

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 10 AUG 2023

**OF**

TABLED  
BY:

CLERK AT  
THE TABLE:

Titus

Hon Owen Bayo, MP  
Deputy ~~Major~~ Leader, majority  
Bertrude Chebet

**THE AUDITOR-GENERAL**

**ON**

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

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



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**BUTULA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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

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**I. Key Constituency Information and Management**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable 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 Butula Constituency NGCDF day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Peter O.Ochokolo
2.	Sub-County Accountant	Lilian Amusolo
3.	Chairman NGCDFC	Leonard Nakhungu
4.	Member NGCDFC	Godliver Okumu

**(d) Fiduciary Oversight Arrangements**

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

**(e) Butula Constituency NGCDF Headquarters**

P.O. Box 53-50405  
NGCDF Building  
Bumala Ejinja Road  
Butula, KENYA

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

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**(f) Butula Constituency NGCDF Contacts**

Telephone: (254) 726269213  
E-mail: [cdfbutula@ngcdf.go.ke](mailto:cdfbutula@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Butula Constituency NGCDF Bankers**

National Bank (specify the constituency account banker details)  
ACCOUNT NO: 01021037115600  
Busia Branch  
P.o Box  
Busia

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

II. NG-CDFC Chairman's Report



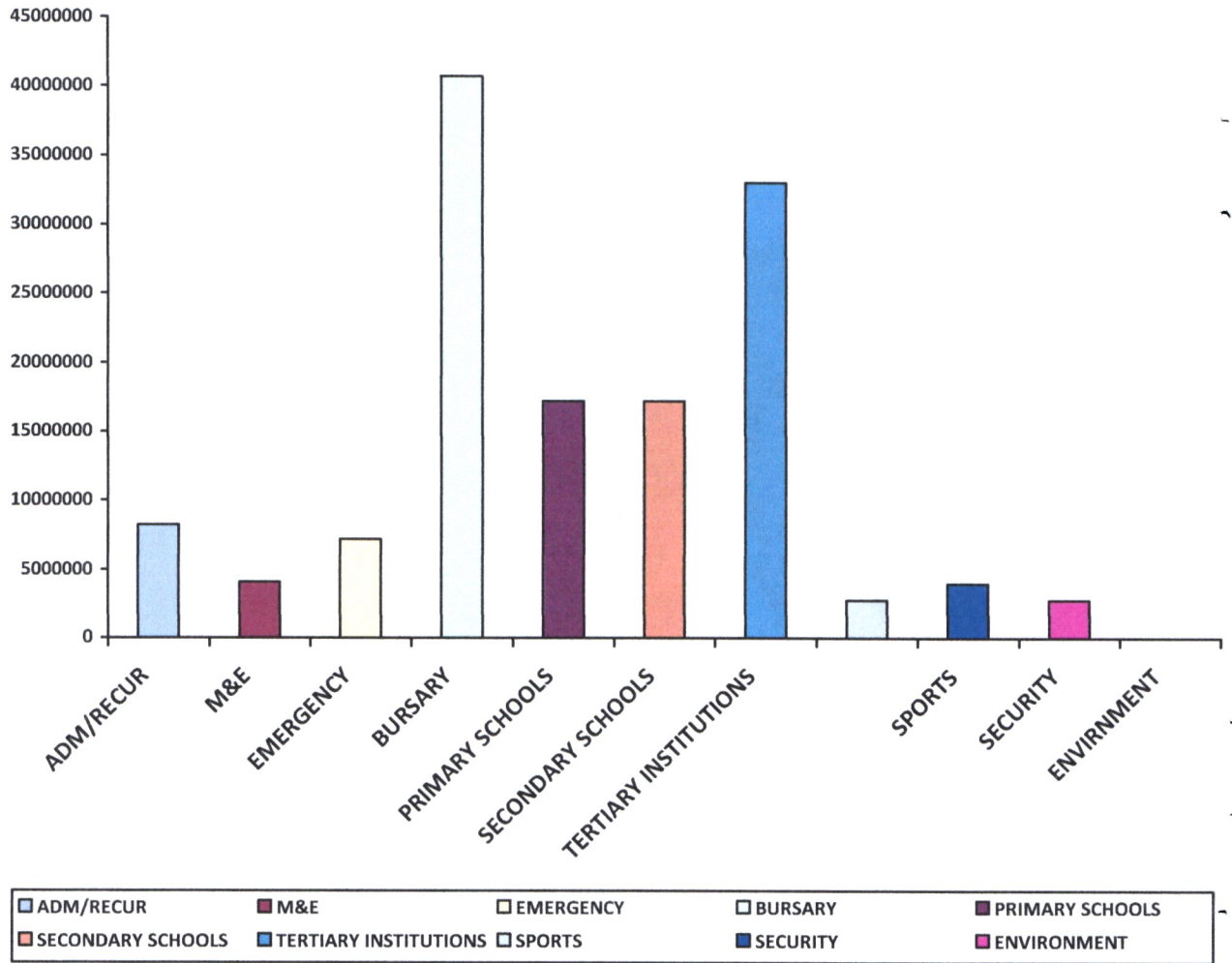
**LEONARD O. NAKHUNGU  
BUTULA NGCDFC CHAIRMAN**

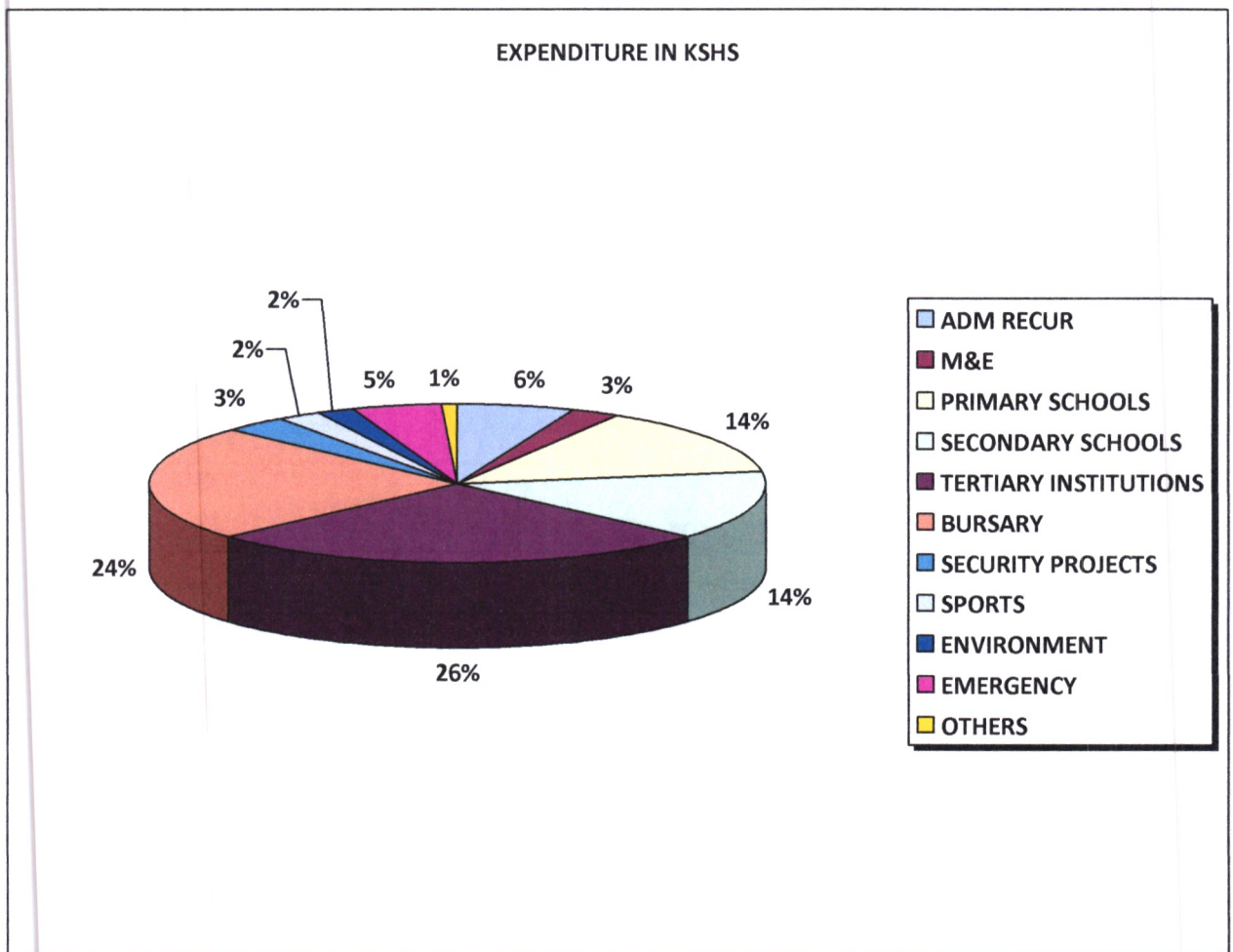
*Include among others the following:*

This is a true reflection of Butula NGCDFC budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructure within the constituency which is evident from the Transfers to Other Government Entities and Other Grants and Transfers.

Budget performance against actual amounts for current year based on economic classification and programmes of **kshs 198,665,958** inclusive of AIA of **kshs 131,000** as below

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





The Fund has also been an enabler in the achievement of the Big IV Agenda in the following categories:

- Universal Health Care - Sponsorship of Medical Students in Universities and Colleges and allocation of Funds towards construction of Butula KMTC
- Manufacturing – Sponsorship of Students undertaking Technical Courses, Initiation of Butula Technical Training Institute.
- Food Security – Spurring the local economy hence enabling the local community, largely made up of subsistence farmers, afford farm inputs.
- Security-Construction of Police Station, Chief’s Office and Deputy Commissioner Residence.

In the year 2021-2022 we managed to complete number of constructions in various institutions as illustration of some of the Projects implemented and completed in FY 2021/2022



**A NEW 2NO.CLASSROOMS AT BUJUMBA PRIMARY SCHOOL  
(CONSTRUCTION OF 2NO CLASSROOM TO COMPLETION)**



**NEW MARACHI WEST ASSISTANT COUNTY COMMISSIONER OFFICE  
(CONSTRUCTION OF A 2 STOREY BUILDING COMPRISING OF AN ADMINISTRATION BLOCK  
OF 6 OFFICES AND A HALL TO COMPLETION)**

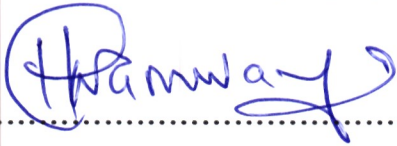
**Challenges**

- Inadequate funding.
- Frequent personnel changes in management leading to interruption of work during the transitions.

Delays in disbursement of Funds hence affecting timely Project implementation

**Recommendations**

- Increase in allocation of Funds in order to meet the needs of the Constituents at a wider level.
- Capacity building of local stakeholders in order to improve management of the Fund.
- Continuous monitoring of projects.



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**Name-HEZRON N.ODONGO  
CHAIRMAN NGCDF COMMITTEE**

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

#### Introduction

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

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

- a) Increasing disposable income within the community
- b) Eco – friendly project implementation
- c) Improvement of marketing systems
- d) Improvement of education and access to training

#### 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 21/22 -we increased number of classrooms, Dining Hall etc from 5no Classrooms to 8no Classrooms in the following schools; Isongo Primary School 2no Classrooms, Bujumba Primary School 2no Classrooms, Simuli Sec School 2no Classrooms, Madola Sec School 1no Classroom, Bulwani Sec School 1no Classroom and Modern Dining Hall at Masebula Sec School

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

