


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE:	14 AUG 2024 WEDNESDAY
TABLED BY:	HON. DWEN BAYA, MP DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT-THE-TABLE:	KESTHER NGINYO

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**



BUTERE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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***Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

1. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

***Butere Constituency
National Government Constituencies Development Fund (NGCDF)
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Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Julius .E. Oketch
2.	Sub-County Accountant	Lencer .A. Odira
3.	Chairman NGCDFC	Wambani Wambiri Were
4.	Member NGCDFC	James Ambetsa

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of BUTERE Constituency NGCDF. 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.

(d) BUTERE Constituency NGCDF Headquarters

P.O. Box BUTERE
BUTERE Building/House/Plaza
BUTERE Avenue/Road/Highway
Nairobi, KENYA

(e) BUTERE Constituency NGCDF Contacts

Telephone: (254) BUTERE
E-mail: BUTEREBUTERE.go.ke
Website: www.go.ke

***Butere Constituency
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(f) BUTERE Constituency NGCDF Bankers

CO-OPERATIVE BANK

A/C. No. 01120068114200, Mumias Branch

P.O Box 905 - 50102

MUMIAS

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. NG-CDF Chairman's Report



Mr. Wambani Wambiri Were

I am pleased to present to you the annual report and financial statement for the year ended 30th June 2023. The financial statements set out below were prepared on cash basis of accounting regulated by the international public sector accounting standards.

Butere NG-CDF aspires to be the best constituency in utilization of NGCDF 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 50.2% because of delays in receiving the current financial year funds. The constituency received Kshs. 87,000,000 against a budgeted amount of Kshs 145,087,603. The previous financial year had an amount of Kshs. 10,319,335 as the balance brought forward and pending approval of Kshs. 15,610,898. This financial year we have various projects amounting to Kshs. 39,616,301 that had variations and are still pending to be approved by the NGCDF Board

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

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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.



.....
**Name: Wambani Wambiri Were
CHAIRMAN NGCDF COMMITTEE**

4. Statement Of Performance Against Predetermined Objectives for FY2022/23

Introduction

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

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 22/23 -we increased number of classrooms, dormitories, etc from 16 to 26 in the following schools/institutions 1. Emunuku Primary 2. Eshikangu Primary 3. Elukokho Primary 4. Bulanda Primary Among others - Bursary beneficiaries at all levels were as per the attached schedules
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	Constructed chief offices that is from 13 to 15 Number of assistant chiefs' offices increased from 5 to 6
Environment	Improved and sustainable and conserved environment through natural resources conservation	Provide tree seedlings to schools to improve the forest cover	10,000 Number of trees planted	Number of trees planted increased from 0 to 10,000

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	initiatives			
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefiting from the sports programme	Number of youth groups benefiting from the sports programme increased from 35 to 40
Emergency	Respond to unforeseen circumstances in the year	Emergency situations responded to	No. Of projects activities responded to	We constructed 8 no. Pit latrines with urinal for 4 schools targeting a total of 960 users.
Others Strategic Plan	Guided development with impact	Reduced un informed project implementation and the involvement of all stakeholders including professionals	NO. Of relevant and agreed upon projects implemented to completion timely as well as put in use	Completed 15 projects under renovation and Five 8 door no. Toilets. Meanwhile, due to funding delays, the other projects are earmarked to be completed in the 2023/2024 fyr.

5. Statement of Governance

Appointment of NGCDF Members

1. The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).
 - This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
 - The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
 - The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
 - The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
 - The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
 - The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
 - The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.
 - The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
 - The PWD organization shall nominate in writing a member to the NG-CDFC.
 - Applications are received at the NG-CDF office and recorded in the application register.
 - Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
 - The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.

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- The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.
 - The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees
- ii. The selected members are forwarded to parliament through CEO of the board for purpose of gazettment
- iii. Upon gazettment the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

4.2 NG-CDFC Handing Over Processes

Paragraph 24(1) of the NG-CDF Regulations 2016 states that the officer of the board seconded to the constituency shall preside over the handover from one Constituency committee to another and shall submit a report on the hand over within fourteen days from the date of the hand over.

4.3 Removal of members is as in the act 2015 section 13, a,b,c,d,e f and g

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

4.4 Roles and function of the committee

- Build the capacity of PMCs and sensitise the community on operations of the fund
- Consider project proposals from all wards in the constituency
- Ensure that all proposed projects that are approved for funding meet the sec 24 of the Act
- Consult with relevant line ministries in the implementing the projects

- Ensure adequate funding of the proposed projects
- Ensure project reports are prepared and forwarded to the board
- Submit financial reports to the board within stipulated time

4.5 Induction and Training

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan

4.6 Meetings

The committee is to have a maximum of 24 meetings and a minimum of 12 in a financial year as per the 2015 Act

The committee members declare conflict of interest in any matter as the procurement and disposal Act by a standard form at the time of the matter

The committee members are remunerated from the fund at Kshs. 5,000 for members and 7000 for the chairman.

