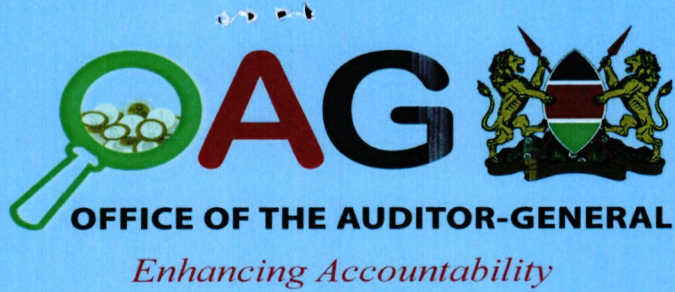


REPUBLIC OF KENYA



REPORT

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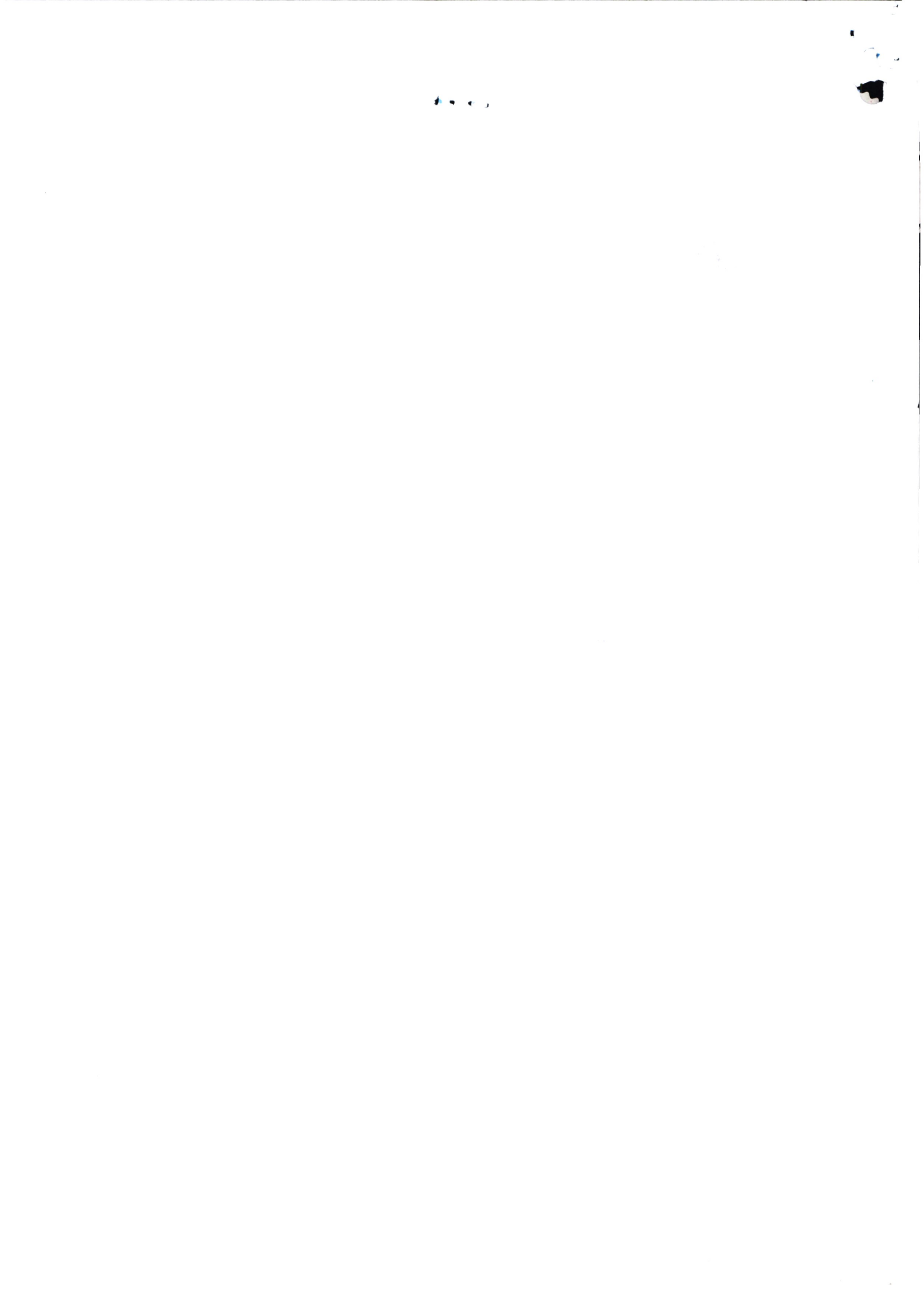
THE NATIONAL ASSEMBLY	
DATE: 08 FEB 2022	
Tues	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Hon. B. Inzotui

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**





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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUTERE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	NELSON ALFAYO
2.	Sub-County Accountant	ROSE OJWANG
3.	Chairman NGCDFC	FRANCIS OTULA
4.	Member NGCDFC	MARGARET ALUKHABA

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF BUTERE Constituency Headquarters

P.O. Box 326
BUTERE CDF HOUSE
BUTERE, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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(f) NGCDF BUTERE Constituency Contacts

Telephone: (254) 743327286
E-mail: Email:ngcdfbutere@cdf.go.ke
info@cdf.go.ke

(g) NGCDF BUTERE Constituency Bankers

1. CO-OPERATIVE BANK
MUMIAS BRANCH
MUMIAS - KENYA

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Butere NGCDF aspires to be the best constituency in utilization of CDF funds through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement projects on their own and of course identifying them through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency notably in areas of school infrastructure, security and bursary awards to needy students, majority of whom are in tertiary institutions.

In the current financial year, budget performance in comparison to the actual has been below 100% that is 60.0% because of delays in receiving the current financial year funds. The constituency only received Kshs. 136,040,876 against a budgeted amount of Kshs 137,367,724.14.

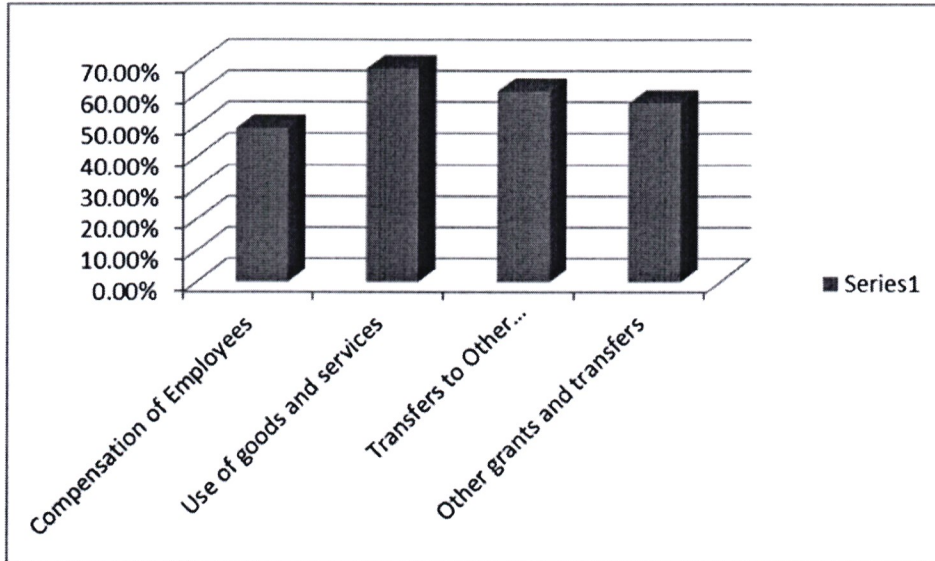
Despite the delay in disbursement of funds, we have been able to implement and complete more than 50% of projects. A number of new schools (both primary and secondary) were established by purchasing land and constructing classrooms. We were also able to expand infrastructure, mainly classrooms, administration blocks and dining halls in the existing schools.

However, despite the successes achieved, there were implementation challenges encountered along the way. As had been mention earlier there have been delays in disbursement of funds from the CDF Board. Some of the project management committees have low capacity to implement projects and hence there is need for training. Inadequate allocation by the NG-CDF Board makes it impossible to implement the intended number of projects that are proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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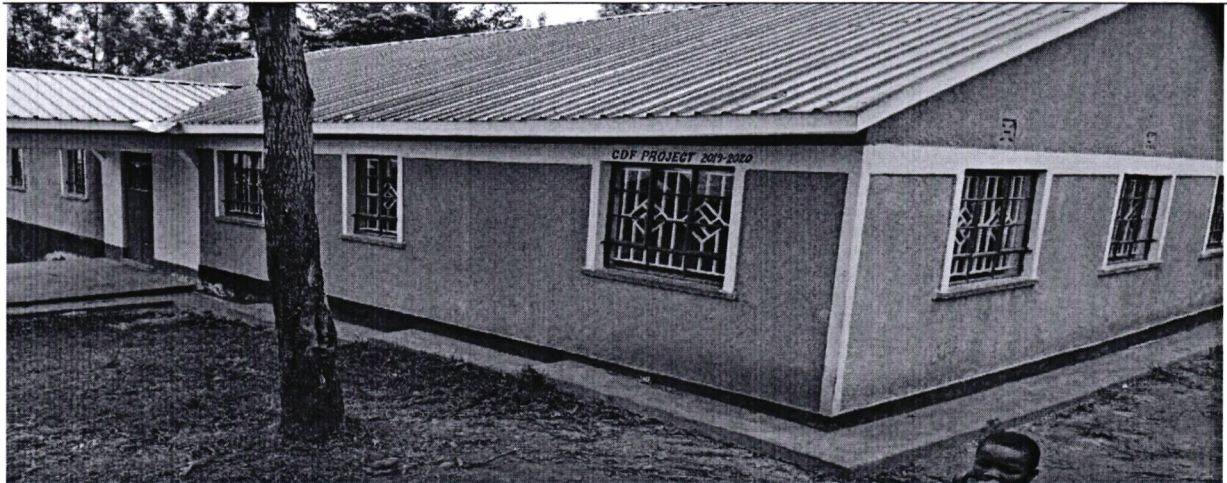
**BAR GRAPH SHOWING TOTAL EXPENDITURE FOR VARIOS VOTEHEADS FOR THE
YEAR ENDED 2019/2020**



PHOTOGRAPHS OF SOME OF THE COMPLETED PROJECTS FOR THE FY 2019/2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements
For the year ended June 30, 2020**



Sign Anyata

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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**Reports and Financial Statements
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED 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.

Butere is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent and administrative threads.