Security	To have Security Infrastructure in Every Ward	Reduce number of crime cases	Improve insecurity in the Constituency	In FY 21/22 We Completed Modern Police Station
Environment	To have almost all schools with modern Biodigestor Toilets	Reduce number of emergencies arising from collapsed pitlatrines	Improve Sanitation in various Schools within the Constituency	In FY 21/22 We increased number of modern Bio digester Toilets from two to four in the following schools;Butula Boys High School,Bumala AC Sec School, Busiada Girls Sec School and Buhuyu Sec School
Sports	To enhance development of co curriculum activities in the constituency	-Nurturing of talents among the youth	-Decreased level of idleness among the youth especially during the holidays - Encourage and motivate the youth	In FY 21/22 we organized constituency sports tournaments for primary and secondary schools teams & purchased sports kits,
Emergency	To have almost all schools with modern Pitlatrines	Reduce number of emergencies arising from collapsed pitlatrines	Improve Sanitation in various Schools within the Constituency	In FY 21/22 we constructed several toilets in various schools that had been warned by the public health and the ones that had insufficient sanitation facilities

#### **IV. Environmental and Sustainability Reporting**

BUTULA 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 BUTULA NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** BUTULA 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.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Xxx 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. Butula 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-**

BUTULA 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.

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-**

Butula 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.

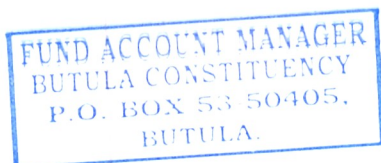
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



*Pmk*

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Name-Peter O.Ochokolo

FAM

## **V. Statement of Management Responsibilities**

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

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

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

**Butula Constituency**

**National Government Constituencies Development Fund (NGCDF)**

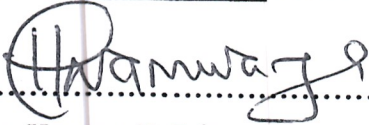
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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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- Butula Constituency financial statements were approved and signed by the Accounting Officer on 6<sup>th</sup> June 2023.



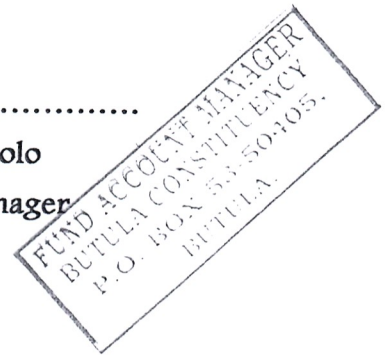
Name: Hezron N. Odongo

Chairman – NGCDF Committee



Name: Peter O. Ochokolo

Finance Account Manager



# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and 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 purposes.
- 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 under 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 the National Government Constituencies Development Fund – Butula Constituency set out on pages 1 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2022, statement of

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*Report of the Auditor-General on National Government Constituencies Development Fund – Butula Constituency for the year ended 30 June, 2022*

receipts and payments, statement of cash flows and a 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 the National Government Constituencies Development Fund – Butula Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

## **Basis for Qualified Opinion**

### **1. Variances between the Financial Statements and Supporting Schedules**

The financial statements reflects six (6) items with balances which are at variances with the amounts shown in supporting schedules as shown below.

<b>Component</b>	<b>Amount in the Financial Statements (Kshs.)</b>	<b>Amount in the Supporting Schedules (Kshs.)</b>	<b>Variance (Kshs.)</b>
Use of Goods and Services	9,347,759	10,602,878	(1,255,119)
Transfers to Primary schools – Note 6	21,669,800	22,660,800	(991,000)
Sports projects – Note 7	5,347,496	5,483,313	(135,817)
Bursaries to Secondary Schools – Note 7	30,333,607	29,495,607	838,000
Emergency Projects – Note 7	9,907,996	9,907,550	446
Gratuity held and paid during the year – Note 12B	728,093	933,697	(205,604)

In the circumstances, the accuracy and completeness of the respective balances could not be confirmed.