4.7 Ethics and Conduct

The Anticorruption sub committee was formed on the first meeting and members have been trained on the same, the conduct of members is also the act as some of the reasons for removing a member from the committee

4.8 Risk Management

Risk management is a tool by the board to gauge on the risks that the constituency goes though which is attested on monthly basis by the staff. The report is discussed at the meeting by the committee

6. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** BUTERE NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a

challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

3. Employee welfare

We invest in providing the best working environment for our employees. Butere constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Butere constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

BUTERE NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

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NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

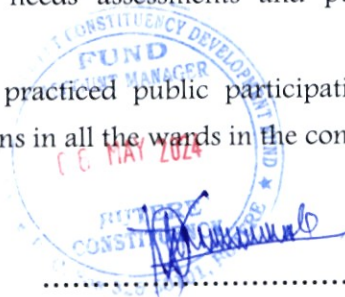
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



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**Name: Julius .E. Oketch
Fund Account Manager.**

7. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the 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, 2023. 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 *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, 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 *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- BUTERE Constituency financial statements were approved and signed by the Accounting Officer on 19th September, 2023.



.....
Name: WAMBANI WAMBIRI
Chairman – NGCDF Committee



.....
Name: JULIUS OKETCH
Fund Account Manager

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BUTERE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Butere Constituency set out on pages 1 to 26, which

Report of the Auditor-General on National Government Constituencies Development Fund - Butere Constituency for the year ended 30 June, 2023

comprise of the statement of assets and liabilities as at 30 June, 2023 statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Butere Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of receipts and payments reflects an amount of Kshs.46,982,351 in respect to other grants and transfers as disclosed in Note 6 to the financial statements. The amount includes bursary disbursements to secondary schools and tertiary institutions totalling Kshs.31,361,900 which was not supported by advertisements to apply, application forms, vetting committee approvals and acknowledgements from recipient institutions.

In the circumstances, the accuracy and completeness of bursary disbursements amount of Kshs.31,361,900 could not be confirmed.

2. Unsupported Project Management Committee Balances

Note 12.2 and Annex 3 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs.654,931. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC accounts balance of Kshs.654,931 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.171,517,836 and Kshs.97,319,335 respectively, resulting to under-funding of Kshs.74,198,501 or 43% of the budget. However, the Fund spent Kshs.85,847,099 against actual receipts of Kshs.97,319,335 resulting to under-utilization of Kshs.11,472,236 or 12% of actual receipts.

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

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report for the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in the Use of Public Resources. However, Management has not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Project Implementation Status

During the year under review, the Fund had planned to implement forty-one (41) projects with a budget of Kshs.58,895,803. However, thirteen (13) or 32% of the projects allocated Kshs.31,674,600 were not completed while five (5) or 12% of the projects allocated Kshs.651,752 had not started.

In the circumstances, value for money was not obtained from the thirteen (13) projects that were incomplete and the five (5) projects that had not been started.

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 governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 June, 2024

Butère Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

9. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	87,000,000	166,566,860
TOTAL RECEIPTS		87,000,000	166,566,860
PAYMENTS			
Compensation of employees	2	3,861,234	2,488,200
Committee expenses	3	2,737,200	-
Use of goods and services	4	6,266,314	11,867,599
Transfers to Other Government Units	5	24,000,000	99,770,000
Other grants and transfers	6	46,982,351	50,023,419
Other Payments	7	2,000,000	-
TOTAL PAYMENTS		85,847,099	164,149,218
SURPLUS/DEFICIT		1,152,901	2,417,642

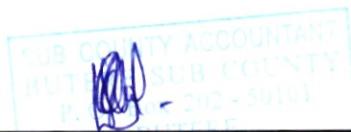
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on **19th September, 2023** and signed by:



Fund Account Manager

Name: JULIUS OKETCH



National Sub-County Accountant

Name: LENCER ODIRA
ICPAK M/No: 13306

Chairman NG-CDF Committee

Name: WAMBABI WAMBIRI

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

10. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022/2023 Kshs	2021/2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	11,472,236	10,319,335
Total Cash and Cash Equivalents		11,472,236	10,319,335
Accounts Receivable			
Outstanding Imprests			
TOTAL FINANCIAL ASSETS		11,472,236	10,319,335
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention			
Gratuity			
NET FINANCIAL SSETS		11,472,236	10,319,335
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	10,319,335	7,886,991
Prior year adjustments		-	14,702
Surplus/Deficit for the year		1,152,901	2,417,642
NET FINANCIAL POSITION		11,472,236	10,319,335

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

The Constituency financial statements were approved by NG CDFC on **19th September, 2023** and signed by:

Fund Account Manager

Name: JULIUS OKETCH

National Sub-County Accountant

Name: LENCER ODIRA
ICPAK M/No: 13306

Chairman NG-CDF Committee

Name: WAMBABI WAMBIRI

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

11. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022/2023 Kshs	2021/2022 Kshs
Receipts From Operating Activities			
Transfers from NGCDF Board	1	87,000,000	166,566,860
		87,000,000	166,566,860
Payments for operating activities			
Compensation of Employees	2	3,861,234	2,488,200
Committee expenses	3	2,737,200	5,216,800
Use of goods and services	4	6,266,314	6,650,799
Transfers to Other Government Units	5	24,000,000	99,770,000
Other grants and transfers	6	46,982,351	50,023,419
Other Payments	7	2,000,000	-
		85,847,099	164,149,218
Adjusted for:			
Decrease/(Increase) in Accounts receivable		-	-
Increase/(Decrease) in Accounts Payable		-	-
Prior year Adjustments		-	14,702
Net Adjustments		-	14,702
Net cash flow from operating activities		1,152,901	2,432,344
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		1,152,901	2,432,344
Cash and cash equivalent at BEGINNING of the year	10	10,319,335	7,886,991
Cash and cash equivalent at END of the year		11,472,236	10,319,335

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG CDFC on **19th September, 2023** and signed by:

06 MAY 2024
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ACCOUNT MANAGER
BUTERE CONSTITUENCY
P.O. BOX 50101, BUTERE

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

Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Name: JULIUS OKETCH

Name: LENCER ODIRA
ICPAK M/No: 13306

Name: WAMBABI WAMBIRI

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

12. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers from NG-CDF Board	145,087,603	10,319,335	16,110,898	171,517,836	97,319,335	74,198,501	57%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts				-	-	-	
TOTAL RECEIPTS	145,087,603	10,319,335	16,110,898	171,517,836	97,319,335	74,198,501	57%
PAYMENTS							
Compensation of Employees	4,624,716	1,586,704		6,211,420	3,861,234	2,350,186	62%
Committee expenses	3,946,876	20,000		3,966,876	2,737,200	1,229,676	81%
Use of goods and services	5,937,168	1,020,000		6,957,168	6,266,314	690,854	90%
Transfers to Other Government Units	43,024,600	1,104,600		44,129,200	24,000,000	20,129,200	54%
Other grants and transfers	45,937,942	6,588,031		52,525,973	46,982,351	5,543,622	89%
Other Payments	2,000,000			2,000,000	2,000,000	-	4%
Funds Pending Approval	39,616,301		16,110,898	55,727,199	-	55,727,199	0%
TOTAL	145,087,603	10,319,335	16,110,898	171,517,836	85,847,099	85,670,737	50%

- (a) 62% for compensation of employees which was below 90% as there was still at the Board for FY 2022/2023.
(b) 54% for transfers to Transfers To Government entities which was below 90% as there was still at the Board for FY 2022/23.
(c) 89% for transfers to other Government entities which was below 90% as there was still at the Board for FY 2021/22.

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

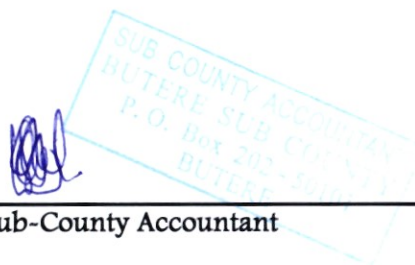
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	85,670,737
Less undisbursed funds receivable from the Board as at 30th June 2023	74,198,501
	11,472,236
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2022/2023	11,472,236

The Constituency financial statements were approved by NG CDFC on **19th September, 2023** and signed by:



Fund Account Manager

Name: JULIUS OKETCH



National Sub-County Accountant

Name: LENCER ODIRA
ICPAK M/No: 13306



Chairman NG-CDF Committee

Name: WAMBANI WAMBIRE WERE

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,624,716	1,586,704		6,211,420	3,861,234	2,350,186	62%
1.2 Committee allowances	1,248,000	20,000		1,268,000	1,022,200	245,800	81%
1.3 Use of goods and services	2,832,540			2,832,540	2,631,866	200,674	93%
Total	8,705,256	1,606,704	-	10,311,960	7,515,300	2,796,660	73%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,350,000			1,350,000	1,212,000	138,000	90%
2.2 Committee allowances	1,248,000			1,248,000	1,015,000	233,000	81%
2.3 Use of goods and services	1,754,628	1,020,000		2,774,628	2,422,448	352,180	87%
Total	4,352,628	1,020,000	-	5,372,628	4,649,448	723,180	87%
3.0 Emergency							
3.1 Primary Schools							
3.1.1 Muluwa Primary School	1,087,500			1,087,500	1,087,500	-	100%
3.1.2 Shikunga Primary School	1,097,128			1,097,128	1,097,128	-	100%
3.1.3 Emunuku Primary School	1,092,882			1,092,882	1,092,882	-	100%
3.1.4 Elukokho Primary School	1,095,991			1,095,991	1,095,991	-	100%
3.1.5 Shiyiro Primary School	1,000,000			1,000,000	1,000,000	-	100%
3.2 Secondary schools							
3.2.1 Imanga Secondary School	1,312,499			1,312,499	1,312,499	-	100%
3.3 Others							
3.3.1 Butere NG-CDF Office	883,451			883,451	883,451	-	100%
3.5 Unutilised	66,739	234,414		301,153		301,153	0%
Total	7,636,190	234,414	-	7,870,604	7,569,451	301,153	96%
4.0 Bursary and Social Security							
4.1 Secondary Schools	20,000,000	4,935,310		24,935,310	17,380,000	7,555,310	70%
4.2 Tertiary Institutions	10,000,000	1,418,307		11,418,307	13,981,900	(2,563,593)	122%
4.3 Social Security							
4.4 Special Needs							