In underscoring the planning of the constituency, the National Government constituency development fund committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-Butere Constituency's 2018 - 2023 strategic plan are to:

In underscoring the above, the key development objectives of NGCDFC-Butere Constituency's 2018-2023 plan included but not limited to;

Strategic Area One: Education

Objective: Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Water and Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in Butere through natural resources conservation initiatives

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Initiative: Initiate and enhance conservation programs within the constituency

Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Butere residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

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 Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of classrooms increased from 120 to 157	Number of laboratories increased from 15 to 18 Number of dormitories increased from 8 to 17 Number of administration blocks increased from 20 to 25
Water and Environment	Improve access to clean water and a	Drill boreholes to promote access to	Number of boreholes drilled	Number of sanitation

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	more sustainable and conserved environment through natural resources conservation initiatives	clean and safe water Equip schools and public facilities with sanitation Provide tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in primary and secondary Number of trees planted	facilities increased from 40 to 52 Number of trees planted increased from 0 to 1000
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 9 to 12 Number of assistant chiefs' offices increased from 3 to 5 Number of police lines increased from 1 to 3
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 15 to 35
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery	Equip chiefs' offices with computers and internet connectivity to enable them improve service delivery	Number of usable chiefs' offices with computers and internet connectivity	Number of ICT centres at the chiefs' offices increased from 2 to 5

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Butere Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Butere NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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

The Butere NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	To be renowned Constituency in advocating for all round socio-economic development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. ENVIRONMENTAL PERFORMANCE

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Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Butere NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Butere NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Butere NG-CDF has identified four 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.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	Promote environmental awareness by sensitizing the Butere NG-CDFC, NGCDFC staff and PMCs on good conservation practices To encourage, through regular communication to Butere NG-CDFC, staff ,

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	and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	To maximize use of available technologies to remove the need to use paper To encourage our clients to engage with us using electronic means where possible To maximize on rain water harvesting To make energy efficiency a key factor in the selection of any new energy devise being purchased To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	To promote use of volt guards to control power surges We have constructed culverts and gabions to prevent soil erosion <input type="checkbox"/> To encourage tree planting in the constituency to improve the forest cover. To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	To ensure that all paper waste is recycled To ensure segregation of waste To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Butere NG-CDFC offers only categories of employment, which are Contract 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 on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies tin the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job

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- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal

Recommendations for promotion is only made by the NG-CDFC resolution

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HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

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The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) **Responsible competition practice.** During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti corruption, responsible political involvement, fair competition and respect for competitors

b) **Responsible Supply chain and supplier relations** Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) **Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices** Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) **Product stewardship** In order to safeguard consumer rights and interests, the Butere NG-CDFC came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality

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services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

Public Awareness

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BUTERE CONSTITUENCY

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For the year ended June 30, 2020

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

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- NG-CDFC distributed 5,000 bottles of 250mls sanitizers to the community free of charge.
- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency

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

**Reports and Financial Statements
For the year ended June 30, 2020**

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-BUTERE 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

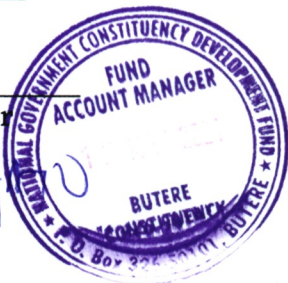
The Accounting Officer in charge of the NGCDF-BUTERE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BUTERE Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

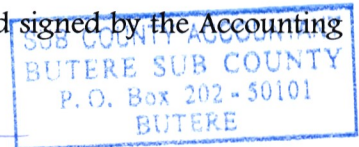
Approval of the financial statements

The NGCDF-Butere Constituency financial statements were approved and signed by the Accounting Officer on 14/05/2020 2020.

Fund Account Manager
Name: HARSON AYU

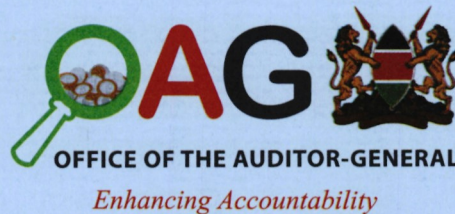


Sub-County Accountant
Name: ROSE A. QIWANG
ICPAK Member Number: 17031



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BUTERE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Butere Constituency set out on pages 22 to 58, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation – recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 - Butere Constituency as at 30 June, 2020, 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

Prior Year Adjustments

The statement of assets and liabilities reflects a prior year adjustment of Kshs.2,593,824 relating to bank account balances as disclosed at Note 14 to the financial statements. However, Paragraph 1.5 of International Public Sector Accounting Standard - Financial Reporting under the Cash Basis of Accounting requires that errors relating to prior periods shall be reported by adjusting the cash at the beginning of the period and comparative information to be restated accordingly. The disclosure requirements with regard to correction of errors have also not been met.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Butere Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budget Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.212,872,920 and Kshs.143,505,197 respectively, resulting into an under-funding of Kshs.69,367,723 or 33% of the budget. Similarly, the Fund expended Kshs.127,709,007 against an approved budget of Kshs.212,872,920 resulting into an under-expenditure of Kshs.85,163,913 or 40% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Implementation of Projects

According to the Project Implementation Status report as at 30 June, 2020 provided for audit, the Fund had planned to implement eight hundred and seventeen (817) projects at a total cost of Kshs.765,523,297 in the financial years 2013/2014 to 2019/2020. An amount of Kshs.773,967,737 was approved and disbursed towards implementation of the projects. However, twelve (12) projects with a combined allocation of Kshs.16,750,000 were still ongoing as at 30 June, 2020.

In addition, during the financial year 2019/2020, the Fund had planned to implement ninety-eight (98) projects with a combined allocation of Kshs.79,8005,362 out of which nineteen (19) projects valued at Kshs.18,404,440 were indicated as ongoing although they should have been completed and handed over by December, 2020. No reason was provided for the slow implementation of projects.

Failure to complete the projects as planned may have denied the residents of Butere Constituency the much-needed services and the benefits associated with the complete projects.

2. Audit Inspection Findings

Audit inspection undertaken in March, 2021 on nine (9) projects for which Kshs.16,100,000 was disbursed revealed the following anomalies:

No.	Project Location	Project Details	Expenditure (Kshs.)	Remarks
1	Butere Primary School	Completion of 8 classroom storey building-foundation walling and columns	4,500,000	Construction of the building was still in progress.
2	Eshitsakha Primary School	Renovation of 4 classes, plastering, roofing, gate, fencing, Construction of kitchen, 3 door latrines	2,000,000	The staffroom which is on the same block with the renovated classrooms was found to be almost collapsing which may affect the whole block. Poor quality of fence, no concrete on bases while erecting posts. The bill of quantities (BQs) provided for the use of concrete at the base of the fence posts. There was no bottom gate plate panels as provided in the bill of quantities.
3	Marenyo Primary School	Completion of 8 classroom storey building-foundation walling and columns	4,500,000	Construction of the building was still in progress.
4	Eshirumba Primary School	Purchase of one-acre land	600,000	Land purchased but transfer of title to school was still in process.
5	Eshitsakha Primary School	Planting of trees	100,000	No trees were traced

No.	Project Location	Project Details	Expenditure (Kshs.)	Remarks
6	Ekendero Primary School	Planting of trees	100,000	Out of 1000 trees only 60 trees were seen, and the school has no space to accommodate 1000 trees.
7	Ebukuti Primary School	Planting of trees	100,000	Trees planted but many dried due to weather condition.
8	Mureko Police Post	Completion of police post-roofing, plastering, painting to completion.	1,500,000	The building is complete but not in use. The project file/BQ/tendering documents were not presented for audit review. The walls had major cracks.
9	Eshienjera Assistant Chief's Office	Construction of the office-foundation, walling, and roofing.	700,000	Cracked floor and general poor workmanship. The building is incomplete although in use.
		Grand Total	14,100,000	

Non-implementation of projects as planned may lead to loss of public funds through price variations and poor workmanship thus denying the residents of Butere Constituency the benefits that would have accrued from such completed projects.

3. Purchase of Sports Equipment and Uniforms

As disclosed in Note 7 to the financial statements, the other grants and transfers balance of Kshs.38,867,038 included expenditure of Kshs.3,228,200 on sports. The funds were spent on the purchase of sports equipment and uniforms. However, the report of the inspection and acceptance committee, goods received notes and other stores records showing that the sports equipment and uniform paid for were supplied in the right quality and quantity and on how the same were distributed were not provided for audit.

Consequently, the propriety of Kshs.3,288,200 incurred on sports equipment 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 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.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance 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 scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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

15 December, 2021

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

Reports and Financial Statements

For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	136,040,876	95,784,483
TOTAL RECEIPTS		136,040,876	95,784,483
PAYMENTS			
Compensation of employees	4	2,783,285	2,172,220
Use of goods and services	5	10,808,685	10,756,926
Transfers to Other Government Units	6	75,250,000	34,690,000
Other grants and transfers	7	38,867,038	35,144,281
Acquisition of Assets	8	-	6,699,000
Other Payments	9	-	4,652,815
TOTAL PAYMENTS		127,709,007	94,115,242
SURPLUS/DEFICIT		8,331,868	1,669,241

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butere Constituency financial statements were approved on

12/05/20 2020 and signed by:



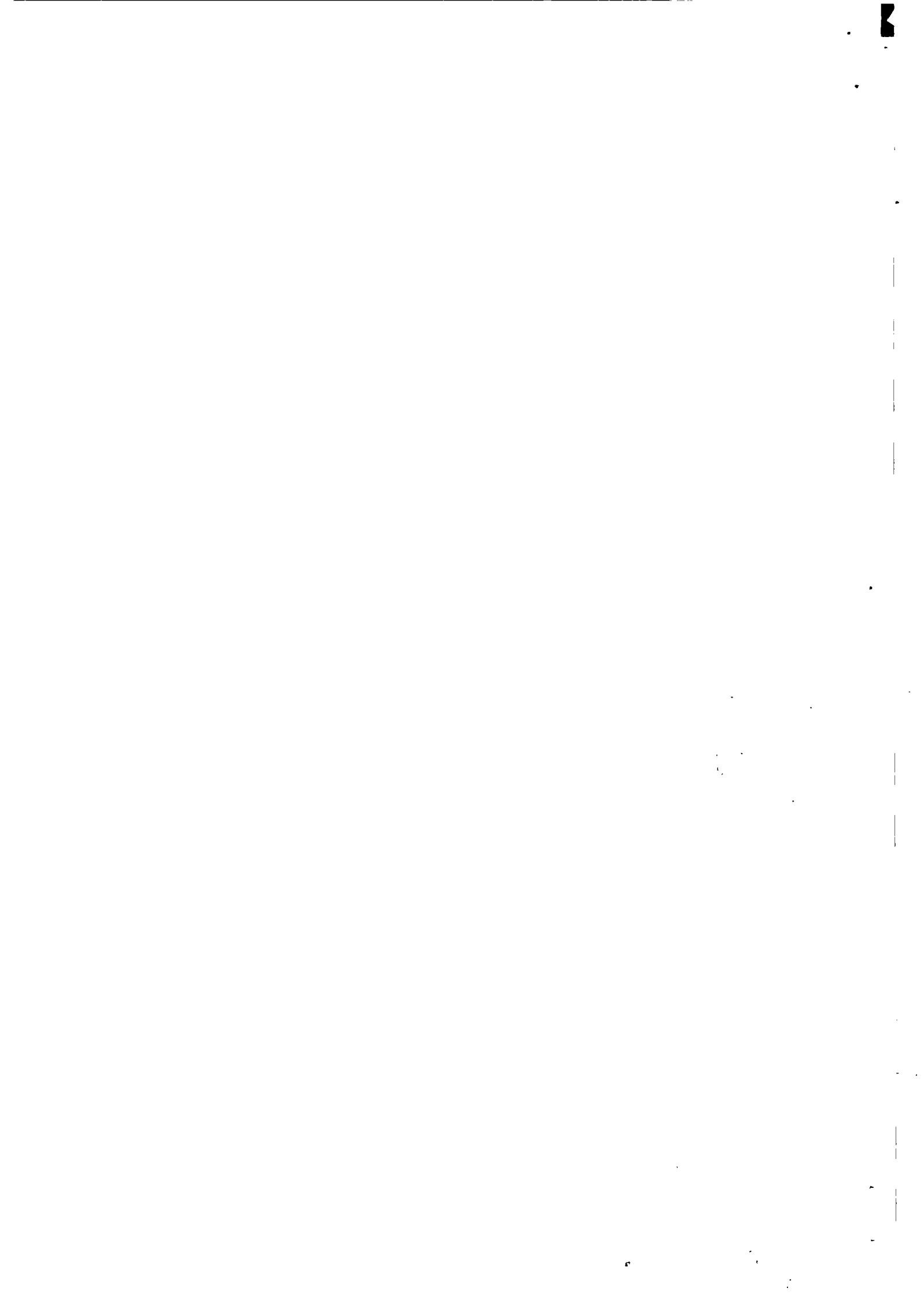
Fund Account Manager
Name: HEUR



SUB COUNTY ACCOUNTANT
BUTERE SUB COUNTY
P. O. Box 202 - 50101
BUTERE



National Sub-County Accountant
Name: ROSE A. OJIWANGA
ICPAK Member Number: 1703



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 BUTERE CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2020**

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,796,189	4,870,497
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,796,189	4,870,497
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,796,189	4,870,497
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		15,796,189	4,870,497
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,870,497	3,201,256
Surplus/Deficit for the year		8,331,868	1,669,241
Prior year adjustments	14	2,593,824	-
NET FINANCIAL POSITION		15,796,189	4,870,497

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butere Constituency financial statements were approved on 24/06/2020 and signed by:



Fund Account Manager

Name: Melvin A. A. A.

