

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY

DATE: 09 AUG 2023

OF

TABLED
BY:

CLERK-AT
THE-TABLE:

Hon Owen Baya, MP
Deputy Leader, majority
Minim modo

THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2022



9



BUDALANGI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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

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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 BUDALANGI 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 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Ignatius K.Ateya
2.	Sub-County Accountant	Jared L. Manono
3.	Chairman NGCDFC	Alfred Wesonga Siduwa
4.	Member NGCDFC	Jactone Onyango

(d) Fiduciary Oversight Arrangements

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

P.O. Box 171-50410 Port Victoria
 Old Action Aid Building-Bunyala District Headquarters
 Busia, KENYA

(f) BUDALANGI Constituency NGCDF Contacts

E-mail: Budalangi@NGCDF.go.ke
 Website: www.ngcdf.go.ke

(g) BUDALANGI Constituency NGCDF Bankers

Equity Bank
 P.O Box 264-50400
 Busia

(h) Independent Auditors

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

***Budalangi Constituency
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(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

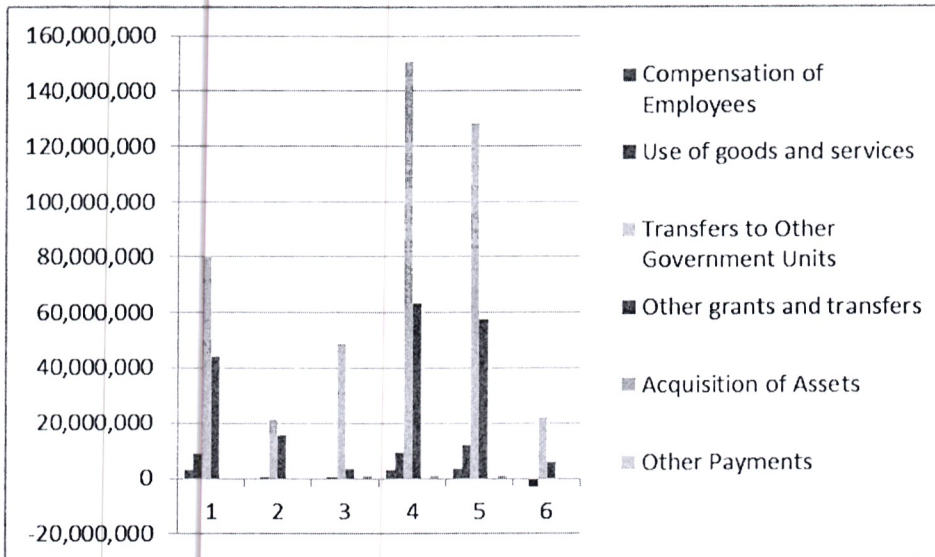


Alfred Wesonga Siduwa
Chair NG-CDFC Budalangi Constituency

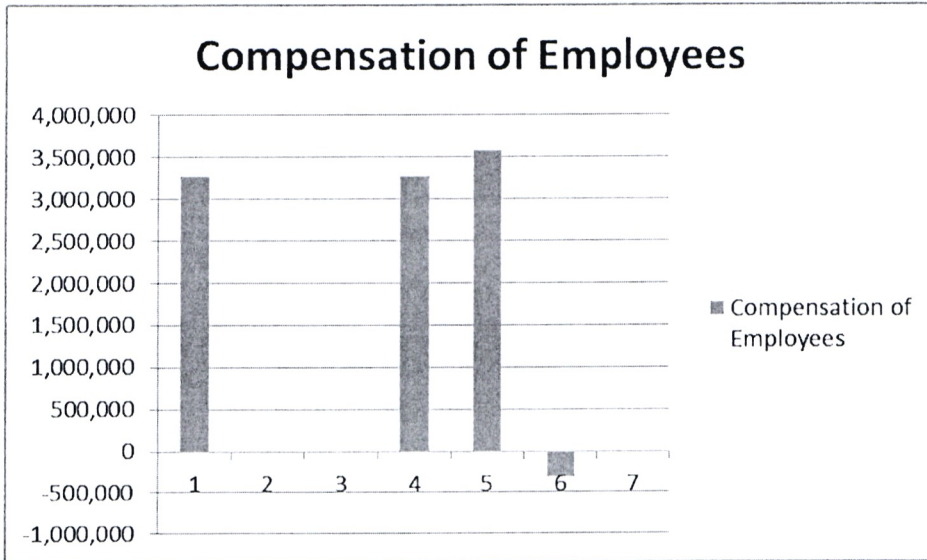
First and foremost, I thank God and the constituents of Budalangi for the opportunity that they gave me to lead them as the Chairman of Budalangi NGCDFC. Together with the able team of NGCDFC members, we have taken this noble task with humility and commitment. As we present our financial statements contained herein, we believe that our guiding principles of transparency, accountability and commitment are pillars against which our service towards the people of Budalangi is anchored.