Butere Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
Total	30,000,000	6,353,617	-	36,353,617	31,361,900	4,991,717	86%
5.0 Sports							
Constituency Sports Tournament	2,601,752			2,601,752	2,601,000	752	100%
Regional Sports Tournament	300,000			300,000	300,000	-	100%
Total	2,901,752	-	-	2,901,752	2,901,000	752	100%
6.0 Environment							
Shianda Primary School	800,000			800,000	800,000	-	100%
Shiyiro Primary School	800,000			800,000	800,000	-	100%
Bulanda RC Primary School	800,000			800,000	550,000	250,000	69%
Total	2,400,000	-	-	2,400,000	2,150,000	250,000	90%
7.0 Primary Schools Projects							
Shikanga Primary School		600,000		600,000		600,000	0%
Shibuche primary school		500,000		500,000	500,000	-	100%
Emakhola Primary School	400,000			400,000	400,000	-	100%
Emusunguri Primary School	400,000			400,000	400,000	-	100%
Eshianini Primary School	500,000			500,000	500,000	-	100%
Eshibuche Primary School	350,000			350,000	350,000	-	100%
Eshirembe Primary School	350,000			350,000	350,000	-	100%
Eshitari Primary School	900,000			900,000	900,000	-	100%
Eshianza Primary School	1,500,000			1,500,000	1,500,000	-	100%
Shibembe Primary School	500,000			500,000	500,000	-	100%
Shikanga Primary School	400,000			400,000	400,000	-	100%
Shitsitswi Primary School	500,000			500,000	500,000	-	100%
Imanga Primary School	400,000			400,000	400,000	-	100%
Mahondo Primary School	400,000			400,000	400,000	-	100%
Manyulia Primary School	400,000			400,000	400,000	-	100%
Shianda Primary School	1,000,000			1,000,000	1,000,000	-	100%
Shinyulu Primary School	1,000,000			1,000,000	1,000,000	-	100%
Total	9,000,000	1,100,000	-	10,100,000	9,500,000	600,000	94%
8.0 Secondary Schools Projects							
Bukolwe Sec Sch							
Shikunga Secondary School		2,300		2,300		2,300	0%
Shitsitswi Secondary School		2,300		2,300		2,300	0%

Butere Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
Bumamu Secondary School	3,000,000			3,000,000	3,000,000	-	100%
Butere Secondary School	3,000,000			3,000,000	3,000,000	-	100%
Ituti Secondary School	5,500,000			5,500,000	5,500,000	-	100%
Mutoma Secondary School	3,000,000			3,000,000	3,000,000	-	100%
Butere Boys Secondary School	9,762,300			9,762,300		9,762,300	0%
Mabole Secondary School	9,762,300			9,762,300		9,762,300	0%
Total	34,024,600	4,600	-	34,029,200	14,500,000	19,529,200	43%
9.0 Tertiary institutions Projects							
Total	-		-	-		-	
10.0 Security Projects							
Emutoma Chiefs Office	1,000,000			1,000,000	1,000,000	-	100%
Lunza Assistant Chiefs Office	1,000,000			1,000,000	1,000,000	-	100%
Shiraha Police Post	1,000,000			1,000,000	1,000,000	-	100%
Total	3,000,000	-	-	3,000,000	3,000,000	-	100%
11.0 Acquisition of assets							
Total	-		-	-		-	
12.0 Oversight Committee Expenses (itemize)							
13.1 Committee allowances	1,150,876			1,150,876	400,000	750,876	35%
13.2 Use of goods and services	300,000			300,000	300,000	-	100%
Total	1,450,876		-	1,450,876	700,000	750,876	48%
13.0 Other payments							
NGCDF Strategic Plan	2,000,000			2,000,000	2,000,000	-	100%
Total	2,000,000	-	-	2,000,000	2,000,000	-	100%
14.0 unallocated fund							
Unapproved projects	39,616,301	-	16,110,898	55,727,199		55,727,199	0%
AIA							
PMC savings							
Total	39,616,301		16,110,898	55,727,199	-	55,727,199	0%
	145,087,603	10,319,335	16,110,898	171,517,836	85,847,099	85,670,737	50%

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

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

***Butere Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Significant Accounting Policies continued

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

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

Significant Accounting Policies continued

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2023 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

Significant Accounting Policies continued

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 2023.

14. Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the

Significant Accounting Policies continued

error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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

15. Related Party Transactions

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

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
B140853		28,977,981
B 105739		24,000,000
B105375		34,000,000
B105591		10,000,000
B128777		12,000,000
B132462		5,000,000
B154378		16,000,000
2015/16		500,000
B154274		27,088,879
B895002		9,000,000
B185025	7,000,000	
B185571	15,000,000	
B185319	6,000,000	
B185856	5,000,000	
B206308	12,000,000	
B0205697	12,000,000	
B0185571	15,000,000	
B0207776	15,000,000	
TOTAL	87,000,000	166,566,860

2. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,843,075	2,059,800
Gratuity to contractual employees	1,964,159	-
Employer Contributions Compulsory national social security schemes	54,000	428,400
Total	3,861,234	2,488,200

3. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,022,200	1,106,000
Other committee expenses	1,715,000	4,110,800
Total	2,737,200	5,216,800

Butere Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****Notes To the Financial Statements (Continued)****4. Use of Goods and services**

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	105,194	59,713
Water & sewerage charges		12,331
Communication, supplies and services	1,164,800	470,000
Printing, advertising and information supplies & services	546,800	-
Training expenses	1,212,000	1,055,000
Hospitality supplies and services	150,465	2,167,517
Specialised materials and services	1,021,300	-
Office and general supplies and services	636,655	-
Fuel , oil & lubricants	400,000	-
Other operating expenses	791,600	2,750,300
Bank Charges	27,952	-
Security operations	-	60,000
Routine maintenance - vehicles and other transport equipment	209,548	-
Routine maintenance- other assets	-	75,938
TOTAL	6,266,314	6,650,799

5. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	9,500,000	37,270,000
Transfers To Secondary Schools (See Attached List)	14,500,000	62,500,000
Total	24,000,000	99,770,000

6. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	17,380,000	18,006,464
Bursary -Tertiary (see attached list)	13,981,900	15,083,400
Security Projects (see attached list)	3,000,000	4,800,000
Sports Projects (see attached list)	2,901,000	2,741,777
Environment Projects (see attached list)	2,150,000	2,741,778
Emergency Projects (see attached list)	7,569,451	6,650,000
Roads Projects	-	-
TOTAL	46,982,351	50,023,419

Butere Constituency
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Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes To the Financial Statements (Continued)

7. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	2,000,000	-
ICT Hub	-	-
	2,000,000	-

8. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Co-op Bank, A/C no. 01120068114200, Mumias Branch . (main account)</i>	11,472,236	10,319,335
Total	11,472,236	10,319,335

9. Retention and Gratuity

9. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	1,964,159	-
Gratuity paid during the Year (C)	1,964,159	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

10. Fund Balance B/F

	(1 st July 2022-2023)	(1 st July 2022-2021)
	Kshs	Kshs
Bank accounts	10,319,335	7,886,991
Total	10,319,335	7,886,991

11. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions held during the year (B)	1,964,159	-
Deposit and Retentions paid during the Year (C)	1,964,159	-

Butere Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes To the Financial Statements (Continued)

12.1.: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,350,186	2,586,704
Use of goods and services	1,169,654	20,000
Amounts due to other Government entities (see attached list)	20,129,200	1,204,600
Amounts due to other grants and other transfers (see attached list)	6,294,498	8,993,329
Funds pending approval	55,227,199	13,110,898
Total	85,170,737	25,915,531

12.2: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	654,931	495,769
Total	654,931	495,769

Butere Constituency
National Government Constituencies Development Fund (NGCDF)
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16. Annexes

Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	
		2022-2023	2021-2022	
1.1 Compensation of employees	Payment of staff salaries	2,350,186	1,547,100	
NHIF	Payment of staff nhif		115,000	
NSSF	Payment of staff nssf		124,604	
Service Gratuity	Payment of staff gratuity		800,000	
1.2 Committee allowances	Payment of Committee sitting allowances, transport, conferences	245,800	-	
1.3 Use of goods and services	Computer and printer repairs and maintenance, stationery, telephone, travel and subsistence, Purchase of paper punch staplers staple removers and office pins.	200,674	20,000	
Total		2,796,660	2,606,704	
2.0 Monitoring and evaluation		-		
2.1 Capacity building	Undertake Training of the PMCs/CDFCs and staff on CDF Related issues	138,000	-	
2.2 Committee allowances	Payment of Committee field allowances, Benchmarking Tour transport, accommodation, meals and related costs.	233,000	0	
2.3 Use of goods and services	Payment of Committee field allowances, Benchmarking Tour transport, accommodation, meals and related costs.	352,180		
Total		723,180	0	
Amounts due to other Government entities				
Primary Schools Projects				
Shikanga Primary School	Renovation of two classrooms	600,000	600,000	
		600,000	600,000	
Secondary Schools Projects				
Eshishebu Primary School	Renovation of two classrooms	-	600,000	
Shikunga Secondary School	Purchase of School bus	2,300	2,300	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Shitsitswi Secondary School	Purchase of School bus	2,300	2,300	
Butere Boys Secondary School	Purchase of School bus	9,762,300		
Mabole Secondary School	Purchase of School bus	9,762,300		
Total		19,529,200	604,600	
Amounts due to other grants and other transfers				
3.0 Emergency				
3.1 Primary Schools		-		
SHIYIRO PRIMARY SCHOOL		-		
3.5 Unutilised		66,739	234,414	
3.5 Unutilised		234,414		
Total		301,153	234414	
4.0 Bursary and Social Security				
4.1 Secondary Schools	Payment of bursary to needy students	7,555,310	7,340,608	
4.2 Tertiary Institutions	Payment of bursary to needy students	(2,563,593)	1,418,307	
Total		4,991,717	8,758,915	
5.0 Sports				
Constituency Sports Tournament		752		
Regional Sports Tournament		-		
Total		752		
6.0 Environment				
Shiyiro Primary School	Construction of toilets	250,000		
Total		250,000		
12.0 Oversight Committee Expenses (itemize)				
13.1 Committee allowances	Payment of allowances	750,876		
13.2 Use of goods and services		-		
Total		750,876		
14.0 unallocated fund/funds pending approval				
Unapproved projects		55,727,199	13110898	
Sub-Total		55,727,199.26	13,110,898.00	
TOTAL		85,670,737	25,915,531.52	