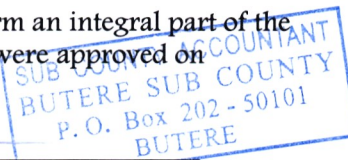




National Sub-County Accountant

Name: ROSE A. QJWANG

ICPAK Member Number: 1703



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BUTERE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	136,040,876	95,784,483
Other Receipts	3	-	-
		136,040,876	95,784,483
Payments for operating expenses			
Compensation of Employees	4	2,783,285	2,172,220
Use of goods and services	5	10,808,685	10,756,926
Transfers to Other Government Units	6	75,250,000	34,690,000
Other grants and transfers	7	38,867,038	35,144,281
	8		6,699,000
Other Payments	9	-	4,652,815
		127,709,007	94,115,242
Adjusted for:			
Prior year Adjustments	14	2,593,824	-
Net Adjustments		2,593,824	-
Net cash flow from operating activities		10,925,693	1,669,241
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		10,925,693	1,669,241
Cash and cash equivalent at BEGINNING of the year	13	4,870,497	3,201,256
Cash and cash equivalent at END of the year		15,796,189	4,870,497

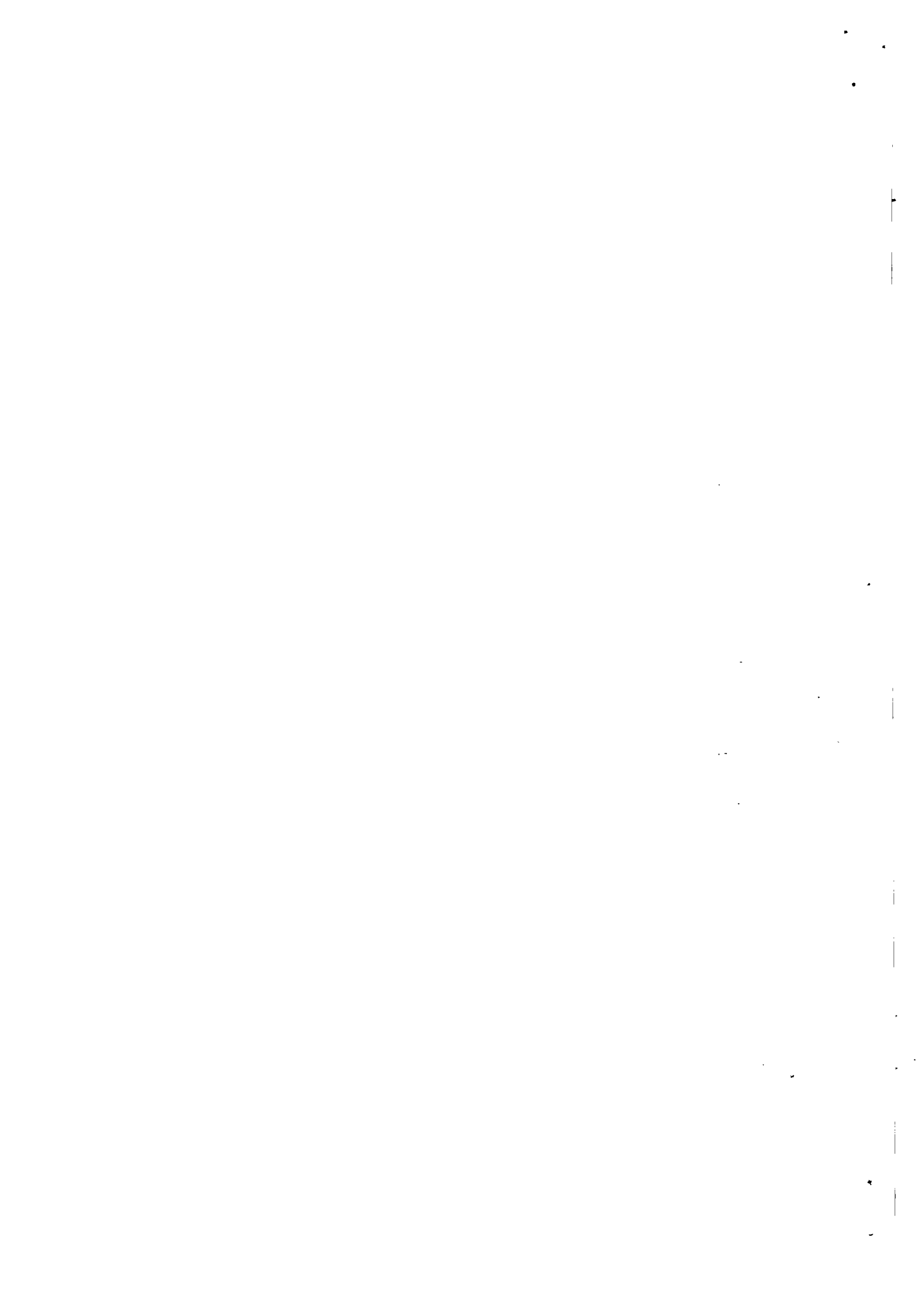
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butere Constituency financial statements were approved on 12/06/20 2020 and signed by:

Fund Account Manager
Name: Mewa



Rose A. Ojwang
SUB COUNTY ACCOUNTANT
BUTERE SUB COUNTY
P. O. Box 202 - 50101
BUTERE

National Sub-County Accountant
Name: ROSE A. OJWANG
ICPAK Member Number: 17031



Reports and Financial Statements
For the year ended June 30, 2020

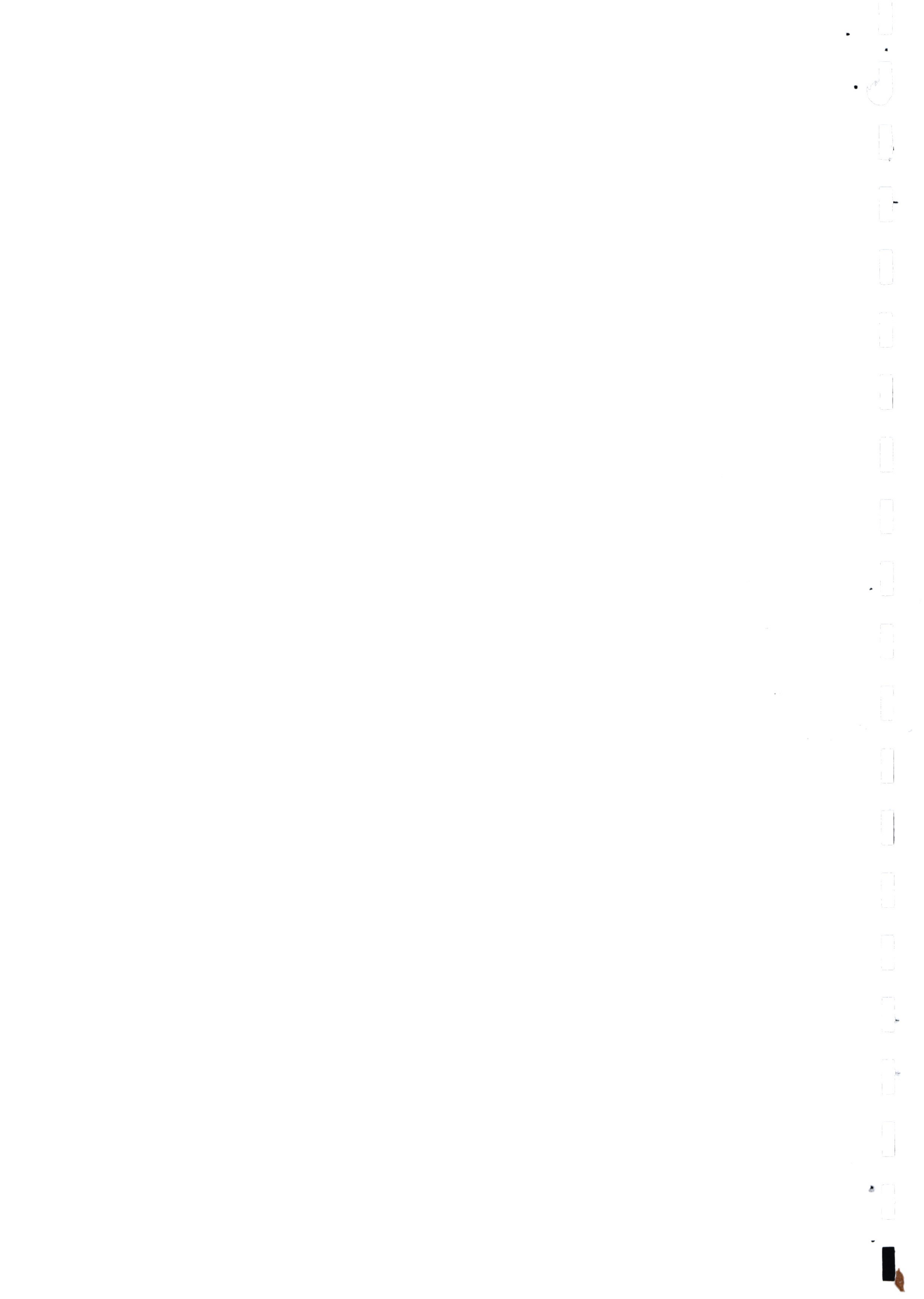
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	75,505,196	212,872,920	143,505,197	69,367,723	67.4%
TOTAL RECEIPTS	137,367,724	75,505,196	212,872,920	143,505,197	69,367,723	67.4%
PAYMENTS						
Compensation of Employees	3,750,805	1,901,519	5,652,324	2,783,285	2,869,039	49.2%
Use of goods and services	8,612,290	7,242,228	15,854,518	10,808,685	5,045,834	68.2%
Transfers to Other Government Units	75,950,000	47,450,000	123,400,000	75,250,000	48,150,000	61.0%
Other grants and transfers	49,054,629	18,911,449	67,966,078	38,867,038	29,099,040	57.2%
Acquisition of Assets	0	0	0	0	0	0.0%
Other Payments	0	0	0	0	0	0.0%
Un-allocated	0	0	0	0	0	0.0%
TOTAL	137,367,724	75,505,196	212,872,920	127,709,007	85,163,913	60.0%

1. The total adjustments column is Kshs. 75,505,196; comprising of an AIE's of Kshs. 13,000,000, 20,000,000, 35,040,875 for FY 2018/19 received in FY 2019/2020, balance brought forward from FY 2018/19 of Kshs. 4,870,496.70 and a total of Kshs. 2,593,824.10 for stale cheques(as other receipts) which were paid FY 2018/2019 and reversed in cash FY 2019/2020, part of the stale cheques were paid while majority remained unpaid at 30th June, 2020.

2. Budget utilization for financial year 2019/20 was 60.0% that is:

- ✓ 49.2% for compensation of employees which was below 90% as there were still funds at the administration votehead for compensation of employees to be spent.
- ✓ 68.2% for use of goods and services which was below 90% as there were still funds at the administration votehead for committee expenses to be spent
- ✓ 61% for transfers to other Government entities which was below 90% as there was still at the Board for FY 2019/20.