### **2. Inaccuracies in the Statement of Assets and Liabilities**

The statement of assets and liabilities reflects net financial assets of Kshs.29,801,053 and net financial position of Kshs.30,150,158 resulting in an unexplained variance of Kshs.349,105.

In the circumstances, the accuracy and completeness of the statement of assets and liabilities for the year ended 30 June, 2022 could not be confirmed.

### **3. Unsupported Bursaries**

The statement of receipts and payments reflects an amount of Kshs.78,620,066 in respect of other grants and transfers which, as disclosed in Note 7 to the financial

statements, includes Kshs.16,392,300 being disbursement of bursaries to tertiary institutions, out of which, Kshs.4,714,000 was disbursed as bursaries to students of Masinde Muliro University of Science and Technology – Butula Campus. However, evidence of advertisement or public notification for bursary application, list of all the applicants, list of qualifying applications, bursary committee vetting minutes, approval minutes, list of beneficiaries and list of rejected applications were not provided for audit.

In the circumstances, accuracy, completeness and propriety of the expenditure of Kshs.4,714,000 could not be confirmed.

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

### **Emphasis of Matter**

#### **Unsupported Project Management Committee (PMC) Bank Balances**

Note 17.4 to the financial statements reflects Project Management Committee (PMC) account balances totalling to Kshs.34,375,551 which, as disclosed in Annex 5, comprise of balances held by Project Management Committees in eighty-one (81) bank accounts. However, cash books, certificates of bank balance, bank statements and bank reconciliation statements from the Project Management Committees were not provided to support the balances.

In the circumstances, completeness and accountability of the funds totalling to Kshs.34,375,551 could not be confirmed.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects receipts budget and actual on comparable basis amounts of Kshs.242,765,416 and Kshs.228,685,116 respectively, resulting to under-funding of Kshs.14,080,300 or 6% of the budget. Similarly, the statement reflects actual expenditure of Kshs.198,534,958 against approved expenditure of Kshs.242,765,416 resulting to under-performance of Kshs.44,230,458 or 18% of the budget.

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

## **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. Project Implementation Status**

During the year under review, the Fund planned to implement seventy-three (73) projects valued at Kshs.127,019,363. However, as at 30 June, 2022, fifty (50), or 68% of the projects valued at Kshs.67,812,943 had been completed while twenty-three (23) or 32% of the projects valued at Kshs.59,205,734 were still on-going.

In the circumstances, value for money was not obtained from the 23 projects which were still on-going.

### **2. Failure to Submit Quarterly Reports on Project Management Committee (PMC) Bank Accounts**

The Fund Management did not provide quarterly reports on status of the Project Management Committee accounts. This is contrary to Section 15(10) of the National Government Constituencies Development Fund Regulations, 2016, which requires the Officer of the Board seconded to the Constituency to keep a record of the bank accounts opened by a Project Management Committee and to table a quarterly report to a Constituency Committee on the status of the Project Management Committee accounts.

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

### **3. Broken Down but Serviceable Grader**

Annex 4 to the financial statements on summary of assets register reflects assets worth Kshs.32,340,686 which includes transport equipment worth Kshs.24,855,520. Included in the transport equipment is a grader purchased in 2009 at a cost of Kshs.18,005,520. Physical inspection carried out during the audit revealed that the grader had broken down and was lying at the offices of Butula Sub-County Commissioner. Though the asset register indicates that the grader is serviceable, service logbook (GP55), ownership logbook, mechanical inspections reports, or bonding documents were not provided for audit.

In the circumstances, value for money was not obtained from the broken-down grader.

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, except for the matter described in the Basis for Conclusion in Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Lack of Internal Audit Reports**

The Fund did not provide internal audit reports for audit from the internal audit department charged with the responsibility of auditing and giving reasonable assurance on financial matters and transactions of the Fund during the year under review.

In the circumstances, the effectiveness of the financial and non-financial performance management systems of the Fund could not be confirmed.

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 processes and systems of internal controls, 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 overall 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 its operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 Fund's policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 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

12 July, 2023

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


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

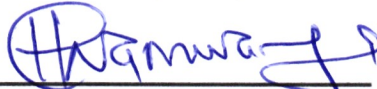
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	176,777,758	174,267,724
Proceeds From Sale of Assets	2		
Other Receipts	3	65,000	131,000
<b>Total Receipts</b>		<b>176,842,758</b>	<b>174,398,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,469,063	3,139,433
Use Of Goods and Services	5	9,347,759	8,353,828
Transfers To Other Government Units	6	105,958,170	53,828,132
Other Grants and Transfers	7	78,620,066	60,256,248
Acquisition Of Assets	8		7,363,995
Other Payments	9	1,139,900	11,500,000
<b>Total Payments</b>		<b>198,534,958</b>	<b>144,441,636</b>
<b>Surplus/(Deficit)</b>		<b>(21,692,200)</b>	<b>29,957,088</b>

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

The Constituency financial statements were approved on 6<sup>th</sup> June 2023 and signed by:

  
 \_\_\_\_\_  
 Fund Account Manager

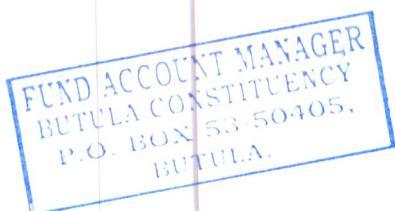
  
 \_\_\_\_\_  
 National Sub-County  
 Accountant

  
 \_\_\_\_\_  
 Chairman NG-CDF  
 Committee

Name: PETER OCHUKOKO

Name: ZIPPORAH N. KEBENA  
 ICPAK M/No: 25369

Name: HERON NAMWATA  
ODONGO



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

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

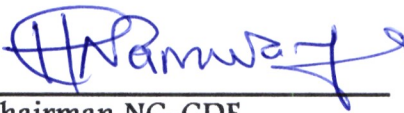
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	30,150,158	51,842,358
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>30,150,158</b>	<b>51,842,358</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>30,150,158</b>	<b>51,842,358</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A		
Gratuity	12B	(349,104)	
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b>29,801,053</b>	<b>51,842,358</b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	51,842,358	21,885,270
Prior Year Adjustments	14		
Surplus/Deficit for The Year		(21,692,200)	
<b>Net Financial Position</b>		<b>30,150,158</b>	<b>29,957,088</b>

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

The Constituency financial statements were approved on 6<sup>th</sup> June 2023 and signed by:

  
 Fund Account Manager

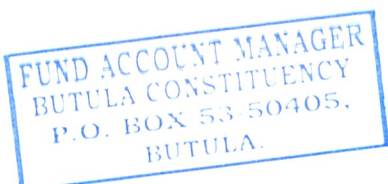
  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: PETER OCHOKOLA

Name: ZIPPORAH N. KIBENA  
 ICPAK M/No: 25369

Name: HERON NANYWAYA  
ONONGO





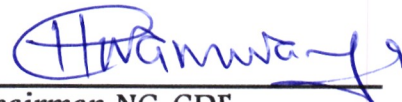
**Butula Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	176,777,758	174,267,724
Other Receipts	3	65,000	131,000
<b>Total Receipts</b>		<b>176,842,758</b>	<b>174,398,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,469,063	3,139,433
Use Of Goods and Services	5	9,347,759	8,353,828
Transfers To Other Government Units	6	105,958,170	53,828,132
Other Grants and Transfers	7	78,620,066	60,256,248
Other Payments	9		11,500,000
<b>Total Payments</b>		<b>197,395,058</b>	<b>137,077,641</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15		
Increase/(Decrease) In Accounts Payable	16		
Prior Year Adjustments	14		
<b>Net Cash Flow from Operating Activities</b>		<b>(20,552,300)</b>	<b>37,321,083</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	8	(1,139,900)	(7,363,995)
<b>Net Cash Flows from Investing Activities</b>		<b>(1,139,900)</b>	<b>(7,363,995)</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>(21,692,200)</b>	<b>29,957,088</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	10	<b>51,842,358</b>	<b>21,885,270</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	10	<b>30,150,158</b>	<b>51,842,358</b>