As NG-CDFC we have achieved 89.2% budget absorption rate as indicated in the appropriation account.

Final budget in relation to expenditures



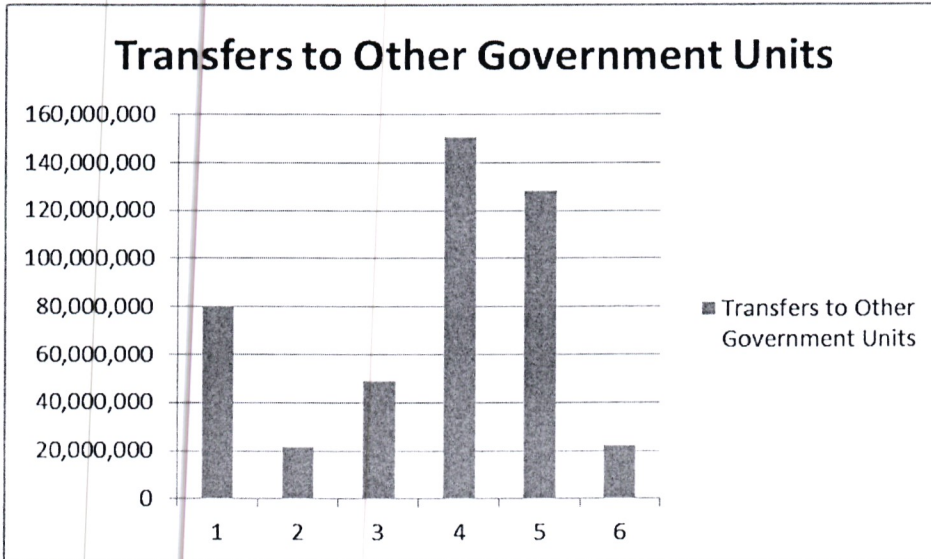
Compensation of employees



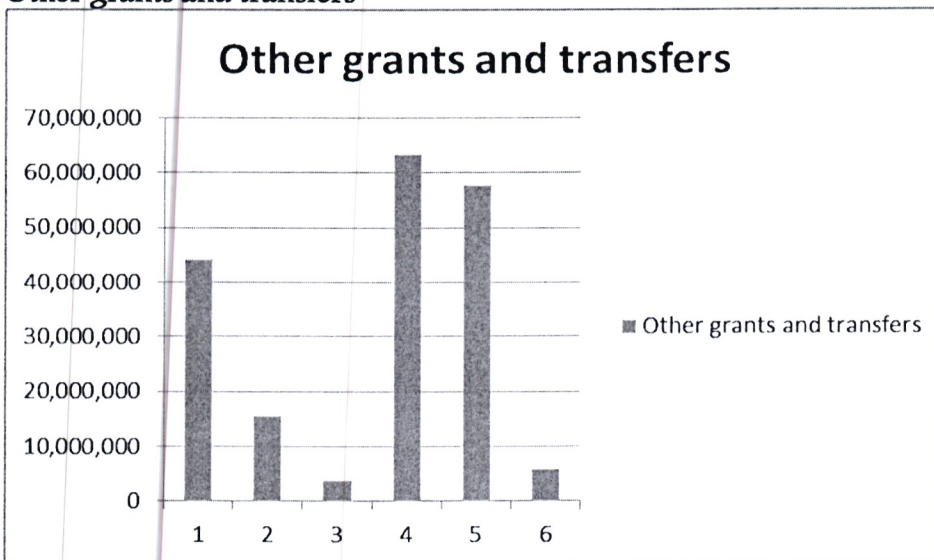