*Butere Constituency
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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	8,148,132	-	-	8,148,132
Transport equipment	4,057,402	-	-	4,057,402
Office equipment, furniture and fittings	1,340,171	-	-	1,340,171
ICT Equipment, Software and Other ICT Assets	1,495,634	-	-	1,495,634
Other Machinery and Equipment	20,880,000	-	-	20,880,000
		-	-	
Heritage and cultural assets		-	-	
Intangible assets	175,000	-	-	175,000
TOTAL	6,699,000	-	-	6,699,000

Butere Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****Annex 3 –PMC Bank Balances As At 30th June 2023**

	PMC NAME	Account number	Bank	DATE A/C OPENED	Bank Balance	Bank Balance
					2022/23	2021/22
1	Bubala Ass Chiefs Office	01141799014800	Coo-opeative Bank	1/29/2022		1,649
2	Buboko Primary	01139067628401	Coo-opeative Bank	8/2/2020		
3	Buchenya Primary School	01141798965000	Coo-opeative Bank	11/30/2020		
4	Bukolwe Secondary	01141234121800	Coo-opeative Bank	6/29/2021		575
5	Bukura Primary Sch	01141798947000	Coo-opeative Bank	3/18/2021		1,712
6	Bulanda Ac Primary School	01141799329300	CO-OPERATIVE	7/1/2022	2,250.75	
7	Bulanda Mixed Sec Sch	01141498674900	Coo-opeative Bank	7/2/2020		
8	Bulanda R.C Primary School	01141234172100	CO-OPERATIVE	7/1/2022	949	
9	Bumamu Primary School	01141233869400	CO-OPERATIVE	7/1/2022		
10	Bumamu Secondary School	01141233869400	CO-OPERATIVE	7/1/2022	10,533.50	
11	Butere Primary School	01141234559200	Coo-opeative Bank	10/13/2020		2,146
12	Butere Township Chiefs Office	01139068485500	Coo-opeative Bank	3/31/2021		7,809
13	Ebukuti Primary Sch	01141498620900	Coo-opeative Bank	3/18/2021		
14	Emakhola Primary School	01141799394500	CO-OPERATIVE	7/1/2022	575.5	
15	Emarenyo Primary Sch	01141498087001	Coo-opeative Bank	12/29/2020		
16	Emashere Primary Sch	01141798989000	Coo-opeative Bank	11/30/2020		363
17	Ematende Primary School	01141068041900	Coo-opeative Bank	6/29/2021		3,588
18	Emukangu Primary School	01141068366800	Coo-opeative Bank	10/13/2020		717
19	Emusunguri Primary School	01141234049900	CO-OPERATIVE	7/1/2022	445	
20	Emutoma Chiefs Office	01141799377800	CO-OPERATIVE	7/1/2022	13,075.50	
21	Emutondo Primary	01141498971101	Coo-opeative Bank	1/29/2021		1,503
22	Eshianini Primary School	01141499522500	CO-OPERATIVE	7/1/2022	746	746
23	Eshienjera Sub-Location	01141067305901	Coo-opeative Bank	8/2/2020		739
24	Eshikangu Primary School	01141234747700	CO-OPERATIVE	7/1/2022	62,680.00	
25	Eshikomere Primary Sch	01141499522500	Coo-opeative Bank	3/31/2021		1,176
26	Eshirembe Primary School	01141067526300	CO-OPERATIVE	7/1/2022	4,439.10	4,948
27	Eshitari Primary School	01141068044200	CO-OPERATIVE	7/1/2022	42,055.00	
28	Eshianza Primary School	01141233608100	CO-OPERATIVE	7/1/2022	304	