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

The Constituency financial statements were approved on 6<sup>TH</sup> JUNE 2023 and signed by:

		
<b>Fund Account Manager</b>	<b>National Sub-County Accountant</b>	<b>Chairman NG-CDF Committee</b>
Name: <b>PETER OCHUKOLO</b>	Name: <b>ZIPPORAH N. KEBENA</b> ICPAK M/No: <b>25369</b>	Name: <b>HEZRON WAMWAYA</b> <b>DAONGO</b>

**FUND ACCOUNT MANAGER**  
**BUTULA CONSTITUENCY**  
**P.O. BOX 53-50405,**  
**BUTULA.**

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

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference	% of Utilization
		A	B				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	137,088,879	51,842,358	53,769,179	242,700,416	228,620,116	14,080,300	0.94
Proceeds From Sale of Assets				0	0	0	0.00
Other Receipts		65,000		65,000	65,000	0	1.00
<b>Totals</b>	<b>137,088,879</b>	<b>51,907,358</b>	<b>53,769,179</b>	<b>242,765,416</b>	<b>228,685,116</b>	<b>14,080,300</b>	<b>0.94</b>
<b>Payments</b>							
Compensation Of Employees	5,400,000	0	2,320,636	7,720,636	3,469,063	4,251,573	0.8
Use Of Goods and Services	6,932,666	2,042,607		8,975,273	9,347,759	-372,486	1.0
Transfers To Other Government Units	67,400,000	36,500,000	9,088,370	112,988,370	105,958,170	7,030,200	0.7
Other Grants and Transfers	57,356,213	9,612,497	42,360,173	109,328,883	78,620,066	30,708,817	0.6
Acquisition Of Assets		136,005		136,005		136,005	0.0
Other Payments		3,485,270		3,485,270	1,139,900	2,345,370	0.3
Funds Pending Approval**		131,000		131,000		65,000	0.0
<b>Totals</b>	<b>137,088,879</b>	<b>51,907,379</b>	<b>53,769,179</b>	<b>242,765,437</b>	<b>198,534,958</b>	<b>44,164,479</b>	<b>0.8</b>

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

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

All items were spent above 90% as **only Kshs. 171,342,758 million** representing **92.2%** had been received by the end of the financial year. The expenditure against available funds was **kshs, 198,534,958** representing **115.2%**. The budget had few conditional-approval items which were responded during the year.

(ii.) Transfers to other Government units and other grants and transfers part of the funds had not been disbursed by NGCDF BOARD as at 30<sup>th</sup> June, 2022,

(b) The changes between the original and final budget are as a result of funds balance carried forward and previous funds received in the current financial year from the Board and bank balance. The NGCDF-Butula Constituency financial statements were approved on 6<sup>th</sup> June 2023 and Signed by

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	44,164,479
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(14,014,321)
Add Accounts payable	30,150,158
Less Accounts Receivable	0
Add/ Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	<b>30,150,158</b>

The Constituency financial statements were approved on 6<sup>th</sup> June 2023 and signed by:

*Peter Ochoro*

Fund Account Manager

*[Signature]*

National Sub-County Accountant

*[Signature]*

Chairman NG-CDF Committee

Name: **PETER OCHORO**

Name: **ZIPPORAH N. KEBENA**  
ICPAK M/No: **25369**

Name: **HEZRON NANNWATA ENONJO**

FUND ACCOUNT MANAGER  
BUTULA CONSTITUENCY  
P.O. BOX 53-50405,  
BUTULA.

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>1.0 Administration and Recurrent</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
1.1 Compensation of employees	5,400,000		2,320,636	7,720,636	3,469,063	4,251,573
1.2 Committee allowances	1,400,000	861,357		2,261,357	2,003,000	258,357
1.3 Use of goods and services	1,420,000	1,553,751		2,973,751	2,715,966	257,785
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,680,000	-778,358		901,642	1,314,241	-412,599
2.2 Committee allowances	1,400,000	39,807		1,439,807	430,607	1,009,200
2.3 Use of goods and services	1,032,666	366,080		1,398,746	2,883,945	-1,485,199
<b>3.0 Emergency</b>	<b>7,192,207</b>	<b>-372,471</b>		<b>3,740,195</b>	<b>4,628,793</b>	<b>-888,598</b>
3.1 Primary Schools						
3.1.0 Bukhakhala Pri School					300,000	
3.1.1 Bumutiru RC Pri School					300,000	
3.1.2 Bumutiru AC Pri School					300,000	

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.1.3 Sibembe Pri School					300,000	
3.1.4 Saka Pri School					300,000	
3.1.5 Busiada Pri School					300,000	
3.1.6 Musibiriri Pri School					300,000	
3.1.7 Sikoma Pri School					300,000	
3.1.8 Igula Pri School					700,000	
3.1.9 Dadira Pri School					600,000	
3.1.10 Buriya Pri School					400,000	
3.1.11 Burinda Pri School					400,000	
3.1.12 Bumala AC Pri School					600,000	
3.1.13 Bulwani Sec School					700,000	
3.1.14 Bumala B Pri School					400,000	
3.1.15 Sikura Pri School					400,000	
3.1.16 Lugulu AC Primary School					700,000	
3.2 Secondary schools						
3.2.0 St.Claire Butula Girls Sec Sch					1,600,000	
3.2.1 Namwitsula Sec School					800,000	
3.3 Tertiary institutions						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.4 Security projects						
3.4.0 Oteno Amisi and Advocate					207,550	
5.4.1.KRA					446	
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	25,000,000	2,921,717	4,564,181	32,485,898	30,333,607	2,152,291
4.3 Tertiary Institutions/Universities	14,460,934	745,819	21,645,572	36,852,325	16,392,300	20,460,025
4.4 Special Schools	1,220,000			1,220,000	350,000	870,000
4.5 Social Security						
<b>5.0 Sports</b>	2,741,537	1,606,591	1,135,185	5,483,312	5,347,496	135,816
<b>6.0 Environment</b>						
6.1. St. Augustine Butunyi Boys Pri School			200,000	200,000		200,000
6.2. Bumala A.C Sec Sch	400,000			400,000	400,000	
6.3. Butula Boys High School	400,000			400,000	400,000	
6.4. Busiada Girl's Sec Sch	400,000			400,000	400,000	
6.5. Buhuyi Secondary School	1,200,000			1,200,000	1,200,000	
6.6. Mungabo Primary School	57,006			57,006		57,006

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.7.Esibembe Sec School	57,006			57,006		57,006
6.8.Simuli primary school	57,006			57,006		57,006
6.9.Namwitsula secondary school	57,006			57,006		57,006
6.10.Masebula Sec School	56,756			56,756		56,756
6.11.KMTC Butula Campus	56,756			56,756		56,756
6.12.NGCDF Office		147,300		147,300		147,300
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1.Buduma Primary School.	1,200,000			1,200,000	1,200,000	
7.2.Namwitsula Pri School.	200,000	425,000		625,000	200,000	425,000
7.3.Bumutiru AC Pri School	1,200,000			1,200,000	1,200,000	
7.4.Busibi Primary School.	500,000			500,000	500,000	
7.5.Bukhakhala Pri School.	1,700,000			1,700,000	1,700,000	
7.6.Bujumba Pri School.	2,200,000			2,200,000	2,200,000	
7.7.Tingolo Pri School	1,200,000			1,200,000	1,200,000	
7.8.Burinda Pri School	600,000			600,000		600,000
7.9.Bumutiru RC Pri School	1,200,000			1,200,000	1,200,000	
7.10.Esibembe Primary School	1,200,000			1,200,000	1,200,000	
7.11.Bumala AC Pri School	1,300,000			1,300,000	1,300,000	