Reports and Financial Statements
For the year ended June 30, 2020


✓ 57.2% for other grants and transfers which was below 90% as there was still at the Board for FY 2019/20.

The NGCDF-Butere Constituency financial statements were approved on 12/25/20 2020 and signed by:



Fund Account Manager

Name: REGINA A. OGWANG


SUB COUNTY ACCOUNTANT
BUTERE SUB COUNTY
P. O. Box 202 - 50101

Sub-County Accountant BUTERE
Name: REGINA A. OGWANG
ICPAK Member Number: 17031



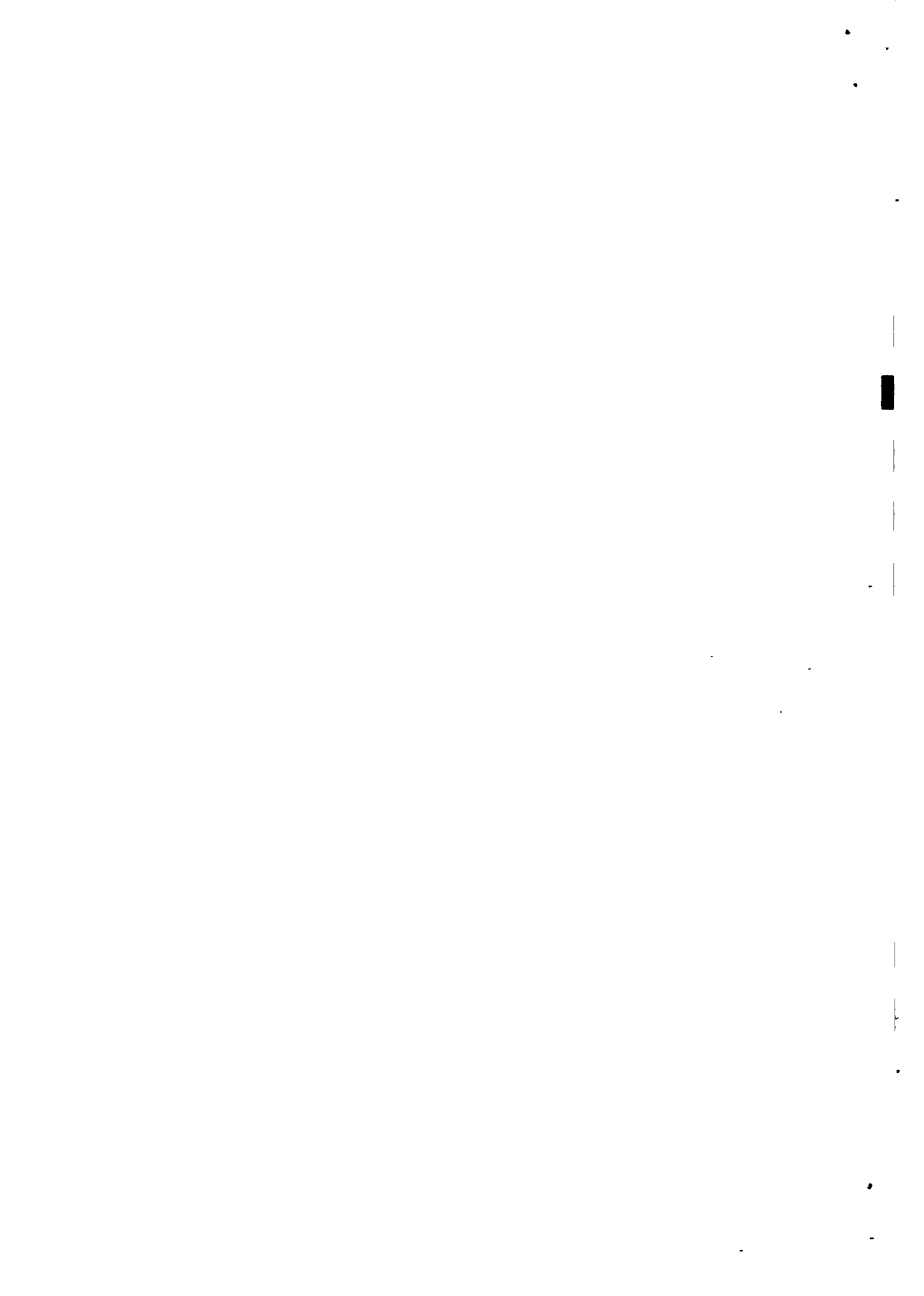
Reports and Financial Statements
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
Administration /Recurrent					
Employees' Salaries	3,144,000	1,901,519	5,045,519	2,526,485	2,519,034.50
NSSF	306,805		306,805	256,800	50,004.80
NHIF	300,000		300,000		300,000.00
Goods and Services	3,039,019	2,254,445	5,293,464	1,154,611	4,188,853.04
Committee Expenses	1,452,240	3,102,974	4,555,214	4,345,974	209,240.00
Monitoring & Evaluation					
NG-CDFC/PMC Capacity Building	1,400,000	500,000	1,900,000	1,843,655	56,345.00
Goods and Services	321,032	330,809	651,841	200,000	451,840.68
Committee Expenses	2,400,000	1,054,000	3,454,000	3,264,445	189,555.00
Sports	2,500,000	788,200	3,288,200	3,288,200	-
Environment					
Mabole Primary School	100,000		100,000	100,000	-
Shitsitswi Primary School	100,000		100,000	100,000	-
Eshikomere Primary School	100,000		100,000	100,000	-
Bukuti Primary School	100,000		100,000	100,000	-
Imanga Primary School	100,000		100,000	100,000	-
Eshitsakha Primary School	100,000		100,000	100,000	-
Butere Primary School	100,000		100,000	100,000	-
Eshibuche Primary School	100,000		100,000	100,000	-
Shitari Primary School	100,000		100,000	100,000	-
Shikunga Primary School	100,000		100,000	100,000	-
Ibokolo Primary School	100,000		100,000	100,000	-
Ekendero Primary School	100,000		100,000	100,000	-

**Reports and Financial Statements
For the year ended June 30, 2020**

Masaba Primary School	100,000		100,000	100,000	100,000	-
Shiraha Primary School	100,000		100,000	100,000	100,000	-
Muyundi Primary School	100,000		100,000	100,000	100,000	-
Mukoye Primary School	100,000		100,000	100,000	100,000	-
Eshikholobe Primary School	100,000		100,000	100,000	100,000	-
Shibanga Primary School	100,000		100,000	100,000	100,000	-
Eshibucho Primary School	100,000		100,000	100,000	100,000	-
Lunza Primary School	100,000		100,000	100,000	100,000	-
Eshiyanza Primary School	100,000		100,000	100,000	100,000	-
Shitoyi Primary School	100,000		100,000	100,000	100,000	-
Lubanga Rc Primary School	100,000		100,000	100,000	100,000	-
Ekendero Pri Sch		211,285		211,285	211,285	-
Eshirumba Pri Sch		211,285		211,285	211,285	-
Mwilala Pri Sch		211,285		211,285	211,285	-
Shibembe Pri Sch		211,285		211,285	211,285	-
Elukokho Pri Sch		211,285		211,285	211,285	-
Eshilunyire Pri		211,285		211,285	211,285	-
Shianda Pri Sch		211,285		211,285	211,285	-
Musere Pri Sch		211,285		211,285	211,285	-
Emukangu Pri Sch		211,285		211,285	211,285	-
Ebutayi Pri Sch		211,285		211,285	211,285	-
Shinyulu Primary School	100,000			100,000	100,000	-
Ematawa Primary School	100,000			100,000	100,000	-
				-	-	-
Bursary Tertiary Institutions	14,956,388	3,388,500	18,344,888	11,148,500	7,196,387.64	
Bursary Secondary Schools	20,000,000	1,990,172	21,990,172	1,990,172	20,000,000.00	
				-	-	-
Emergency	7,198,241	2,981,727	10,179,969	10,177,316	2,652.38	



**Reports and Financial Statements
For the year ended June 30, 2020**

Security Projects									
Lunza Assistant Chief's Office		300,000				300,000			300,000.00
Marenyo Ap Camp			350,000			350,000	350,000		-
Mabole Chiefs Office			100,000			100,000	100,000		-
Mureko Police Post			1,500,000			1,500,000	1,500,000		-
Eshitari Chiefs Office			1,500,000			1,500,000	1,500,000		-
Butere Sub County Commissioner Office			1,000,000			1,000,000	1,000,000		-
Bubala Assistant Chief Office			1,000,000			1,000,000	1,000,000		-
Shiatsala Dos Office			700,000			700,000	700,000		-
Eshienjera Sub Chief Office			700,000			700,000	700,000		-
Butere Township Chiefs Office			550,000			550,000	550,000		-
Butere Dci Office			250,000			250,000	250,000		-
Shiraha Police Divisional Headquarters		800,000				800,000			800,000.00
Ibokolo ACC Office		500,000				500,000			500,000.00
Ebushitinji Chief's Office		300,000				300,000			300,000.00
Primary School Projects						-			-
Shiatsala Primary		1,500,000				1,500,000			1,500,000.00
Ebukuti Primary		500,000				500,000			500,000.00
Ikokwa Primary		1,200,000				1,200,000			1,200,000.00
Shinyulu Primary		1,000,000				1,000,000			1,000,000.00
Shianda Primary		1,000,000				1,000,000			1,000,000.00
Eshitsakha Primary		2,000,000				2,000,000	2,000,000		-
Ekendero Primary		400,000				400,000			400,000.00
Muyundi Primary		1,200,000				1,200,000	1,200,000		-
Mutoma Pri Sch			1,000,000			1,000,000	1,000,000		-
Emutondo Pri Sch			1,000,000			1,000,000	1,000,000		-
Eshibuche Pri Sch			500,000			500,000	500,000		-
Inaya Pri Sch			1,000,000			1,000,000	1,000,000		-
Ebukuti Pri Sch			1,000,000			1,000,000	1,000,000		-