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29	Eshiyiro Primary School	01141234559200	CO-OPERATIVE	7/1/2022	13,778.00	13,749
30	Imanga Primary School	01139233059600	CO-OPERATIVE	7/1/2022	2,410.00	
31	Imanga Secondary School	01141233011300	CO-OPERATIVE	7/1/2022	1,586.00	1,586
32	Ituti Secondary School	01141234734100	CO-OPERATIVE	7/1/2022	8,576.80	8,576
33	Lufumbo Girls Secondary School	01141498728701	CO-OPERATIVE	7/1/2022	40,715.00	
34	Lukohe Primary School	01141068018900	Coo-opeative Bank	9/30/2020		546
35	Lunza Chiefs Office	10141234740100	Coo-opeative Bank	2/26/2021	975	93,975
36	Lunza Secondary School	01141499537800	CO-OPERATIVE	7/1/2022	949.5	
37	Mabole Chiefs Office	01141798939500	Coo-opeative Bank	12/29/2020		2,975
38	Mabole Secondary School	01141233025000	CO-OPERATIVE	7/1/2022	1,618.60	1,618
39	Mahondo Primary School	01141499462000	CO-OPERATIVE	7/1/2022	1,589.50	
40	Manyala Access Road	01141234890400	Coo-opeative Bank	11/30/2020		1,375
41	Manyala Secondary Sch	01141233025000	Coo-opeative Bank	3/31/2021		
42	Marenyo Ap Houses	01141498130500	Coo-opeative Bank	5/5/2021		1,338
43	Marenyo Primary School	01141498971101	CO-OPERATIVE	7/1/2022	54,059.50	
44	Masaba Access Road	01139067539401	Coo-opeative Bank	3/17/2021		1,375
45	Masaba Primary School	01141067300401	Coo-opeative Bank	7/2/2020		973
46	Masaba Sec School	01141799038600	Coo-opeative Bank	11/30/2020		1,868
47	Matibira Primary	01141068168800	Coo-opeative Bank	11/30/2020		323
48	Mukoye Girls Sec Sch	01141498112200	Coo-opeative Bank	1/29/2021		3,060
49	Mukoye Primary Sch	01141798958200	Coo-opeative Bank	3/17/2021		
50	Musere Primary School	01141233925600	Coo-opeative Bank	5/28/2021		358
51	Mutoma Primary	01141798989200	Coo-opeative Bank	8/2/2020		3,754
52	Muyundi Primary School		Coo-opeative Bank	5/4/2020		1,999
53	Nyenyesi Primary Sch	01139233609600	Coo-opeative Bank	5/28/2021		1,447
54	Prov Admin Ap House	01141068430000	Coo-opeative Bank	12/29/2020		851
55	Shianda Primary School	01141067767100	CO-OPERATIVE	7/1/2022	25,335.00	
56	Shiatsala Primary Sch	01141498483700	Coo-opeative Bank	12/29/2020		3,283
57	Shibanga Primary	01141067534800	Coo-opeative Bank	8/2/2020		
58	Shibembe Primary School	01141068366800	CO-OPERATIVE	7/1/2022	2,454.20	
59	Shibimbi Primary Sch	01141067526700	Coo-opeative Bank	6/14/2021		725
60	Shibuche Pri School	01141234734100	Coo-opeative Bank	12/29/2020		493

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61	Shibuche Primary School	01141067196300	CO-OPERATIVE	7/1/2022	1,493.95	
62	Shikunga Primary	01141798940000	Coo-opeative Bank	3/30/2021		17,586
63	Shinamwenyuli Primary School	01139067628401	CO-OPERATIVE	7/1/2022	815	
64	Shinamwenyuli Secondary School	01141233925600	CO-OPERATIVE	7/1/2022	39,662.00	39,662
65	Shinyulu Primary School	01139067302801	CO-OPERATIVE	7/1/2022	132,885.75	
66	Shiraha Divisional Headquarters	01141799195600	CO-OPERATIVE	7/1/2022	58,148.00	
67	Shiraha Secondary School	01141498642400	CO-OPERATIVE	7/1/2022	43,939.10	43,939
68	Shitari Location Office	01141067526300	Coo-opeative Bank	3/30/2021		1,079
69	Shitsitswi Primary School	01141234122101	CO-OPERATIVE	7/1/2022	85,177.00	
70	Shiyiro Access Road	01141283175400	Coo-opeative Bank	3/18/2021		21,954
71	Sports	01141799011500	CO-OPERATIVE	7/1/2022	709.5	
72	Emusunguri Primary school	01141234049900	CO-OPERATIVE	30/06/2022		
73	Lunza Secondary school	01141499537800	CO-OPERATIVE	30/06/2022		
74	Eshirembe Primary School	01141067526300	CO-OPERATIVE	30/06/2022		
75	Shibembe PrimarySchool	1141068366800	CO-OPERATIVE	30/06/2022		112,454
76	Shinamwenyuli PrimarySchool	01139067628401	CO-OPERATIVE	30/06/2022		
77	Shitsitswi Primary School	01141234122101	CO-OPERATIVE	30/06/2022		85,177
	TOTAL				654,930.75	495,769