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.12. Bumala AC Pri School.	1,200,000			1,200,000	1,200,000	
7.13. Busibula Pri School.	1,300,000			1,300,000	1,300,000	
7.14. Isongo Pri School	2,200,000			2,200,000	2,200,000	
7.15. Lugulu AC Primary School		475,000		475,000	475,000	
7.16. Butunyi Primary School		425,000		425,000	423,300	1,700
7.17. Bukhalalire Primary School		450,000		450,000	448,200	1,800
7.18. Elukhari Primary School		425,000		425,000	423,300	1,700
7.19. Bumutiru RC Pri School		425,000		425,000	425,000	
7.20. Masendebale Primary School		425,000		425,000	425,000	
7.21. Buhuyi Primary School		475,000		475,000	475,000	
7.22. Burinda Primary School		225,000		225,000	225,000	
7.23. Bujumba Pri School.		450,000		450,000	450,000	
7.24. Masebula Pri School		400,000		400,000	400,000	
7.25. Bukhuma Pri School		475,000		475,000	475,000	
7.26. Siribo Pri School		425,000		425,000	425,000	
7.27. Eluche Primary School			2,000,000	2,000,000		2,000,000
<b>8.0 Secondary Schools Projects (List all)</b>						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>the Projects)</b>						
Buhuyi Secondary School	3,000,000			3,000,000	3,000,000	
Simuli Secondary School	2,200,000		1,000,000	3,200,000	3,200,000	
Simuli Secondary School	1,300,000			1,300,000	1,300,000	
Madola Sec School	1,100,000			1,100,000	1,100,000	
Bulwani Sec School	300,000			300,000	300,000	
Bulwani Sec School	1,100,000			1,100,000	1,100,000	
Bulwani Sec School	600,000			600,000	600,000	
Masebula Sec School	5,000,000			5,000,000	5,000,000	
Buriya Sec School	300,000			300,000	300,000	
Buriya Sec School	1,200,000			1,200,000	1,200,000	
Kingandole Sec School	600,000	2,000,000	1,000,000	3,600,000	2,600,000	1,000,000
Bujumba Girls Sec School	500,000			500,000	500,000	
Ikonzo Sec School			250,000	250,000	250,000	
Bumutiru Sec School			298,650	298,650	298,650	
Mungabo Sec School			539,720	539,720	539,720	
Namwitsula Sec School			1,000,000	1,000,000	1,000,000	
Lugulu AC Sec School			3,000,000	3,000,000	3,000,000	
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1 BENGA TTI	10,000,000	12,000,000		22,000,000	22,000,000	
9.2.KMTC Butula Campus	23,000,000	17,000,000		40,000,000	40,000,000	
<b>10.0 Security Projects</b>						
Butula Police Station	1,000,000			1,000,000	1,000,000	
DCC Residence	3,000,000			3,000,000	3,000,000	
Butula Police Station			614,183	614,183	614,183	
Burinda Chief Camp			9,774,484	9,774,484	9,274,484	500,000
Tingolo Police Station			4,426,568	4,426,568		4,426,568
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)						
11.2 Purchase of furniture and equipment		136,005		136,005		136,005
11.3 Purchase of computers						
11.4 Purchase of land						
<b>12.0 Others</b> (NGCDF of CDF office)		1,250,000		1,250,000	1,139,900	110,100
12.1 Strategic Plan						
12.2 Innovation Hub		1,747,417	487,854	2,235,271		2,235,271
Funds pending approval**		<b>131,000</b>		<b>131,000</b>		<b>65,000</b>
<b>Total</b>	<b>137,088,879</b>	<b>51,907,379</b>	<b>53,769,179</b>	<b>242,765,437</b>	<b>197,395,058</b>	<b>44,164,479</b>

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

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

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

***Significant Accounting Policies continued***

**6. Cash and Cash Equivalents.**

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

***Significant Accounting Policies continued***

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

**Butula Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022****XII. Notes to the Financial Statements****1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.B096869		5,000,000
AIE NO.B104778		64,367,724
AIE NO.B105000		9,000,000
AIE NO.B124907		12,000,000
AIE NO.B119762		15,000,000
AIE NO.B128053		6,900,000
AIE NO.B128363		8,000,000
AIE NO.B132108		6,000,000
AIE NO.B138776		15,000,000
AIE NO.B126071		6,000,000
AIE NO.B126361		10,000,000
AIE NO.B105160		2,000,000
AIE NO.B140507		15,000,000
AIE NO B140854	33,188,879	
AIE NO B105420	68,000,000	
AIE NO B105971	10,000,000	
AIE NO B132463	16,000,000	
AIE NO B128778	26,000,000	
AIE NO B154379	17,088,879	
AIE NO B155928	1,000,000	
AIE NO A895045	5,500,000	
TOTAL	176,777,758	174,267,724

**Butula Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**Notes To the Financial Statements (Continued)**

**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
<b>Total</b>		

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	65,000	131,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
<b>Total</b>	<b>65,000</b>	<b>131,000</b>

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,795,250	2,021,862
Personal allowances paid as part of salary		
House Allowance	320,000	240,000
Transport Allowance	400,000	192,000
Leave allowance		
Gratuity to contractual employees	728,093	494,195
Employer Contributions Compulsory national social security schemes	225,720	191,376
<b>Total</b>	<b>3,469,063</b>	<b>3,139,433</b>

**Butula Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**  
**Notes To the Financial Statements (Continued)**

**5. Use Of Goods and Services**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		89,580
Electricity	33,383	30,872
Water & sewerage charges	1,150	17,400
Office rent	—	
Communication, supplies and services	486,586	624,404
Domestic travel and subsistence	2,673,140	222,800
Printing, advertising and information supplies & services	395,220	
Rentals of produced assets		
Training expenses	1,314,241	2,774,200
Hospitality supplies and services	686,260	196,380
Other committee expenses	430,607	1,280,000
Committee allowance	2,003,000	1,811,690
Insurance costs		
Specialised materials and services	2,000	
Office and general supplies and services	256,779	809,290
Fuel , oil & lubricants	671,829	200,000
Other operating expenses	62,500	231,202
Bank service commission and charges	20,000	
Other Operating Expenses		
Security operations		66,010
Routine maintenance - vehicles and other transport equipment	266,065	
Routine maintenance- other assets	45,000	
<b>Total</b>	<b>9,347,759</b>	<b>8,353,828</b>

**6. Transfer To Other Government Units**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	21,669,800	14,571,000
Transfers To Secondary Schools (See Attached List)	22,288,370	20,257,132
Transfers To Tertiary Institutions (See Attached List)	62,000,000	19,000,000
<b>Total</b>	<b>105,958,170</b>	<b>53,828,132</b>