**Reports and Financial Statements
For the year ended June 30, 2020**

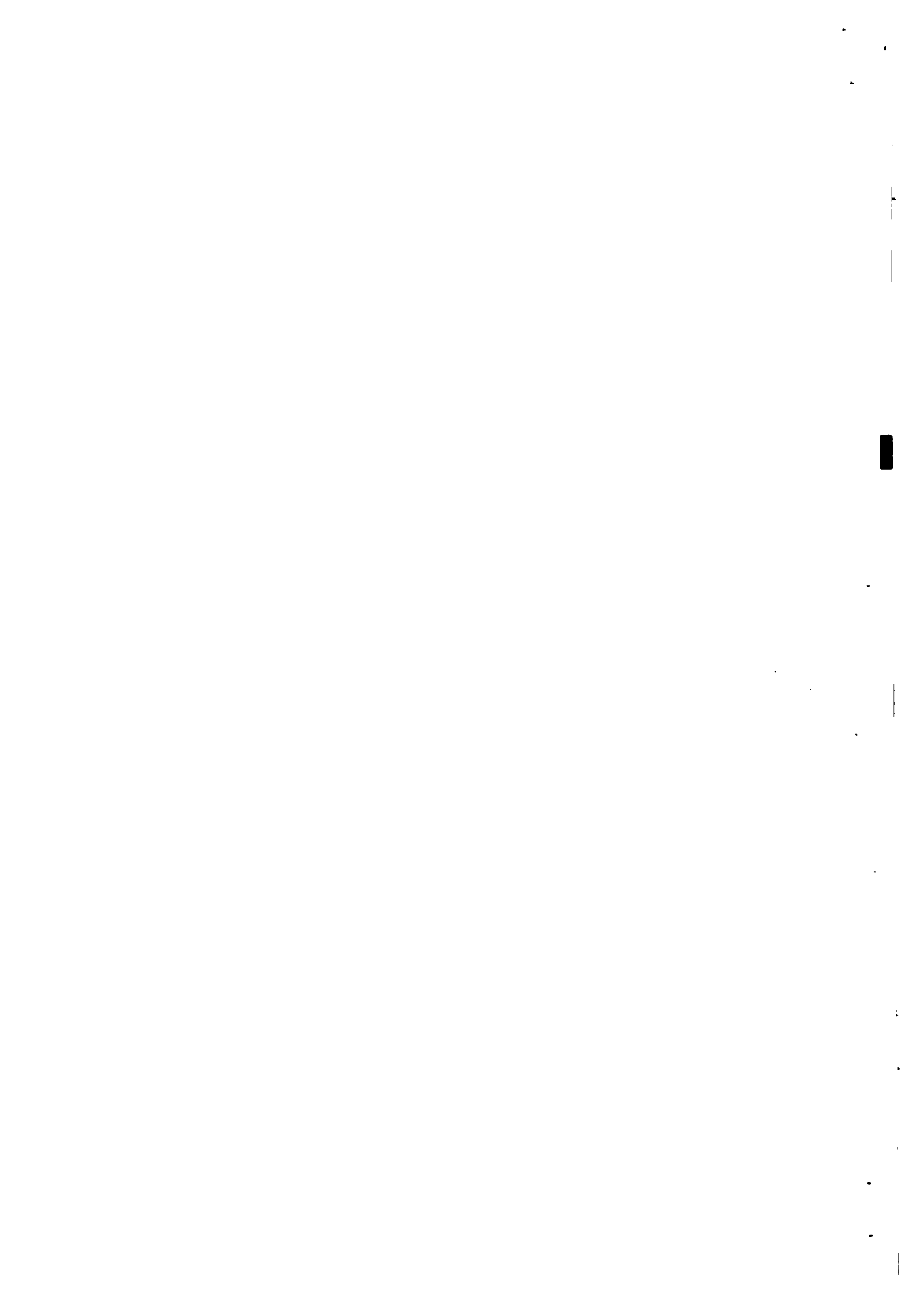
Bukura Pri Sch			1,000,000	1,000,000	1,000,000	-
Bukolwe Pri Sch			500,000	500,000	500,000	-
Ebutsetse Pri Sch			1,500,000	1,500,000	1,500,000	-
Muluwa Pri Sch			1,500,000	1,500,000	1,500,000	-
Shiyiro Pri Sch			1,200,000	1,200,000	1,200,000	-
Musere Pri Sch			1,200,000	1,200,000	1,200,000	-
Shiatsala Pri Sch			1,000,000	1,000,000	1,000,000	-
Buchenya Pri Sch			1,000,000	1,000,000	1,000,000	-
Elukokho Pri Sch			1,000,000	1,000,000	1,000,000	-
Shinamwenyuli Pri Sch			1,000,000	1,000,000	1,000,000	-
Ematende Pri Sch			800,000	800,000	800,000	-
Eshirembe Primary School			700,000	700,000	700,000	-
Eshirumba Pri Sch			600,000	600,000	600,000	-
Masaba Pri Sch			600,000	600,000	600,000	-
Shishebu Pri Sch			500,000	500,000	500,000	-
Eshianini Pri Schoool			500,000	500,000	500,000	-
Ematawa Pri School			500,000	500,000	500,000	-
Eshibimbi Pri Sch			400,000	400,000	400,000	-
Nyenyesi Pri Sch			350,000	350,000	350,000	-
Ituti Pri School			300,000	300,000	300,000	-
Ebukokho Pri Sch			300,000	300,000	300,000	-
Mutoma Pri School			150,000	150,000	150,000	-
Marenyo Primary		4,500,000		4,500,000	4,500,000	-
Butere Primary		4,500,000		4,500,000	4,500,000	-
Elukokho Primary		1,500,000		1,500,000		1,500,000.00
Ibokolo Primary		1,000,000		1,000,000	1,000,000	-
Emashere Primary School		1,000,000		1,000,000	1,000,000	-
Ebutayi Primary		1,000,000		1,000,000		1,000,000.00
Inaya Primary		400,000		400,000		400,000.00

**Reports and Financial Statements
For the year ended June 30, 2020**

Mukoye Primary	1,000,000		1,000,000			1,000,000		1,000,000.00
Etatira Primary	1,200,000		1,200,000			1,200,000		1,200,000.00
Lunza Primary	1,000,000		1,000,000			1,000,000	1,000,000	-
Emukangu Primary	1,000,000		1,000,000			1,000,000		1,000,000.00
Eshilunyire Primary	1,000,000		1,000,000			1,000,000		1,000,000.00
Ituti Primary	500,000		500,000			500,000		500,000.00
Emutondo Primary	1,000,000		1,000,000			1,000,000		1,000,000.00
Ebukhokoro Primary	250,000		250,000			250,000		250,000.00
Manyika Primary	800,000		800,000			800,000		800,000.00
Eshikomere Primary	1,000,000		1,000,000			1,000,000		1,000,000.00
Secondary Schools Projects						-		-
St Marks Bulanda Secondary	1,500,000		1,500,000			1,500,000		1,500,000.00
St Mark's Bulanda Secondary	4,500,000		4,500,000			4,500,000	4,500,000	-
Imanga Secondary	4,500,000		4,500,000			4,500,000		4,500,000.00
St Andrews Imanga Sec		3,000,000		3,000,000			3,000,000	-
St Pauls Shikunga Sec		500,000		500,000			500,000	-
Buchenya Girls Sec		5,000,000		5,000,000			5,000,000	-
St Pauls Shikunga Sec		2,000,000		2,000,000			2,000,000	-
Mabole Boys Sec		1,000,000		1,000,000			1,000,000	-
Buchenya Girls Sec		2,500,000		2,500,000			2,500,000	-
Mabole Boys High		2,000,000		2,000,000			2,000,000	-
Imanga Sec Sch		1,500,000		1,500,000			1,500,000	-
Inaya Sec Sch		1,500,000		1,500,000			1,500,000	-
Ituti Sec Sch		1,000,000		1,000,000			1,000,000	-
Mahondo Sec School		1,000,000		1,000,000			1,000,000	-
St Marks Bulanda Sec Sch		1,000,000		1,000,000			1,000,000	-
Lufumbo Girs Sec		1,000,000		1,000,000			1,000,000	-
Shiraha Sec Sch		1,000,000		1,000,000			1,000,000	-
Shiraha Sec Sch		800,000		800,000			800,000	-

**Reports and Financial Statements
For the year ended June 30, 2020**

Mukoye Girls Sec Sch		700,000	700,000	700,000	-
St Pauls Shikunga Sec Sch		500,000	500,000	500,000	-
Bukolwe Sec Sch		350,000	350,000	350,000	-
Buchenya Girls Sec			-		-
St Paul's Shikunga Secondary	2,000,000		2,000,000	2,000,000	-
Shinamwenyuli Secondary	4,500,000		4,500,000	4,500,000	-
Shiraha Secondary	4,500,000		4,500,000	600,000	3,900,000.00
Shibanga Secondary	1,095,500		1,095,500		1,095,500.00
Masaba Secondary	1,000,000		1,000,000		1,000,000.00
Shitsitswi Primary	1,500,000		1,500,000	1,000,000	500,000.00
Shitsitswi Secondary	7,452,250		7,452,250		7,452,250.00
Inaya Secondary	7,452,250		7,452,250		7,452,250.00
Shibembe Secondary	4,500,000		4,500,000		4,500,000.00
	137,367,724	75,505,196	212,872,920	127,709,007	85,213,913



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUTERE CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

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

Reports and Financial Statements

For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	AIE Funding		54,784,483
	AIE Funding		10,000,000
	AIE Funding		7,000,000
	AIE Funding		13,000,000
	AIE Funding		11,000,000
	AIE Funding	13,000,000	
Normal Allocation	AIE Funding	20,000,000	
	AIE Funding	35,040,875	
	AIE Funding	4,000,000	
	AIE Funding	20,000,000	
	AIE Funding	8,000,000	
	AIE Funding	7,000,000	
	AIE Funding	15,000,000	
	AIE Funding	14,000,000	
TOTAL		136,040,876	95,784,483

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS		
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

3. OTHER RECEIPTS		
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere	0	
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES		
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	2,526,485	1,782,899
Personal allowances paid as part of salary		
Employer contribution to NSSF	256,800	389,321
TOTAL	2,783,285	2,172,220

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

Reports and Financial Statements

For the year ended June 30, 2020

5. USE OF GOODS AND SERVICES	2019 - 2020	2018 - 2019
Description	Kshs	Kshs
Utilities, supplies and services	62,440	2,120,566
Electricity	46,394	
Water & sewerage charges	45,003	-
Training expenses	1,843,655	837,900
Other committee expenses	4,345,974	1,138,800
Committee allowance	3,264,445	3,063,900
Office and general supplies and services		595,760
Fuel , oil & lubricants	200,000	
Other operating expenses	747,659	
Bank service commission and charges	50,000	
Routine maintenance - vehicles and other transport equipment	203,115	
Strategic Plan		3,000,000
TOTAL	10,808,685	10,756,926

6. TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	36,300,000	27,090,000
Transfers to Secondary Schools	38,950,000	7,100,000
Transfers to Tertiary Institutions		500,000
TOTAL	75,250,000	34,690,000

7. OTHER GRANTS AND OTHER PAYMENTS		
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary – Secondary	1,990,172	20,631,000
Bursary –Tertiary	11,148,500	5,988,000
Bursary- Special Schools	-	1,300,000
Security	7,650,000	2,500,000
Sports	3,288,200	1,990,500
Environment	4,612,850	-
Emergency Projects	10,177,316	2,734,781
TOTAL	38,867,038	35,144,281

8. ACQUISITION OF ASSETS		
Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Vehicles	-	6,699,000.00
TOTAL	0	6,699,000

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

For the year ended June 30, 2020

9. Other Payments		2019 - 2020	2018 - 2019
ICT Hubs		-	4,652,815
TOTAL		-	4,652,815
10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs	Kshs
<i>Co-operative Bank Mimias Branch</i>		<i>A/C no.</i>	
		15,796,189	4,870,497
TOTAL		15,796,189	4,870,497
10B: (CASH IN HAND)			
		Kshs	Kshs
Location 1		-	-
TOTAL		-	-
11: OUTSTANDING IMPRESTS			
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-

12 Retention			
Supplier/Contractor	PV No.	2019 - 2020	2018 - 2019
TOTAL			

13 BALANCES BROUGHT FORWARD		2019 - 2020	2018 - 2019
	Kshs	Kshs	
Bank accounts		4,870,497	3,201,256
Cash in hand			
Imprest			
TOTAL		4,870,497	3,201,256

14. PRIOR YEAR ADJUSTMENTS-ANNEX 8			
	Balance b/f FY2019 - 2020 per Financial statements	Adjusments	Adjusted balance b/f 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	2,593,824	-
TOTAL		2,593,824	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST		
	2019-2020	2018-2019
	Kshs	Kshs
Outstanding Imprest as at 1st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year ©		-
Net changes in accounts receivables (D=A+B-C)	-	-

16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION		
	2019-2020	2018-2019
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Net changes in accounts payable (D=A+B-C)	-	-

17. OTHER IMPORTANT DISCLOSURES		
17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)	2019 - 2020	2018 - 2019
	Kshs	Kshs
Construction of buildings	50,500,000	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	50,500,000	-

17.2: PENDING STAFF PAYABLES (See Annex 2)	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-