Butere Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Stale Cheques</p> <p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.10,319,335 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement for the Funds bank account for the month of June, 2022 reflects unpresented cheques totalling to Kshs.12, 750,358 out of which Kshs.1, 077,474 had become stale as at 30 June 2022 had not been reversed in the cashbook.</p> <p>In circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.10,319,335 as at 30 June, 2022 could not be confirmed.</p>	<p>Most of the stale cheques were bursary cheques which remained unpresented as at 30th June, 2022. The NGCDF Committee have made replacement and money allocated to needy and bright students within Butere Constituency.</p>	Not Resolved	
2	<p>Unsupported Project Management Committee (PMC) Balances</p> <p>Note 17.4 to the financial statements reflect PMC bank balances of Kshs.495,769 which as shown under Annex 5 to the financial statements, comprises bank balance held in 71 different bank accounts maintained by various Project Management Committees. However, cashbooks, bank confirmation certificates and bank reconciliation statements were not provided for audit to support the individual balances. Further, on computation of the balances revealed a recomputed balance of Kshs.8,709,415. The variance of Kshs. 8,213,646 has not been explained or reconciled.</p> <p>In the circumstance, validity, accuracy and completeness of the amounts in respect to PMC bank balances of Kshs.495,769 could not be confirmed.</p>	<p>We have attached certificate of bank balance for the PMC indicating the individual PMC balances.</p>	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>Unsupported Expenditure on Use of goods and services</p> <p>Included in the statement of receipts and payments is use of goods and services of an amount of Kshs.11,867,599 and as disclosed in Note 5 to the financial statements. However the amount includes payment for training expenses, committee expenses, other committee expenses, committee allowances and hospitality amounting to Kshs.9,022,100 for which payment vouchers and related supporting document were not provided for audit review.</p> <p>In the circumstances, the propriety of the expenditure amounting to Kshs. 9,022,100 could not be confirmed.</p>	<p>We have attached payment vouchers to account for training expenses, committee expenses, other committee expenses, committee allowances and hospitality amounting totaling to Kshs.11,867,599.</p>	Not Resolved	
4	<p>Unsupported Bursaries</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects expenditure of Kshs.50,023,419 in respect to other grants and transfers which includes amounts of Kshs.18,006,464 and Kshs 15,053,419 in respect to bursary to secondary schools and tertiary institutions respectively. However, a list of beneficiaries, acknowledgement receipts from recipient institution and the committee approvals were not provided to support the amounts.</p> <p>In the circumstances, the propriety of the expenditure of Kshs. 33,089,864 could not be confirmed.</p>	<p>We have attached student list of beneficiaries, acknowledgement receipts from recipient institution and the subcommittee approval minutes at the ward level for audit verification.</p>	Not Resolved	
5	<p>Disbursement to Primary Schools</p> <p>The statement of receipts and payments and as disclosed in Note 6 reflects expenditure of Kshs.99,770,000 which includes amounts of Kshs.37,270,000 in respect to primary schools. However, review project expenditure records and physical verification in the month of March 2023 of five (5) projects allocated a total cost of Kshs.8,000,000 revealed the following shortcomings, procurement documents including inspection and acceptance committee reports , project BQ, contract agreement, tender opening register, PMC bank statements were not</p>	<p>We have attached procurement records containing; Bills of Quantities, Tender documents, Bank statement indicating how much has been paid to the contractor and the PMC bank balance.</p>	Not Resolved	

Butere Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>provided for audit review.</p> <p>In addition, out of the 5 projects, only one (Shinamwenyuli Primary School) was complete and in use while the other four were incomplete, and the respective contractors had abandoned site.</p> <p>In the circumstances, value of money was not obtained from the projects.</p>			
6	<p>Disbursements to secondary school</p> <p>The statement of receipts and payments and as disclosed in Note 6 reflects expenditure of Kshs.99,770,000 which includes amounts of Kshs.62,500,000 in respect to secondary schools. However, review project expenditure records and physical verification in the month of March 2023 of eight (5) projects allocated a total cost of Kshs.15,600,000 revealed the following shortcomings, procurement documents including inspection and acceptance committee reports , project BQ, contract agreement, tender opening register, PMC bank statements were not provided for audit review.</p> <p>In addition, out of the 5 projects, only one (Shinamwenyuli Secondary School) was complete and in use while the other four were incomplete, and the respective contractors had abandoned site.</p> <p>In the circumstances, value of money was not obtained from the projects.</p>	<p>We have attached procurement records containing; Bills of Quantities, Tender documents, Bank statement indicating how much has been paid to the contractor and the PMC bank balance.</p>	Not Resolved	

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 Name: Julius E. Oketch
 Fund Account Manager.