Use of goods and services



Transfers to Other Government Units

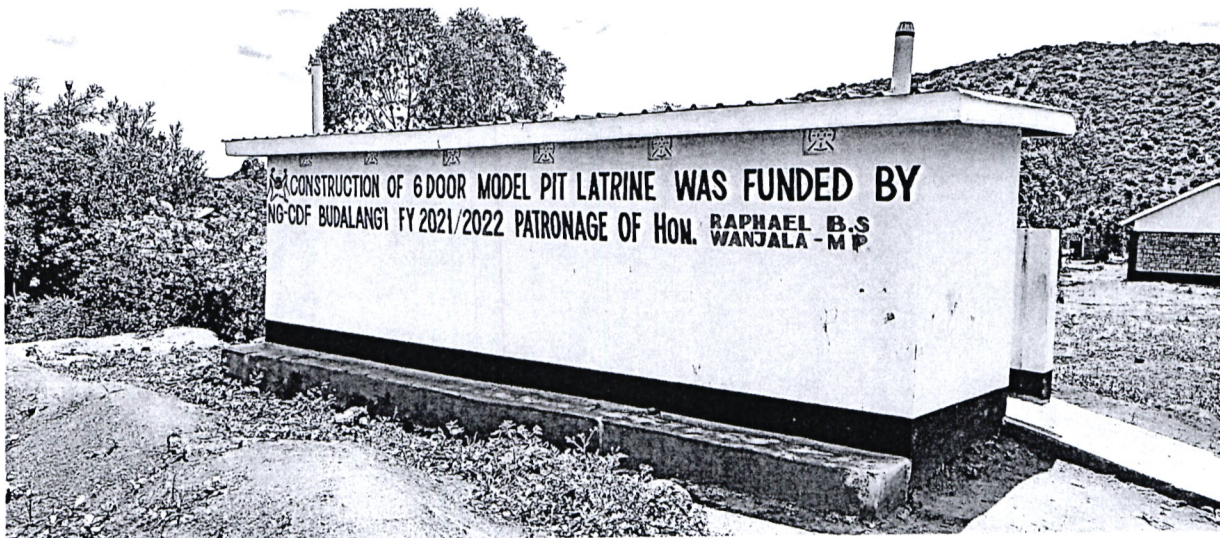


Other grants and transfers





Construction of one (1No.) new classroom to completion at Munani primary school FY – 2021/2022