17.3: UNUTILISED FUNDS (See Annex 4)	2019 - 2020	2018 - 2019
	Kshs	Kshs
Compensation of Employees	2,869,039	626,437
Use of goods and services	5,045,834	59,591
Transfers to Other Government Units	48,150,000	47,681,996
Other grants and transfers	29,099,040	23,742,349
Acquisition of asset		801,000
	85,163,913	72,911,372

17.4: PMC ACCOUNT BALANCES (See Annex 6)	2019 - 2020	2018 - 2019
Account balances	381,516	14,744,538
	381,516	14,744,538

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE							Outstanding Balance 2017	Outstanding Balance 2018	Comments
Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	B	c	d=a-c			
Construction of buildings	A								
1.									
2.									
3.									
Sub-Total									
Construction of civil works									
4.									
5.									
6.									
Sub-Total									
Supply of goods									
7.									
8.									
9.									
Sub-Total									
Supply of services									
10.									
11.									
12.									
Sub-Total									
Grand Total									

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES						
Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	
					2015	2014
		A	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2020	2019	
Amounts due to other Government entities							
1.Primary Schools		31,450,000	-	15,200,000	16,250,000	0	Awaiting disbursements from the NGCDF Board
2.Secondary Schools		44,500,000	-	12,600,000	31,900,000	0	Awaiting disbursements from the NGCDF Board
Sub-Total							
Amounts due to other grants and other transfers							
3. Security Projects		1,900,000	-	-	1,900,000	0	Awaiting disbursements from the NGCDF Board
4.Roads and Bridges Projects			-	-		0	
5.Environmental Projects			0	0		0	
6.Cultural Activities			0	0		0	
7.Electrification & Lighting			0	0		0	
Sub-Total							
Grand Total							
8.							
Sub-Total							
Grand Total		77,850,000		27,800,000	50,050,000		

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ANNEX 4 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance		Comments
		2019/20	2018/19	
Administration / Recurrent	Employees' Salaries	2,519,035		Voted awaiting to be spend
	NSSF	50,005		Voted awaiting to be spend
	NHIF	300,000		Voted awaiting to be spend
	Goods and Services	4,188,853		Voted awaiting to be spend
Monitoring & Evaluation	Committee Expenses	159,240		Voted awaiting to be spend
	NG-CDFC/PMC Capacity Building	56,345		Voted awaiting to be spend
	Goods and Services	451,841		Voted awaiting to be spend
Bursary	Committee Expenses	189,555		Voted awaiting to be spend
	Bursary tertiary institutions	7,196,388		Voted awaiting to be spend
	Bursary Secondary schools	20,000,000		Awaiting disbursements from the NGCDF Board
Emergency Security Projects	Emergency	2,652		
PRIMARY SCHOOL PROJECTS	Lunza Assistant chief's office	300,000		Awaiting disbursements from the NGCDF Board
	Shiraha Police divisional headquarters	800,000		Awaiting disbursements from the NGCDF Board
	Ibokolo ACC office	500,000		Awaiting disbursements from the NGCDF Board
	Ebushitinji Chief's office	300,000		Awaiting disbursements from the NGCDF Board
PRIMARY SCHOOL PROJECTS				
	Shiatsala primary	1,500,000		Awaiting disbursements from the NGCDF Board
	Ebukuti primary	500,000		Awaiting disbursements from the NGCDF Board
	Ikokwa primary	1,200,000		Awaiting disbursements from the NGCDF Board
	Shinyulu primary	1,000,000		Awaiting disbursements from the NGCDF Board

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	Shianda primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Ekendero primary	400,000	Awaiting disbursements from the NGCDF Board
	Elukokho primary	1,500,000	Awaiting disbursements from the NGCDF Board
	Ebutayi primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Inaya primary	400,000	Awaiting disbursements from the NGCDF Board
	Mukoye Primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Etatira primary	1,200,000	Awaiting disbursements from the NGCDF Board
	Emukangu primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Eshilunyire primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Ituti primary	500,000	Awaiting disbursements from the NGCDF Board
	Emutondo primary	1,000,000	Awaiting disbursements from the NGCDF Board
	Ebukhokoro primary	250,000	Awaiting disbursements from the NGCDF Board
	Manyika primary	800,000	Awaiting disbursements from the NGCDF Board
	Eshikomere primary	1,000,000	Awaiting disbursements from the NGCDF Board
Secondary Schools			
	St marks Bulanda secondary	1,500,000	Awaiting disbursements from the NGCDF Board
	Imanga secondary	4,500,000	Awaiting disbursements from the NGCDF Board
	Shiraha secondary	3,900,000	Awaiting disbursements from the NGCDF Board
	Shibanga secondary	1,095,500	Awaiting disbursements from the NGCDF Board
	Masaba secondary	1,000,000	Awaiting disbursements from the NGCDF Board
	Shitsitswi primary	500,000	Awaiting disbursements from the NGCDF Board
	Shitsitswi secondary	7,452,250	Awaiting disbursements from the NGCDF Board
	Inaya secondary	7,452,250	Awaiting disbursements from the NGCDF Board
	Shibembe secondary	4,500,000	Awaiting disbursements from the NGCDF Board
		85,163,913	

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ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Buildings and structures	8,148,132	0	0	8,148,132
Transport equipment	4,057,402	0	0	4,057,402
Office equipment, furniture and fittings	1,340,171	0	0	1,340,171
ICT Equipment, Software and Other ICT Assets	1,495,634	0	0	1,495,634
Other Machinery and Equipment	20,880,000	0	0	20,880,000
Macbook Laptop	175,000	0	0	175,000
Office Motor Vehicle	6,699,000	0	0	6,699,000
Total	42,795,339	0		42,795,339

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ANNEX 6 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20
01141068037100	BULANDA PRIMARY SCHOOL	COOPERATIVE BANK	870.50
01141234740100	ESHIKOMERE PRIMARY SCHOOL	COOPERATIVE BANK	38,463.00
01141067812000	EMATAWA PRIMARY SCHOOL	COOPERATIVE BANK	9,553.00
01141498620900	BUKURA PRIMARY SCHOOL	COOPERATIVE BANK	4,630.00
01141234122101	ESHITSITWI PRIMARY SCHOOL	COOPERATIVE BANK	2,677.00
01141067828900	LUNZA PRIMARY SCHOOL	COOPERATIVE BANK	696.00
01139233302000	BUKOLWE PRIMARY SCH	COOPERATIVE BANK	5,470.50
01129233029600	IMANGA PRIMARY SCH	COOPERATIVE BANK	2,410.00
01141067196300	SHIBUCHE PRIMARY SCH	COOPERATIVE BANK	4,393.95
01141234856701	MASARA PRIMARY SCH	COOPERATIVE BANK	28,005.50
01139067628401	ESHINAMWENYULI PRIMARY SCH	COOPERATIVE BANK	2,040.00
01141498087000	BUTERE PRI SCH	COOPERATIVE BANK	62,320.00
01141233995000	EBULAFU PRIMARY SCHOOL	COOPERATIVE BANK	7,185.00
01141498130500	MATIBIRA PRIMARY SCH	COOPERATIVE BANK	18,323.00
01141067526300	ESHIREMBE PRIMARY SCHOOL	COOPERATIVE BANK	3,305.00
01141068219200	INAYA PRIMARY SCH	COOPERATIVE BANK	2,980.00
01141498950700	EKUKHOKORO PRIMARY SC	COOPERATIVE BANK	431.00
01141498622600	EMAUKA PRIMARY SCH	COOPERATIVE BANK	28,966.50
01141233175400	BUKUTI PRI SCH	COOPERATIVE BANK	44,736.00
01141234129300	BUTUNYI PRI SCHOOL	COOPERATIVE BANK	2,920.00
01141068228300	SHIRAHA PRIMARY SCHOOL	COOPERATIVE BANK	2,498.00
01141498641900	EKENDERO PRIMARY SCH	COOPERATIVE BANK	14,708.50
01141234121901	SHIBANGA PRIM SCHOOL	COOPERATIVE BANK	51,785.00
01139233876200	SHIRAKALU PRIMARY SCH	COOPERATIVE BANK	2,829.00
01141233025000	MABOLE SECONDARY SCH	COOPERATIVE BANK	16,565.00
01141498183100	MANYALA PRIMARY SCH	COOPERATIVE BANK	21,254.00
01141798580000	MABOLE PRIMARY SCHOOL	COOPERATIVE BANK	1,501.00
	TOTAL		381,516.40

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ANNEX 7: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1 Presentation and Accuracy of the Financial Statements</p> <p>1.1 Presentation of Financial Statements</p> <p>The financial statements submitted for audit were not prepared in accordance to the format prescribed/recommended by the Public Sector Accounting Standards Board (PSASB). The financial statements included components together with supporting notes which do not have current or comparative figures and are therefore redundant. In addition, the progress on follow up of auditor recommendations at annexure 6 has not disclosed all the previous year issues and the management action taken to resolve them.</p> <p>Further, the summary of fixed asset register at annexure 4 as being for the year 2016/2017 instead of 2018/2019 and the acquisition of motor vehicle for KShs.6,699,000 has been included in the column for 2016/2017 instead of being shown as additions during the year.</p>	<p>Management response</p> <p>The financial statements have been amended and reflect the correct figures and follow up report for the previous audit report for your kind review.</p> <p>Also its true that the asset register that was annexed to the Financial statement erroneously excluded the assets that were acquired during the financial year under review. The updated statement is hereby provided for your perusal.</p>	Fund Manager	Resolved	
	<p>2 Cash and Cash Equivalents</p> <p>The statement of financial assets reflects cash and cash equivalents figure of Kshs.4,870,497 as at 30 June 2019 as disclosed in note 10A to the financial statements. However, audit procedures performed on the bank reconciliation for the month of June 2019 showed unrepresented cheques totalling Kshs.2,796,819.40 out of which cheques totalling</p>	<p>Management response</p> <p>The stale cheques have been replaced.</p> <p>Find the attached updated cash book extract and bank reconciliation statement for your kind review.</p>	Fund Manager	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)									
	<p>Kshs.1,109,888.20 related to the period between 4 April 2019 and 19 November 2018 and were therefore stale but had not been cleared.</p> <p>In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.4,870,497 as at 30 June 2019 could not be confirmed.</p>													
	<p>3 Accuracy of Acquisition of Assets Balance</p> <p>The acquisition of assets figure of Kshs.6,699, 000 for the year ended 30 June 2019 purchase of laptop costing Kshs.175,000 during the year under review. The same has also not been included as additions in the summary of assets register at annexure 4 to the financial statements.</p> <p>Consequently, the accuracy of the nil additions during the year and the fixed balance of Kshs.35,921,339 as at 30 June 2019 as reflected in the summary of assets register at annexure 4 could not be confirmed.</p>	<p>Management response</p> <p>It is true that the asset register that was annexed to the Financial statement erroneously excluded the assets that were acquired during the financial year under review. The updated statement is hereby provided for your perusal.</p>	Fund Manager	Resolved										
	<p>4 Lack of Expenditure Returns</p> <p>Included in the transfer to other government entities figure of Kshs.34,690,000 are transfers to three primary schools, one secondary school and a police post for various projects totalling Kshs.3,170,500 for which expenditure returns were not availed for audit review contrary to Regulation 15(d) and (e) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Project Management Committee (PMC) for each project in a constituency shall prepare returns and file them to the Constituency Committee on a timely basis as below:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Payee</th> <th>Payment voucher number</th> </tr> </thead> <tbody> <tr> <td>11/9/2018</td> <td>Mabole Primary School</td> <td>115</td> </tr> <tr> <td>11/9/2018</td> <td>Ematawa Primary School</td> <td>104</td> </tr> </tbody> </table>	Date	Payee	Payment voucher number	11/9/2018	Mabole Primary School	115	11/9/2018	Ematawa Primary School	104	<p>Management response</p> <p>During the time of audit the PMC files were not at the office for audit process. However the PMCs have submitted expenditure returns which are hereby attached for our review.</p>	Fund Manager	Resolved	
Date	Payee	Payment voucher number												
11/9/2018	Mabole Primary School	115												
11/9/2018	Ematawa Primary School	104												