**Butula Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022****Notes To the Financial Statements (Continued)****7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,333,607	23,510,699
Bursary – tertiary institutions (see attached list)	16,392,300	11,381,050
Bursary – special schools (see attached list)	350,000	
Mock & CAT (see attached list)		
Social Security programmes (NHIF)		
Security projects (see attached list)	13,888,667	8,537,199
Sports projects (see attached list)	5,347,496	2,747,300
Environment projects (see attached list)	2,400,000	4,800,000
Emergency projects (see attached list)	9,907,996	9,280,000
<b>Total</b>	<b>78,620,066</b>	<b>60,256,248</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	6,500,000
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	863,995
Acquisition of Land	-	-
Other Payments	-	-
REA	-	5,000,000
GIS	-	6,500,000
	-	-
<b>Total</b>		<b>11,500,000</b>

**Notes To the Financial Statements (Continued)**

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDF Office	1,139,900	
ICT Hub		
<b>Total</b>	<b>1,139,900</b>	

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank,. National Bank of Kenya Butula NGCDF Account No01021037115600</i>	30,150,158	51,842,358
<b>Total</b>	<b>30,150,158</b>	<b>51,842,358</b>
<b>10 B: Cash on Hand</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>Specify</i> )		
<b>Total</b>		

**11: Outstanding Imprests**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	dd/mm/yy			
<i>Name of Officer</i>	dd/mm/yy			
<i>Name of Officer</i>	dd/mm/yy			
<i>Name of Officer</i>	dd/mm/yy			
<i>Name of Officer</i>	dd/mm/yy			
<i>Name of Officer</i>	dd/mm/yy			
<b>Total</b>				

**Notes to the Financial Statement Continued**

**12A. Retention**

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

**12B. Gratuity**

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	349,104	
Gratuity held during the year (B)	728,093	349,104
Gratuity paid during the Year (C)	728,093	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	<b>349,104</b>	<b>349,104</b>

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	51,842,358	21,885,270
Cash in hand		
Imprest		
Total	<b>51,842,358</b>	<b>21,885,270</b>

**Notes To the Financial Statements (Continued)**

**14. Prior Year Adjustments**

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

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

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

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

**16. Changes in Accounts Payable – Deposits and Retentions**

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

**Butula Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**Notes to the Financial Statements (Continued)**

**17. Other Important Disclosures**

**17.1: Pending Accounts Payable (See Annex 1)**

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
<b>Total</b>		

**17.2: Pending Staff Payables (See Annex 2)**

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	349,104	349,104
Others ( <i>specify</i> )		
<b>Total</b>	<b>349,104</b>	<b>349,104</b>

**17.3: Unutilized Fund (See Annex 3)**

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	4,251,573	2,320,636
Use of goods and services	(372,486)	2,042,607
Amounts due to other Government entities (see attached list)	7,030,200	33,088,400
Amounts due to other grants and other transfers (see attached list)	30,708,817	64,472,670
Acquisition of assets	136,005	136,005
Other Payments	2,345,370	3,485,270
Funds pending approval	65,000	131,000
<b>Total</b>	<b>44,164,479</b>	<b>105,676,588</b>

***Butula Constituency***

***National Government Constituencies Development Fund (NGCDF)***

***Annual Report and Financial Statements for The Year Ended June 30, 2022***

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**17.4: PMC account balances (See Annex 5)**

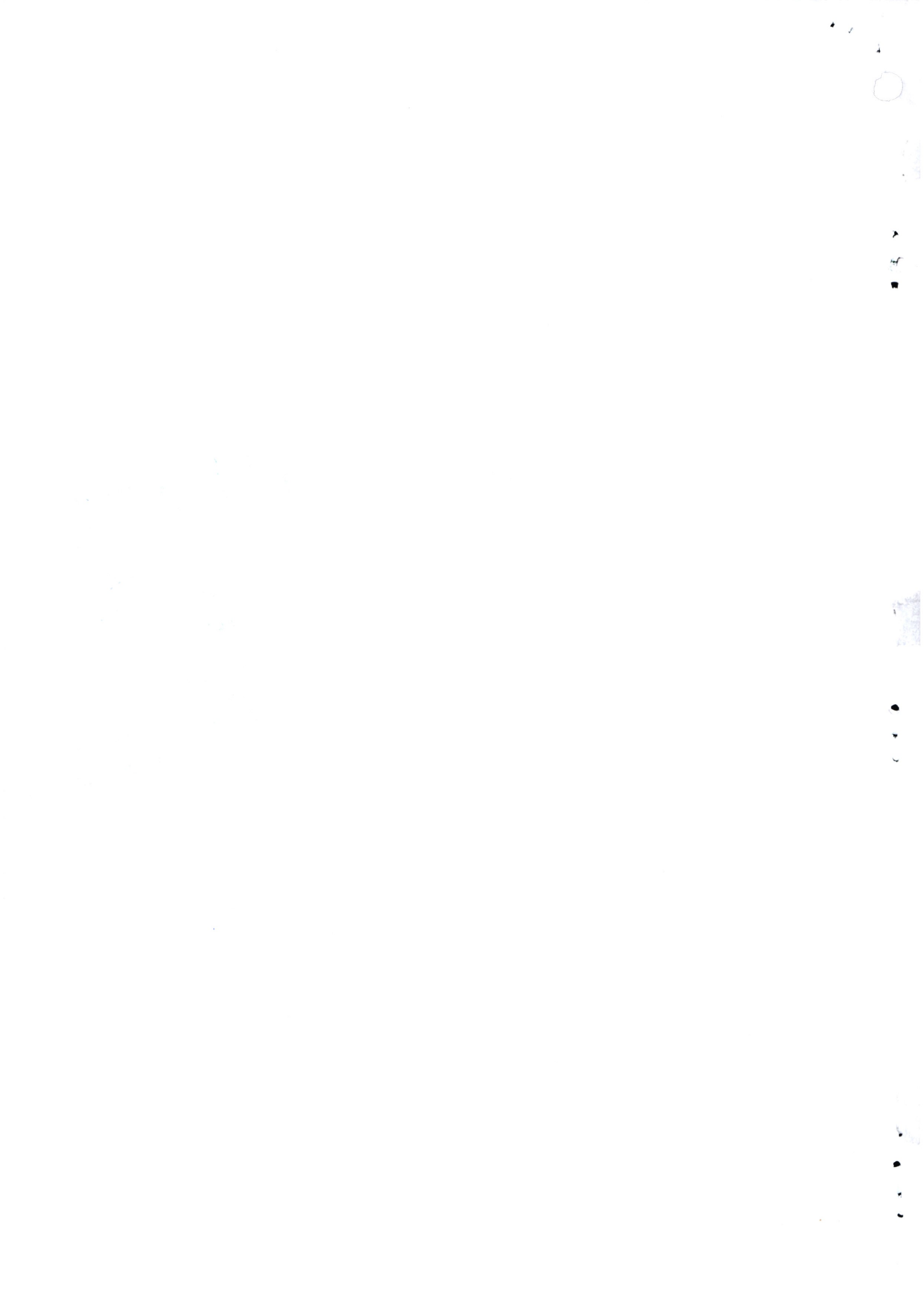
	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	34,375,551	34,058,786
<b>Total</b>	<b>34,375,551</b>	<b>34,058,786</b>

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

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	Strategic Plan	1,264,730	1,199,313	65,417	
5	Included in the Use of Goods and services is Other Committee Expenses of Ksh 1,280,000. During the Audit exercise it was noted that the management paid Ksh 250,000 on 4 <sup>th</sup> January 2021 being allowances during stakeholders meeting, lunch and soft drinks However minutes for the meeting were not attached and daily program and venue where the meetings were held were not provided.		It is noted and the meeting took place to familiarize the new Fund Account Manager and claims of NGCDFC Members during Bursary Process and Stake holders processes	Resolved	31 <sup>st</sup> July, 2022
6	The audit was unable to establish source of financial figures because the management did not provide the trial balance which was supposed to show all the ledger balances for the financial statement.		It's noted that the Trial balance was not annexed to the final financial statements	Resolved	31 <sup>st</sup> July, 2022
7	1. Scrutiny of the item of Compensation for employees as disclosed in the statement of receipts and payments revealed that there was a significant variance between the figures reported in 2020/2021 financial statement and in the lead schedule as shown below.		It is noted and same figures has been corrected	Resolved	31 <sup>st</sup> July, 2022
	<b>Item</b>	<b>Financial Statement 2020-2021 (Kshs)</b>	<b>Lead Schedule (Kshs)</b>	<b>Variance</b>	
	Compensation for employees	3,488,537	3,139,433	349,104	

