi Muslim Sec School	EQUITY	0680294186889	493	493
Ebusambe Secondary School	EQUITY	0680299267935	902	-
Ejinja Mixed Day Sec School	EQUITY	0680294295611	600,724	-
Eshibanze Muslim Sec School	EQUITY	0680299679677	176,211	185,074
Emanani Muslim Sec School	COOP	011141498531600	-	2,690,646
Ebubambula Sec School	EQUITY	0680279834200	65,487	101,000
Eshikhondi Sec School	EQUITY	0680298466211	322,032	-
Koyonzo girls Sec	EQUITY	0680298779502	298,443	326,054
Koyonzo Mixed Sec School	EQUITY	0680293951883	849	-
Makunda Muslim Sec School	EQUITY	0680294284402	106,314	1,148,609

Matungu Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Mary Seat of Wisdom Bulimbo Girls Secondary School	EQUITY	0680299054488	96,266	-
Marinda Secondary School	EQUITY	0680276980463	130	4,804
Munani Secondary School	EQUITY	0680293084424	73,720	73,720
Mungore Secondary School	EQUITY	0680277023499	222,540	252,480
Namalasire Secondary School	EQUITY	0680294730867	3,464.00	-
Namanba Day Mixed Secondary School	EQUITY	0680294181177	3,944	-
Namiberekeya Secondary School	EQUITY	0680260715868	56,410	-
Namulungu Muslim Secondary School	EQUITY	0680269921965	22,177	-
Nanyeni Secondary School	EQUITY	0680279401227	-	300,970
Ngairwe Secondary School	EQUITY	0680298601149	2,599	-
SDA Matungu Secondary School	EQUITY	0680262643364	-	-
St. Agnes Mwira Girls Secondary School	EQUITY	0680277489320	1,760	2,084
St. Cecilia Secondary School	EQUITY	0680299608063	831,118	1,054,895
St. Charles Khalaba Secondary School	EQUITY	0680294181162	33,715	2,050
St. Enmanuel Lutasio Secondary School	EQUITY	0680266553200	4,404	1,448
St. Francis Shiyabo Secondary School	EQUITY	0680266541157	4,127	41,177
St. Charles Lunganyiro Girls Secondary School	EQUITY	0680294242047	11,296	-
St. James Namamba Girls Secondary School	EQUITY	0680279095066	50	116,224
St. Johns Mukhweya Secondary School	EQUITY	0680293043463	33,925	600,045
St. Joseph Indangalasia Secondary School	EQUITY	0680294522864	268	-
St. LukesKhabukoshe Mixed Secondary School	EQUITY	0680294214707	324,666	-
St. Marys Namasanda Secondary School	EQUITY	0680266539458	76,694	-
St. Mathias Kholera Boys Secondary School	EQUITY	0680298362987	-	-
St. Michael Eshirumbwe Secondary School	EQUITY	0680298356381	75,552	-

Matungu Constituency

*National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
St. Peters Lubanga Secondary School	EQUITY	0680263495304	894,316	-
St. Stephens Mungakha Secondary School	EQUITY	0680262706551	1,419	-
St. Teresa Itete Secondary School	EQUITY	0680294323955	2,690	-
Security /Other Projects				
Harambee Police Post	EQUITY	0680263751723	54,808	50,947
Indangalasia Sub –Location AP Post	EQUITY	0680299199504	1	-
Khalaba Police Post	EQUITY	0680279866752	2,061,694	1,600,000
KMTC Campus	EQUITY	0680279829487	23,903	6,500,000
Lunganyiro Youth Polytechnic	EQUITY	0680293754860	-	-
Matungu CDF Office	EQUITY	0680293869150	2,529	-
Matungu Sub-District Hospital	EQUITY	0680294206688	325	-
Matungu AP Head quarters	COOPERATIVE	01141498954100	-	3,231
Mung'ungu Dispensary	EQUITY	0680293920309	635	-
Namasanda Heath center	EQUITY	0680299518761	1,586	-
Namulungu Dispensary	EQUITY	0680263391507	298	-
Wananchi AP Post	EQUITY	0680277489697	20,585	20,585
Mirere Police Post	EQUITY	0680279947637	1,530,167.50	
Total			16,043,977.50	22,310,398.87

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 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	
2.	Cash and Cash Equivalents Thu fund reported a figure of ksh. 23,288,939, under	Attached was the copy of amended financial statements to correct the anomalies.	Resolved	

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

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)
3.0	Cash and Cash Equivalent as reflected in statement of assets and Liabilities. However confirmed cash book balances had a figure of 23,514, 738 resulting to unreconciled variance of Ksh. 225,799.	Annex 1		
	Other grants and Transfers Non receipt of Bursary disbursements- 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 acknowledged by the recipient Institutions.	The records of bursary returns are always kept in the office despite 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	Resolved	
1	Other Matters a) Budget Analysis During the year review, the National	The bulk of funds for the year Ksh. 71,967,724 was received after 30 th June 2020 Annex 1 making it difficult	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)
	governemntConstituencies 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 receiptKsh. 2,402,378 from previous year resulting to a budget shortfall of Ksh. 71,967,724 translating to 36% bbudget under funding.	for absorption as reported by the auditor Annex 3		
2	Delay in completion of projects Review project implementation status report of NG-CDF Matungu Constituency revealed that the management of the fund had approved to 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	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 after 30 th June 2020 Annex 3 making implementation a tall order.	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)
	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			
	Other Transfers to the government units 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 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 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		

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

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)
	the evidence of poor workmanship in the finishes and the fittings including doors, door frames, ceiling and plumbing works.			