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Date	Location	No. of cases	Amount (Kshs)				
	09/11/2018	Shinamwenyuli Secondary School	146		8064	800,000		
	09/11/2018	Masaba Police Post	129		8044	500,000		
	11/4/2019	Ebulafu Primary school	214		8397	250,500		
		Total				3,170,500		
	In the circumstances, the management breached the law.							
	Other Matters.							
	1.0 Budget Control and Performance							
	1.1. Budget Performance							
	During the year under review, the Butere Constituency had an approved budget of Kshs.167,026,615 for both recurrent and development. During the same period the Fund recorded total expenditure of Kshs.94,115,242 or approximately 56% of the budget to result to under expenditure of Kshs.72,911,373 or approximately 44% of the budgeted amount as shown below:							
	Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)					
	Compensation of employees	2,798,656	2,172,219					
	Use of goods and services	10,816,517	10,756,926					
	Transfers to other government units	82,371,996	34,690,000					
	Other grants and transfers	58,886,631	35,144,282					
	Acquisition of assets	7,500,000	6,699,000					
	<p>Management response It is true the budget did not meet the intended objectives of improving service delivery to the residents of Butere Constituency; however, this was caused by delay of release of funds from the exchequer(NG-CDF Board) which was beyond our control.</p>							
	Fund Manager Resolved							

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments		Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
	Other Payments	4,652,815	0															
	TOTAL	167,026,615	72,911,373															
	<p>The under expenditure was mainly on transfers to other government units which is supposed to assist in developing learning facilities in primary and secondary schools and tertiary institutions where the Fund recorded under expenditure of Kshs.47,681,996 or approximately 58% of the budgeted amount of Kshs.82,371,996.</p> <p>Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered to the residents of Butere Constituency and therefore the budget did not meet the intended objectives of improving the service delivery to the residents of Butere or the management may have over budgeted on its activities. The management should therefore re-look on its budgeting mechanism to ensure only priority areas are budgeted for, or redirect the funds to other needy areas.</p>																	
	<p>1.2. Project Implementation Status</p> <p>According to the Project Implementation Status (PIS) report submitted for audit as at 30 June 2020, Butere NGCDFC had planned to implement six hundred and fifteen (615) projects since 2013/2014 to 2018/2019 at a total cost of Kshs.607,485,905.76 and which were at various levels of implementation as summarized below;</p> <table border="1"> <thead> <tr> <th></th> <th>Completed</th> <th>Ongoing</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>earlier</td> <td>531</td> <td>22</td> <td>553</td> </tr> <tr> <td></td> <td>484,191,528</td> <td>34,753,502</td> <td></td> </tr> </tbody> </table>							Completed	Ongoing	Total	earlier	531	22	553		484,191,528	34,753,502	
	Completed	Ongoing	Total															
earlier	531	22	553															
	484,191,528	34,753,502																
	<p>Management response</p> <p>Find attached updated Project Implementation Status for your kind review.</p> <p align="right">Resolved</p>																	

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	No of projects	42	20	62				
	Value	65,690,875	22,850,000	88,540,875				
Total	No of projects	573	42	615				
	Value	549,882,403	57,603,502	607,485,905				
	<p>Out of the sixty-two (62) projects that were being implemented during 2018/19, forty-two projects costing Kshs.65,690,875 were indicated as having been completed during the year while twenty (20) costing Kshs.22,850,000 were indicated as ongoing.</p> <p>Further, twenty-two (22) projects costing Kshs.34,753,502 relating to 2017/2018 and earlier were indicated as still ongoing and no reason was given for the delay in the completion of these projects.</p>							
	<p>1.3. Project Verification</p> <p>During the audit eight projects costing Kshs.5,900,000 were verified in July 2020 and below are the findings of the verification:</p>							
	Name	Activity	Amount	Remarks	Management response			
	Renovation of two classrooms and construction of eight door pit latrine		1,450,000	Project file lacks returns.	Detailed expenditure returns such as tender evaluation minutes, contract agreements, bills of quantities, payment vouchers and progress reports as required for review which were missing have now been availed.	Fund Manager	Resolved	
	Post	Fencing, construction of three door pit latrine, Slab casting and armoury room	500,000	Project file not available				
	ce	Fencing and gate, Slab casting in armoury room	500,000	The project was completed				

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Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
bukhoko Sub Chief office	Two door pit latrine and bathroom. Electrical wiring and dropping.	The two-door pit latrine and bathroom not constructed.			
hikulu Primary school	Construction of classroom and additional funds for purchase of land	Title deed for the land was not availed. Land agreement and project bank statement not verified.			
Manyulia Primary school	Renovation of four classrooms and construction of eight door pit latrine with urinal	Instead of the eight-door latrine a six doored pit latrine with urinal project was constructed. The project was also not labelled			
Ematsakha Primary school	Construction of classroom and additional funds for purchase of land	Title deed for the land, land agreement and project bank statement not verified.			
shinamwenyui secondary School	Construction of one classroom	Classroom already completed and in use			
total		5,900,000			
	<p>Title deeds, land sale agreements, valuation reports in respect of purchased land for Ematsakha primary school for Kshs.900,000 and Shikulu primary school also for Kshs.900,000 were not availed for audit. Also the construction of toilets and bathroom at Ebukhoko Sub Chief Office for Kshs.200,000 had not commenced as at the time of audit verification in July 2020 and there was no proof that the money was still being held in account and the project is not listed among those that had PMC balances as at 30 June 2019 as disclosed in annexure 4 of the financial statements.</p> <p>Non-implementation of projects as planned may result to loss of public funds through price</p>				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BUTERE CONSTITUENCY
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
	variations and poor workmanship thus denying the residents of Butere Constituency the benefits accruing from such completed projects																
1.	<p style="text-align: center;">Butere NG- CDF Strategic Plan</p> <p>Included in the figure of use of goods and services of Kshs.10,756,926 include strategic plan of Kshs.3,000,000 as disclosed in note 5 to the financial statement. According to payment voucher number 80 dated 7 March 2018, an amount of Kshs.3,000,000 was indicated as paid to Butere Strategic Plan. However, the details of the firm that was contracted to prepare the strategic plan together with the supporting documents tender advertisement, minutes of the tender opening, tender evaluation and award together with the signed contract agreement and invoice were not availed for verification.</p> <p>In addition, there was no evidence that the strategic plan was completed and delivered to the Butere NGCDF.</p> <p>Consequently, the management breached the law and the propriety of Kshs.3,000 spent on strategic plan for the year ended 30 June 2019 could not be confirmed.</p>	<p>Management response</p> <p>The supporting documents for the expenditure such as Contract agreements, tender evaluation minutes, invoice and local service order which were not availed for verification have now been availed. Copies of the strategic plan which were not availed for verification are hereby attached for your perusal.</p>	Fund Manager	Resolved													
2.	<p style="text-align: center;">Irregular</p> <p>Included in the transfer to other government entities figure of Kshs.34,690,000 was Kshs.2,050,000 being amount for various projects in 4 schools. However, anomalies were noted as detailed in the table below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No.</th> <th>Payee</th> <th>Purpose</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Eshiyanza Pri.School</td> <td>Construction of classroom</td> <td>800,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Reallocation of funds School to Eshiyanza P</td> </tr> </tbody> </table>	No.	Payee	Purpose	Amount	1	Eshiyanza Pri.School	Construction of classroom	800,000				Reallocation of funds School to Eshiyanza P	<p>Management response</p> <p>Find attached minutes and approval letters to confirm the reallocations were done in accordance with the law.</p>	Fund Manager	Resolved	
No.	Payee	Purpose	Amount														
1	Eshiyanza Pri.School	Construction of classroom	800,000														
			Reallocation of funds School to Eshiyanza P														

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
				the Board				
2	Ematsakha Pri.School	Construction of classroom (800,000) & Purchase of land (100,000)	900,000	Procurement documents for construction of classroom including tender evaluation minutes, tender award and tender opening minutes availed were not signed. No bank statement for the project was availed. On the issue of land there was no title deed.				
	3	Shikulu Pri.School	Processing Purchase of land (100,000)	100,000	The land costed Kshs.700,000 in 2017 and Kshs.100,000 was disbursed for processing of the title. However, Land agreement & title deed were not availed. Project bank statement not on file			
4	Manyulu Pri.School	Construction of 8 door pit latrines	250,000	Six door pit latrines were constructed instead of 8 door.				
		Total	2,050,000					
	Consequently, the management breached the law.							
	3. Awards				Management response The management has availed copies of samples of applicants forms and vetting committee minutes as requested. The management also ensures that the learning institutions which receive bursary funds acknowledge receipt. See copies of acknowledgment	Fund Manager	Resolved	
	Included in other grants and transfers figure of Kshs.35,144,282 for the year ended 30 June 2019, are bursary disbursements totalling Kshs.27,919,000 of which Kshs.5,988,000 was made to Colleges; Kshs.1,300,000 to special schools and Kshs.20,631,000 to secondary schools as disclosed in note 7 to the financial statements. However, the bursary application availed for audit did not comments by the vetting sub-committee of the NGCDFC-Butere. In addition, there minutes of the Bursary Sub-Committee were not provided for verification.							

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	<p>There was also no evidence that the bursary committee was constituted as required by the CDF circular No. CDF BOARD CIRCULARS/VOL1/111 of 13 September 2010 which required that the sub-committee should have two co-opted members of whom one must be the area Education officer or an officer seconded from the Ministry.</p> <p>Further, there was no evidence of acknowledgement of receipt of the bursary payments from the institutions which received bursary funds.</p> <p>Consequently, the management is in breach of the law.</p>	<p>receipts attached</p>			
4.	<p>Renovation of Two Classrooms -Ebulafu Primary School</p> <p>Included in other grants and transfers figure of Kshs.35,144,282 is emergency projects amount of Kshs2,734,782 as disclosed in note 7 to the financial statements. The emergency projects figure of Kshs.2,734,782 in turn includes Kshs.1,200,000 paid to Ebulafu Primary School in respect of renovation of two class rooms. However, request by the school, the approval minutes of the NGCDFC together with the BQs, tender documents such as minutes of the tender opening, tender evaluation and tender award were not availed for audit.</p> <p>Consequently, the management breached the law.</p>	<p>Management response</p> <p>Detailed expenditure returns such as tender evaluation minutes, contract agreements, bills of quantities, payment vouchers, bank statements and progress reports as required for review which were missing have now been availed.</p>	Fund Manager	Resolved	
5.	<p>Sports Equipment and Uniforms</p> <p>Included in the figure of other grants and transfers figure of Kshs.35,144,282 is sports figure of Kshs.1,990,000 as disclosed in note 7 to the financial statements and which includes Kshs.1,775,500 spent on the purchase of sports equipment and uniforms vide payment</p>	<p>Management response</p> <p>At the time of receiving the sports kits and equipment, the stores ledgers were out of stock. However, there was a committee of inspection and</p>	Fund Manager	Resolved	