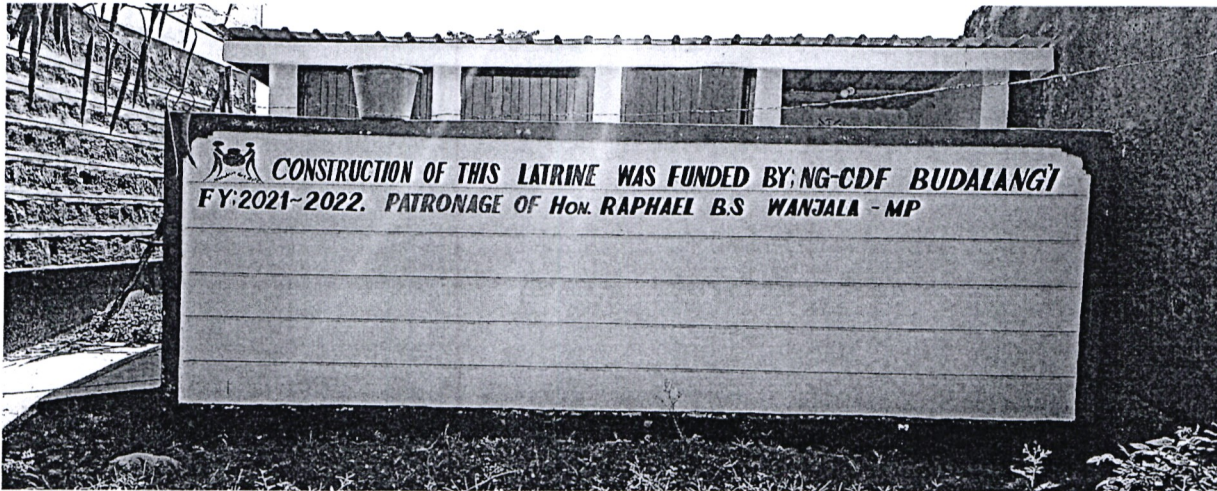
Construction of six (6No.) door model pit latrine at Munani primary school FY – 2021/2022.



Construction of two (2No.) new classrooms to completion at Bulagu primary school FY – 2021/2022



Construction of two (2No.) new classrooms to completion at Bulagu primary school FY – 2021/2022



Construction of four (4No.) door model pit latrine at Bulemia police post FY – 2021/2022

Emerging issues related to the NG-CDF

Entrenching NG-CDF in the new constitutional dispensation , since it is facing a lot of legal challenges hence Members of parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

Implementation Challenges and Recommended Way forward

- Delayed disbursement of funds leads to inflated project costs due to the time value of money and also delayed implementation of projects a good example is the late disbursement of bursary funds and project funds , to remedy this, funds must be disbursed by the CDF board in time.
- Frequent development forums and awareness forums should be held to intuit the public with information concerning the development initiatives , from various funding agencies and stakeholders and CDF, County government and other development stakeholders plan together to avoid duplication of projects .
- Lack of a simple but standardized practical curriculum for training PMC's in order to enhance their capacity to implement the projects ; hence PMC training manual should be operationalized.
- The NG-CDF Act and the constitution limit the operations of NG-CDF to Education and National security functions , leaving out all devolved functions.

Despite the achievements mentioned above, NGCDFC experienced the following challenges;

1. Most projects could not commence due to untimely disbursement of funds and subsequent delayed formation of PMCs

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**Name: ALFRED WESONGA SIDUWA
CHAIRMAN NGCDF COMMITTEE**

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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 *Budalangi Constituency 2018-2022* plan are to:

- a) To promote value addition in agricultural activities.
- b) To boost scholarship and effective participation of the community through capacity building.
- c) To stimulate structural development, conservation of the environment and socioeconomic development.
- d) To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
- e) To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	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 beneficiaries at all levels	In FY 21/22 -we have completed the construction of 16 classrooms, 3 laboratories. - We had disbursed Bursary to over 1000 beneficiaries in both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good behaviours of the members of the community	-number of usable chiefs offices and police stations constructed.	We constructed a total I police post

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Constituency Program	Objective	Outcome	Indicator	Performance
Environment	To conserve the environment and beautify it	Increased number of trees within government institutions	Tree planting in the institutions were done and trees survived	We planted tree seedlings in 10 government institutions.
Sports	To empower youths to identify their talents.	Youths have a source of income thus reducing dependency and crime.	Number of groups have benefited from tournaments organised by the entity	We supported 25 teams by providing uniforms and balls.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** BUDALANGI 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. BUDALANGI 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. BUDALANGI 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-

Budalangi 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-

Budalangi 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.

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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.

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



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IGNATIUS KWEYU ATEYA
FUND ACCOUNT MANAGER

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-Budalangi 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.