**Peter O. Ochokolo**  
Fund Account Manager.

**FUND ACCOUNT MANAGER  
BUTULA CONSTITUENCY  
P.O. BOX 53 50405.  
BUTULA.**



**Butula Constituency  
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**Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1. Julius Barasa Obatsa	Accounts Assistant	04.01.2022	46,128	
2. Mercy Anyango Khambula	Records Management Officer	04.01.2022	45,871	
3. Dennis Ochieng Okinda	Clerks Of Works	04.01.2022	42,408	
4. Euphemia Omondi	Clerical Officer	04.01.2022	45,871	
5. Linet Awour Maende	Secretary	04.01.2022	20,088	
6. Michael Obunde Wafula	Procurement Officer	04.02.2022	15,190	
7. Justus Tiedora Ochieng	Security Officer	04.01.2022	14,508	
8. Michael Eliud Mula	Security Officer	04.01.2022	14,508	
9. Philip Odanga Musundi	Security Officer	04.01.2022	14,508	
10. Michael Ouma	GroundsMan	01.12.2021	29,016	
11. Charles Makokha Muyodi	Driver	04.01.2022	23,808	
12. Saibu Okombo Ochieng	Support Staff	04.02.2022	23,250	
13. Patrick Mududa Ochieng	Assistant Clerks of Works	04.02.2022	13,950	
<b>Sub-Total</b>				
<b>Grand Total</b>			<b>349,104</b>	

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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of Staff Salaries and allowances	4,251,573	2,320,636	
Use of goods & services	Purchase of fuel, printing, stationery, and Committee Allowance	(372,456)	2,024,607	
<b>Sub-Total</b>		<b>7,221,419</b>		
Amounts due to other Government entities			33,088,400	
Namwitsula Primary School	Purchase of desks	425,000		
Burinda Primary School	Tiling of 500 Classroom desks	600,000		
Lugulu AC Primary School	Purchase of desks	1,700		
Butunyi Primary School	Purchase of desks	1,800		
Bukhalalire Primary School	Purchase of desks	1,700		
Eluche Primary School	Purchase of land	2,000,000		
Kingandole Sec School	Completion Purchase of School Bus	1,000,000		
Lugulu AC Sec School	Construction of Administration Block	3,000,000		

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
<b>Sub-Total</b>		<b>7,030,200</b>		
Amounts due to other grants and other transfers			64,472,670	
Secondary Schools Bursary	Payment of Bursary to need Cases	2,152,291		
Tertiary Institutions Bursary	Payment of Bursary to need Cases	20,460,025		
Special Needs Bursary	Payment of Bursary to need Cases	870,000		
Emergency	Payment of Emergency cases	1,475,251		
Sports	Organize Constituency Tournament	135,816		
<b>Environment</b>				
St. Augustine Butunyi Boys Pri School	Water Harvesting by Putting Gutters	200,000		
Mungabo Primary School	Supply, Delivery, planting of 940 ovacado tree seedlings.	57,006		
Esibembe Sec School	Supply, Delivery, planting of 940 ovacado tree seedlings.	57,006		
Simuli primary school	Supply, Delivery, planting of 940 ovacado tree seedlings.	57,006		

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/22</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Namwitsula secondary school	Supply, Delive ry ,planting of 940 ovacado tree seedlings.	57,006		
Masebula Sec School	Supply,Delive ry ,planting of 940 ovacado tree seedlings.	56,756		
KMTC Butula Campus	Supply,Delive ry ,planting of 940 ovacado tree seedlings.	56,756		
NGCDF Office	Purchase of Water Tank	147,300		
Burinda Chief Camp	Construction of Administratio n Block	500,000		
Tingolo Police Station	Construction of Administratio n Block	4,426,568		
	<b>Sub-Total</b>	<b>22,140,364</b>		
Acquisition of assets			136,005	
Purchase of furniture and equipment	Purchase of Furniture	136,005		
Others ( <i>specify</i> )	Renovation of Office		3,485,270	
NGCDF Office		110,100		
ICT HUB	Putting of ICT Centre	2,235,270		
<b>Sub-Total</b>		<b>2,481,375</b>		

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/22</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Funds pending approval		65,000	131,000	
<b>Sub-Total</b>		<b>65,000</b>		
<b>Grand Total</b>		<b>44,164,479</b>	<b>105,676,588</b>	

**Butula Constituency**  
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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2020/21</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2021/22</b>
Land	250,000			250,000
Buildings and structures	4,200,654			4,200,654
Transport equipment	24,855,520			24,855,520
Office equipment, furniture and fittings	1,336,383			1,336,383
ICT Equipment, Software and Other ICT Assets	1,698,129			1,698,129
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>32,340,686</b>			<b>32,340,686</b>



**Butula Constituency**  
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PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Bwaliro Girls Sec School	NBK	1,022,226,015,701	14.07.2020	16,289	66,139
Tingolo Primary School PMC	NBK	1,022,237,185,000	08.06.2021	43,430	56,349
Masendebale Pri School	NBK	1,022,233,359,300	15.02.2021	6,562	96,562
Bishop Nicholas Stam Sikoma Mixed High School	NBK	1,022,234,832,900	19.03.2021	81,642	965,786
Magombe Pri School	NBK	1,022,232,802,300	01.03.2021	16	45
Kingandole Pri School	NBK	1,022,232,840,500	24.02.2021	98	31,216
Namwitsula Pri School	NBK	1,242,076,630,200	11.10.2011	54,138	305,698
Bukhakhala Primary School	NBK	1,022,036,864,900	15.10.2018	45,065	0
Bumutiru RC primary school	NBK	1,022,239,305,400	01.09.2021	350,050	0
Butula TVET NGCDF PMC	NBK	1,522,222,854,400	17.12.2019	469,200	0
Butula NC-CDF Office Project	NBK	1,071,211,914,100	23.10.2018	32,197	32,197
Bumala B secondary school	NBK	1,021,037,679,300	11.07.2011	47,893	0
Mauko DEB Pri School	NBK	1,022,226,881,400	11.07.2020	40,395	86,208
Butula Const Sports NGCDF PMC	NBK	1,071,216,963,300	09.10.2019	712,576	23,830
Elunyiko Primary School	NBK	1,022,232,951,900	21.01.2021	406	0
Elukhari Primary School	NBK	1,022,244,762,200	28.03.2022	1,320	0
Isongo Primary School	NBK	1,022,243,763,500	15.02.2022	61,700	0