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	<p>vouchers No.135 dated 5 September 2018 and No.184 dated 3 January 2019.</p> <p>However, the inspection and acceptance report, goods received notes and other stores records showing how the equipment and uniforms were distributed were not availed for audit review.</p> <p>Consequently, the management breached the law and the propriety of Kshs.1,775,5000 for the year ended 30 June 2019 could not be confirmed.</p>	<p>acceptance committee which inspected and accepted the equipment</p>			
6.	<p>Purchase of Laptop</p> <p>During the financial year under audit 2018-2019, Butere NG-CDF purchased a laptop at an amount of Kshs.175,000 through cash imprest which was surrendered through payment voucher number 235 dated 25 June 2019. According to the supporting documents, the amount of Kshs.175,000 exceeded the approved amount of Kshs.150,000 vide minute number BUT.6/NG-CDFC/28/01/2019 of 28 January 2019. Further, the cash purchase of Kshs.175,000 exceeded the public procurement threshold matrix which allows a low value cash purchase limit of Kshs.30,000. In addition, as at the time of audit in July 2020, the laptop was not available for verification.</p> <p>Consequently, the management breached the law and the Fund may not have got value for Kshs175,000 spent on purchase of laptop for the year ended 30 June 2019.</p>	<p>Management response</p> <p>Imprest of Kshs 150,000 was issued to Mary Mwaki for purchase of a Mac book Laptop. Quotations were sighted from Nairobi because the machine was not locally available in Butere. A cash payment was made to Saruk Digital Solutions of Kshs 175,000 who was the lowest bidder.</p> <p>The money was issued as an imprest to Mary Mwaki to go and search for the specific specification and do all the window installation.</p> <p>The laptop have been availed for physical verification.</p>	<p>Fund Manager</p>	<p>Resolved</p>	
7.	<p>Motor Vehicle</p> <p>Purchase of</p>	<p>Management response</p> <p>All assets of the NG-CDF belong to the CDF Board. Therefore the</p>	<p>Fund Manager</p>	<p>Resolved</p>	

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	<p>The NG-CDF Butere Constituency procured a motor vehicle (Toyota Hilux GUN126R-DNTMHN) from a local motor dealer at a cost of Kshs.6,699,000 paid vide payment voucher number 165 and cheque numbers 8216 for Kshs.346,500 payable to KRA and No.8095 of Kshs.6,352,500 payable to the firm through government contract. Although the vehicle was supplied and was physically available at the time of audit, the log book was not availed for audit review.</p> <p>Consequently, the ownership of the vehicle could not be confirmed for the year ended 30 June 2019.</p>	<p>Logbook For GK B 080 V is at NG-CDF Board.</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 8: PRIOR YEAR ADJUSTMENTS

DETAILS AS PER THE CASH BOOK	CHEQUE NUMBER	AMOUNT
RECEIPT OF STALE CHEQUE NO.	8421	88,000.00
RECEIPT OF STALE CHEQUE NO.	8460	10,000.00
RECEIPT OF STALE CHEQUE NO.	8447	8,000.00
RECEIPT OF STALE CHEQUE NO.	8450	10,000.00
RECEIPT OF STALE CHEQUE NO.	8466	5,000.00
RECEIPT OF STALE CHEQUE NO.	7194	10,000.00
RECEIPT OF STALE CHEQUE NO.	7206	3,000.00
RECEIPT OF STALE CHEQUE NO.	7288	10,000.00
RECEIPT OF STALE CHEQUE NO.	7289	10,000.00
RECEIPT OF STALE CHEQUE NO.	7299	5,000.00
RECEIPT OF STALE CHEQUE NO.	7300	20,000.00
RECEIPT OF STALE CHEQUE NO.	7302	10,000.00
RECEIPT OF STALE CHEQUE NO.	7343	3,000.00
RECEIPT OF STALE CHEQUE NO.	7365	3,000.00
RECEIPT OF STALE CHEQUE NO.	7399	53,000.00
RECEIPT OF STALE CHEQUE NO.	7518	25,000.00
RECEIPT OF STALE CHEQUE NO.	7525	39,159.00
RECEIPT OF STALE CHEQUE NO.	7526	19,579.00
RECEIPT OF STALE CHEQUE NO.	7527	69,485.00
RECEIPT OF STALE CHEQUE NO.	7598	20,000.00
RECEIPT OF STALE CHEQUE NO.	7692	30,000.00
RECEIPT OF STALE CHEQUE NO.	7713	7,601.00
RECEIPT OF STALE CHEQUE NO.	7715	583.00
RECEIPT OF STALE CHEQUE NO.	7722	40,000.00
RECEIPT OF STALE CHEQUE NO.	7838	12,000.00
RECEIPT OF STALE CHEQUE NO.	7846	32,000.00
RECEIPT OF STALE CHEQUE NO.	7989	5,500.00
RECEIPT OF STALE CHEQUE NO.	7990	8,460.00
RECEIPT OF STALE CHEQUE NO.	8094	9,660.60
RECEIPT OF STALE CHEQUE NO.	8093	6,300.00
RECEIPT OF STALE CHEQUE NO.	7598	15,000.00
RECEIPT OF STALE CHEQUE NO.	7598	5,000.00
RECEIPT OF STALE CHEQUE NO.	7669	40,000.00
RECEIPT OF STALE CHEQUE NO.	8632	10,000.00
RECEIPT OF STALE CHEQUE NO.	8492	60,000.00
RECEIPT OF STALE CHEQUE NO.	8583	11,487.00
RECEIPT OF STALE CHEQUE NO.	7228	10,000.00
RECEIPT OF STALE CHEQUE NO.	7244	5,000.00
RECEIPT OF STALE CHEQUE NO.	7264	10,000.00
RECEIPT OF STALE CHEQUE NO.	7286	3,000.00
RECEIPT OF STALE CHEQUE NO.	7290	5,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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RECEIPT OF STALE CHEQUE NO.	7296	5,000.00
RECEIPT OF STALE CHEQUE NO.	7297	5,000.00
RECEIPT OF STALE CHEQUE NO.	7301	5,000.00
RECEIPT OF STALE CHEQUE NO.	7304	5,000.00
RECEIPT OF STALE CHEQUE NO.	7305	5,000.00
RECEIPT OF STALE CHEQUE NO.	7306	5,000.00
RECEIPT OF STALE CHEQUE NO.	7307	10,000.00
RECEIPT OF STALE CHEQUE NO.	7308	5,000.00
RECEIPT OF STALE CHEQUE NO.	7309	5,000.00
RECEIPT OF STALE CHEQUE NO.	7384	15,000.00
RECEIPT OF STALE CHEQUE NO.	7442	62,000.00
RECEIPT OF STALE CHEQUE NO.	7506	3,000.00
RECEIPT OF STALE CHEQUE NO.	7574	3,000.00
RECEIPT OF STALE CHEQUE NO.	7529	10,000.00
RECEIPT OF STALE CHEQUE NO.	7581	10,000.00
RECEIPT OF STALE CHEQUE NO.	7625	26,250.00
RECEIPT OF STALE CHEQUE NO.	7666	3,000.00
RECEIPT OF STALE CHEQUE NO.	7678	3,000.00
RECEIPT OF STALE CHEQUE NO.	7680	10,000.00
RECEIPT OF STALE CHEQUE NO.	7688	15,000.00
RECEIPT OF STALE CHEQUE NO.	7693	10,000.00
RECEIPT OF STALE CHEQUE NO.	7700	8,000.00
RECEIPT OF STALE CHEQUE NO.	7950	4,000.00
RECEIPT OF STALE CHEQUE NO.	7954	4,000.00
RECEIPT OF STALE CHEQUE NO.	7965	4,000.00
RECEIPT OF STALE CHEQUE NO.	7779	1,000.00
RECEIPT OF STALE CHEQUE NO.	7788	7,000.00
RECEIPT OF STALE CHEQUE NO.	7913	8,000.00
RECEIPT OF STALE CHEQUE NO.	7811	4,000.00
RECEIPT OF STALE CHEQUE NO.	7823	4,000.00
RECEIPT OF STALE CHEQUE NO.	7826	12,000.00
RECEIPT OF STALE CHEQUE NO.	7836	4,000.00
RECEIPT OF STALE CHEQUE NO.	7841	2,000.00
RECEIPT OF STALE CHEQUE NO.	7848	4,000.00
RECEIPT OF STALE CHEQUE NO.	7849	4,000.00
RECEIPT OF STALE CHEQUE NO.	7853	36,000.00
RECEIPT OF STALE CHEQUE NO.	7879	3,000.00
RECEIPT OF STALE CHEQUE NO.	7889	4,000.00
RECEIPT OF STALE CHEQUE NO.	7891	2,000.00
RECEIPT OF STALE CHEQUE NO.	7937	4,000.00
RECEIPT OF STALE CHEQUE NO.	7969	10,000.00
RECEIPT OF STALE CHEQUE NO.	7971	4,000.00
RECEIPT OF STALE CHEQUE NO.	7985	4,000.00
RECEIPT OF STALE CHEQUE NO.	7991	1,585.50
RECEIPT OF STALE CHEQUE NO.	8052	47,095.00
RECEIPT OF STALE CHEQUE NO.	8086	7,612.50

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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RECEIPT OF STALE CHEQUE NO.	8090	13,560.60
RECEIPT OF STALE CHEQUE NO.	8208	82,457.00
RECEIPT OF STALE CHEQUE NO.	8228	44,741.00
RECEIPT OF STALE CHEQUE NO.	8245	150,000.00
RECEIPT OF STALE CHEQUE NO.	8246	45,000.00
RECEIPT OF STALE CHEQUE NO.	8247	77,586.00
RECEIPT OF STALE CHEQUE NO.	8250	241,915.20
RECEIPT OF STALE CHEQUE NO.	8171	20,000.00
RECEIPT OF STALE CHEQUE NO.	8346	8,000.00
RECEIPT OF STALE CHEQUE NO.	8377	8,000.00
RECEIPT OF STALE CHEQUE NO.	8436	60,000.00
RECEIPT OF STALE CHEQUE NO.	8496	30,000.00
RECEIPT OF STALE CHEQUE NO.	8512	7,000.00
RECEIPT OF STALE CHEQUE NO.	8514	7,000.00
RECEIPT OF STALE CHEQUE NO.	8520	7,000.00
RECEIPT OF STALE CHEQUE NO.	8521	7,000.00
RECEIPT OF STALE CHEQUE NO.	8528	7,000.00
RECEIPT OF STALE CHEQUE NO.	8530	7,000.00
RECEIPT OF STALE CHEQUE NO.	8532	7,000.00
RECEIPT OF STALE CHEQUE NO.	8544	0.50
RECEIPT OF STALE CHEQUE NO.	8545	6,300.00
RECEIPT OF STALE CHEQUE NO.	8631	3,000.00
RECEIPT OF STALE CHEQUE NO.	8636	10,000.00
RECEIPT OF STALE CHEQUE NO.	8637	3,000.00
RECEIPT OF STALE CHEQUE NO.	8638	3,000.00
RECEIPT OF STALE CHEQUE NO.	8643	69,485.00
RECEIPT OF STALE CHEQUE NO.	8650	40,000.00
RECEIPT OF STALE CHEQUE NO.	8651	12,000.00
RECEIPT OF STALE CHEQUE NO.	8662	40,000.00
RECEIPT OF STALE CHEQUE NO.	8664	1,585.50
RECEIPT OF STALE CHEQUE NO.	8680	10,000.00
RECEIPT OF STALE CHEQUE NO.	8686	179,589.60
RECEIPT OF STALE CHEQUE NO.	8687	92,891.20
RECEIPT OF STALE CHEQUE NO.	8688	46,445.60
RECEIPT OF STALE CHEQUE NO.	8691	40,769.00
10.12.18 CLOSURE AMOUNT AS PER BANK RECONC		1,795.00
10.12.18 CLOSURE AMOUNT AS PER BANK RECONC		3,114.50
10.12.18 CLOSURE AMOUNT AS PER BANK RECONC		1,455.25
10.12.18 CLOSURE AMOUNT AS PER BANK RECONC		525.50
12.03.2019 RD CHQ NO. 8264		37,250.00
		2,593,824.05

Note: This are stale cheques(as other receipts) which were paid FY 2018/2019 and reversed in cash book FY 2019/2020, part of these stale cheques were paid while majority remained unpaid as at 30th June, 2020.