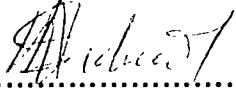
The Accounting Officer in charge of the NGCDF-Budalangi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

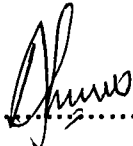
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Approval of the financial statements

The NGCDF- Budalangi Constituency financial statements were approved and signed by the Accounting Officer on 16/9 2022.



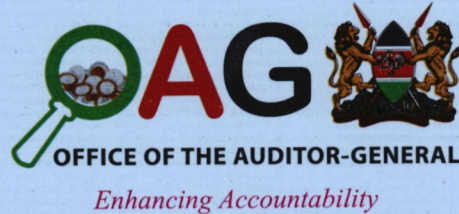
.....
Chairman – NGCDF Committee



.....
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Budalangi Constituency set out on pages 1 to 49, which comprise of the statement of financial assets and liabilities as at 30 June, 2022,

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

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

In my opinion, except for the effects of the matter 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 - Budalangi 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 the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Unsupported Expenditure on Training Expenses

The statement of receipts and payments reflects an amount of Kshs.12,211,804 in respect of use of goods and services which, as disclosed in Note 5 to the financial statements, includes Kshs.2,805,200 relating to training expenses. Further, the expenditure of Kshs.2,805,200 includes an amount of Kshs.1,246,700 for which committee minutes, work tickets and attendance registers were not provided for audit review.

In the circumstance, the propriety of the expenditure of Kshs.1,246,700 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 - Budalangi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects receipts budget and actual on comparable basis of Kshs.227,258,160 and Kshs.207,093,419 respectively resulting to under-funding of Kshs.20,164,741 or 9% of the budget. Similarly, the statement reflects actual expenditure of Kshs.202,814,342 against approved budget of Kshs.227,258,160 resulting to under-performance of Kshs.24,443,342 or 11% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of


effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

24 July, 2023

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


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

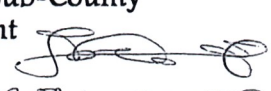
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

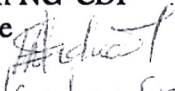
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,088,879	159,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		170,088,879	159,367,724
Payments			
Compensation Of Employees	4	3,588,720	2,574,733
Use Of Goods and Services	5	12,211,804	12,444,750
Transfers To Other Government Units	6	128,591,468	103,897,603
Other Grants and Transfers	7	57,672,350	61,802,463
Acquisition Of Assets	8	-	494,746
Other Payments	9	750,000	-
Total Payments		202,814,342	181,214,295
Surplus/(Deficit)		(32,725,463)	(21,846,571)

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 16/09 2022 and signed by:


Fund Account Manager
 Name: Ignatius Oteyo

National Sub-County Accountant

 Name: JARED L. MAMONO
 ICPAK M/No: 14671

Chairman NG-CDF Committee

 Name: Alfred W. Sidungu

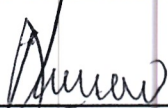
Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VIII. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	4,279,077	37,004,540
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		4,279,077	37,004,540
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		4,279,077	37,004,540
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		4,279,077	37,004,540
Represented By			
Fund Balance B/Fwd	13	37,004,540	58,851,111
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(32,725,463)	(21,846,571)
Net Financial Position		4,279,077	37,004,540

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

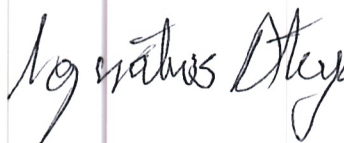
The Constituency financial statements were approved on 16/9 2022 and signed by:


Fund Account Manager

National Sub-County
Accountant

Chairman NG-CDF
Committee

Name:



Name: JARED L. MAMUNDU
ICPAK M/No: 14671

Name: ALFRED W SIDUWA

Budalangi 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
Receipts From Operating Activities			
Transfers From NGCDF Board	1	170,088,879	159,367,724
Other Receipts	3	-	-
Total Receipts		170,088,879	159,367,724
Payments			
Compensation Of Employees	4	3,588,720	2,574,733
Use Of Goods and Services	5	12,211,804	12,444,750
Transfers To Other Government Units	6	128,591,468	103,897,603
Other Grants and Transfers	7	57,672,350	61,802,463
Other Payments	9	750,000	-
Total Payments		202,814,342	180,719,549
Total Receipts Less Total Payments			
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(32,725,463)	(21,351,825)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	494,746
Net Cash Flows from Investing Activities		-	494,746
Net Increase In Cash And Cash Equivalent		(32,725,463)	(21,846,571)
Cash & Cash Equivalent At Start Of The Year	10	37,004,540	58,851,111
Cash & Cash Equivalent At End Of The Year	10	4,279,077	37,004,540

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

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 16/09 2022 and signed by:

Fund Account Manager

**National Sub-County
Accountant**

**Chairman NG-CDF
Committee**

Name:

Name: JARED L. MANOMO
ICPAK M/No: 14671

Name: Alfred W. Sidyusa

**Budalangi Constituency
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 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	A	B	b	Kshs				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	Kshs	2021/2022	30/06/2022	Kshs	
Receipts								
Transfers From NGCDF Board	137,088,879	37,004,540	53,164,741	Kshs	227,258,160	207,093,419	20,164,741	91.1%
Proceeds From Sale of Assets					0	-	-	
Other Receipts					0	-	-	
Totals	137,088,879	37,004,540	53,164,741		227,258,160	207,093,419	20,164,741	91.1%
Payments								
Compensation Of Employees	3,276,240	0	0	Kshs	3,276,240	3,588,720	(312,480)	109.5%
Use Of Goods and Services	9,061,758	154,313	3,207		9,219,278	12,211,804	(2,992,526)	132.5%
Transfers To Other Government Units	80,444,674	21,390,998	48,711,534		150,547,206	128,591,468	21,955,739	85.4%
Other Grants and Transfers	44,306,207	15,459,229	3,700,000		63,465,436	57,672,350	5,793,086	90.9%
Acquisition Of Assets		0	0		0	-	-	
Other Payments	0	0	750,000		750,000	750,000	-	100.0%
Totals	137,088,879	37,004,540	53,164,741		227,258,160	202,814,342	24,443,818	89.2%

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

***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.
Explanatory Notes.*

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]*
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*
- (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	24,443,818
Less undisbursed funds receivable from the Board as at 30 th June 2022	20,164,741
	4,279,077
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	4,279,077

The Constituency financial statements were approved on 16/9/2022 and signed by:



National Sub-County Accountant



Chairman NG-CDF Committee

Fund Account Manager

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

Name: *Sigatwa Steyn*
Agreed

Name: *JARED L. MAMBO*
ICPAK M/No: *14671*

Name: *Agreed w Sidyung*

XI. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,276,240	-		3,276,240	3,588,720	(312,480)
1.2 Committee allowances	2,100,000	103,420		2,203,420	2,824,600	(621,180)
1.3 Use of goods and services	2,849,092	-		2,849,092	3,000,000	(150,908)
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	-	-	2,000,000	2,805,200	(805,200)
2.2 Committee allowances	1,248,000	50,893	3,207	1,302,100	2,278,200	(976,100)
2.3 Use of goods and services	864,666	-	-	864,666	1,303,804	(439,138)
3.0 Emergency	-	285,407	-	285,407	-	285,407