**Butula Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Busibula Primary School	NBK	1,022,244,324,300	07.03.2022	2,715	0
Bumala AC Primary School	NBK	1,242,076,621,900	29.10.2021	91,299	0
A.C.Bulwani Secondary School	NBK	1,022,241,403,300	08.11.2021	600	0
Bujumba Girls Secondary School	NBK	1,022,246,817,200	17.06.2022	501,775	380
Buduma ACK Primary School	NBK	1,022,244,019,700	02.03.2022	127,500	0
Bujumba Primary School	NBK	1,022,243,659,300	10.02.2022	123,791	0
Busiada Primary School	NBK	1,022,241,690,700	17.11.2021	4,791	0
Busibi Primary School	NBK	1,242,038,113,900	29.09.2011	301,060	1,546
Bumala AC Secondary School	NBK	2,137,679,300	23.12.2019	989,802	989,902
Bujumba Boys Secondary School	NBK	1,242,036,500,601	15.10.2018	14,119	14,219
Busire Primary School	NBK	1,022,225,479,400	14.05.2020	710	810
Butula Watwer	NBK	1,001,114,560,800	11.10.2009	40	40
Butula Roads	NBK	1,021,038,985,800	11.10.2009	2,320	2,420
Musibiriri Primary School	NBK	1,022,221,694,100	17.12.2019	2,925	3,025
Esibembe Secondary School	NBK	1,022,225,737,200	29.04.2020	2,050	2,150
Bukhalalife Chiefs Office	NBK	1,060,221,549,500	25.11.2019	2,111	2,211
Bulwani Primary School	NBK	1,022,222,013,400	23.12.2019	563	663
St.Catherine SP for M.H	NBK	4,236,501,800	11.05.2009	6,928	6,928

**Butula Constituency**  
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PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Butula Boys Primary School	NBK	1,022,222,084,600	03.01.2020	771	771
St. Augustine Butunyi Primary School	NBK	1,022,036,621,600	04.11.2019	6,690	6,690
Madola Secondary School	NBK	1,022,212,425,201	13.12.2019	3,630	3,630
H/M Bishop Longino Atundo Primary School	NBK	1,022,036,974,900	04.11.2019	25	25
Khunyangu Primary School	NBK	1,047,087,295,600	07.11.2019	77,993	77,993
Busiada Girls Sec School	KCB	1,119,914,752	20.07.2011	1,767	2,527,374
Khunyangu Primary School	KCB	1,266,622,136	02.01.2014	5,575	5,575
Buriya Secondary School	KCB	1,267,405,740	17.01.2020	321	3,053
Sirandala Primary School	KCB	1,267,414,227	16.12.2019	546,093	17,842
Bumala AC Secondary School	KCB	1,267,772,085	20.07.2011	14,811	2,455,372
Siribo Primary School	KCB	1,266,701,362	19.11.2019	6,898	7,024
St. Joseph Ogongo Primary School	KCB	1,147,599,009	04.12.2013	919	1,045
Burinda Primary School	KCB	1,161,038,329	25.10.2020	3,150	3,150
Madola Secondary School	KCB	1,176,167,235	16.12.2019	7,970	7,970
Esibembe Primary School	KCB	1,148,418,482	09.03.2021	2,223	2,223
Igula Primary School	KCB	1,267,110,244	17.01.2020	975	975
Sikura Primary School	KCB	1,148,827,633	17.01.2020	1,525	1,525
Elukhari Secondary	KCB		18.10.2019	0	0

PMC	Bank	Account number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
School		1,266,243,216			
Butula Primary Schools	Sidian Bank	1,032,150,018,130	24.10.2018	55,751	397,187
Butula Secondarys School projects	Sidian Bank	1,032,150,018,120	19.06.2018	147	147
Siunga Primary School	Sidian Bank	1,032,030,000,165	27.11.2019	3,830	3,830
Namwitsula Secondary School	Sidian Bank	1,032,030,000,195	19.08.2021	33,751	0
Ekanyala Primary School	Sidian Bank	1,032,030,000,155	19.11.2019	55,751	55,751
Benga TTI	Equity Bank	780,278,975,310	10.08.2020	1,672,996	293,763
Bumala B Primary School	Equity Bank	780,281,403,143	10.08.2020	50	0
Bumutiru Ac Primary school	Equity Bank	780,281,163,020	02.09.2021	661,750	0
Esibembe Primary School	Equity Bank	780,281,199,237	07.09.2021	188,461	0
Masebula Sec ondary School	Equity Bank	780,282,016,851	24.11.2021	55,754	0
St.Clare Butula Girls Secondary School	Equity Bank	780,282,092,765	21.12.2021	14,738	0
Butula Security Projects	Equity Bank	780,277,313,379	06.07.2018	7,737	7,737
<b>TOTAL</b>				<b>34,375,551</b>	<b>34,058,786</b>

**Butula Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The Statement of Receipts and Payments revealed that the amount for Other Payments was Kshs. 11,500,000. Out of this amount Kshs. 5,000,000 was transferred to Rural Electrification Project (REA) PMC and an amount of Kshs. 6,500,000 was transferred to GIS PMC. It was not explained what work was to be done by these PMCs. As at the close of the financial, we could not confirm whether any work had been done on these projects because the Project files did not have payment Vouchers for our audit review.	The GIS PMC Account has not been utilized due to unapproved authority from ministry of environment for the geological survey to be carried within Butula Constituency and Rural Electrification Project the area mapped for electricity funds were paid to KPLC for onward supply of electricity	Resolved	31 <sup>st</sup> July, 2022
2	The Statement of Assets and Liabilities shows that the comparative figure of Prior Year adjustments for 2019/2020 was Kshs. 173,537. This is different from the figure of Kshs. 293,954 as shown in the certified financial Statements of 2019/2020. The resulting difference was Kshs. 120,417. The reasons for the variance was not explained. The same figure affected the Statement of Cash Flows Further Note 14 to the financial Statements revealed that the comparative figures for 2019/2020 differed with the actual figures of the certified financial Statements for 2019/2020 for the following Component:-	It is noted and same has been corrected in the revised financial statements	Resolved	31 <sup>st</sup> July, 2022

No.	Details	Amount in 2019/2020	Comparative Amount in 2020/2021	Difference
1	Others	293,954	173,537	120,417

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>The Statement of Receipts and Payments for the year ended 30 June 2021 shows that the comparative figure of Other Grants and Transfers for 2019/2020 was Kshs. 35,751,131. This is different from the figure of Kshs. 35,806,131 as shown in the certified financial Statements of 2019/2020. The resulting difference of Kshs. 55,000 was not explained. The same figure affected the Statement of Cash Flows</p> <p>Further Note 7 to the financial Statements revealed that the comparative figures for 2019/2020 differed with the actual figures of the certified financial Statements for 2019/2020 for the following Component:-</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Details</th> <th>Amount in 2019/2020</th> <th>Comparative Amount in 2020/2021</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bursary - Tertiary institutions</td> <td>10,822,600</td> <td>10,767,600</td> <td>55,000</td> </tr> </tbody> </table>	No.	Details	Amount in 2019/2020	Comparative Amount in 2020/2021	Difference	1	Bursary - Tertiary institutions	10,822,600	10,767,600	55,000	<p>It is noted and same has been corrected in the revised financial statements</p>	Resolved	31 <sup>st</sup> July, 2022
No.	Details	Amount in 2019/2020	Comparative Amount in 2020/2021	Difference										
1	Bursary - Tertiary institutions	10,822,600	10,767,600	55,000										
4	<p>The Statement of Receipts and Payments shows that the comparative figure of Other Payments for 2019/2020 was Kshs. 14,699,313. This is different from the figure of Kshs. 14,674,730 as shown in the certified financial Statements of 2019/2020. The resulting difference of Kshs. 24,583 was not explained. The same figure affected the Statement of Cash Flows</p> <p>Further Note 9 to the financial Statements revealed that the comparative figures for 2019/2020 differed with the actual figures of the certified financial Statements for 2019/2020 for the following Component:-</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Details</th> <th>Amount in 2019/2020</th> <th>Comparative Amount in 2020/2021</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	No.	Details	Amount in 2019/2020	Comparative Amount in 2020/2021	Difference						<p>It is noted and same has been corrected in the revised financial statements</p>	Resolved	31 <sup>st</sup> July, 2022
No.	Details	Amount in 2019/2020	Comparative Amount in 2020/2021	Difference										