Budalangi 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 Disburse- ments			
3.1 Primary Schools				-		-
3.1.1 Igigo Primary school PMC	100,000	90,707	-	190,707	100,000	90,707
3.1.2 Lunyofu Primary school PMC	50,000	-	-	50,000	50,000	-
3.1.3 Bukoma Primary school PMC	1,000,000	-	-	1,000,000	1,000,000	-
3.1.4 DCC Emergency Boats PMC	500,000	-	-	500,000	500,000	-
3.1.5 Bulwani Primary school PMC	450,000	-	-	450,000	450,000	-
3.1.6 Bukoma Primary school PMC	200,000	-	-	200,000	200,000	-
3.1.7 Mukhobola Primary school PMC	1,070,000	-	-	1,070,000	1,070,000	-
3.1.8 DCC Emergency Boats PMC	100,000	-	-	100,000	100,000	-
3.1.9 Ruambwa Primary school PMC	700,000	-	-	700,000	700,000	-
3.1.9 Munani Primary school PMC	600,000	-	-	600,000	600,000	-
3.1.10 Runyu Primary school PMC	800,000	-	-	800,000	800,000	-
3.1.11 Runyu Primary school PMC	360,000	-	-	360,000	360,000	-

*Budalangi 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			
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Bunyala Institute Of Technology						
9.2 Masinde Muliro University Of science and Technology	-	5,000,000	-	5,000,000	-	5,000,000
9.3 Bunyala Institute Of Technology	500,000	-	1,950,000	2,450,000	500,000	1,950,000
10.0 Security Projects						
10.1 Muhobola Police Post PMC	-	-	1,000,000	1,000,000	1,000,000	-
10.2 Mukhobola Police Post	-	-	1,500,000	1,500,000	-	1,500,000
10.3 Mukhobola Police Post	-	-	500,000	500,000	-	500,000
10.4 Bulemia Police Post PMC	-	-	700,000	700,000	700,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-

*Budalangi 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			
11.5 Purchase of land	-	-	-	-	-	-
12.0 Others	-	-	-	-	-	-
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2	-	-	-	-	-	-
12.3 Metrological departments	0	0	750,000	750,000	750,000	-
Funds pending approval**	-	-	-	-	-	-
Total	137,088,879	37,004,540	53,164,741	227,258,160	202,814,342	24,443,818

(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

XII. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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.

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

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.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

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.

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

XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 124739		3,000,000
AIE NO. B 124902		7,000,000
AIE NO. B 124819		69,367,724
AIE NO. B		12,000,000
AIE NO. B 119747		6,900,000
AIE NO. B 128358		10,000,000
AIE NO. B 132103		6,000,000
AIE NO. B 138771		12,000,000
AIE NO. B 126066		9,000,000
AIE NO. B 126356		11,100,000
AIE NO. B 140502		13,000,000
AIE NO.B140849	33,000,000	
AIE NO.B105374	34,000,000	
AIE NO.B105990	10,000,000	
AIE NO.B105736	22,000,000	
AIE NO.B132458	5,000,000	
AIE NO.B128773	12,000,000	
AIE NO.B154374	12,000,000	
AIE NO.B154270	19,000,000	
AIE NO.B140787	23,088,879	
TOTAL	170,088,879	159,367,724

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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)	-	-
Total	-	-

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3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,986,024	2,448,733
Personal allowances paid as part of salary		
House Allowance	660,000	-
Transport Allowance	-	-
Leave allowance		-
Gratuity to contractual employees	810,216	-
Employer Contributions Compulsory national social security schemes	132,480	126,000
Total	3,588,720	2,574,733

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5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	73,000	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	15,750	81,820
Domestic travel and subsistence	164,300	202,900
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,805,200	1,449,100
Hospitality supplies and services	42,500	227,580
Other committee expenses	2,278,200	1,193,900
Committee allowance	2,824,600	4,878,420
Insurance costs	-	-
Specialised materials and services	46,000	-
Office and general supplies and services	1,089,579	1,840,300
Fuel , oil & lubricants	1,800,000	1,600,000
Other operating expenses	331,340	-
Bank service commission and charges	82,080	-
Other Operating Expenses	-	259,622
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	647,255	711,108
Routine maintenance- other assets	12,000	-
Total	12,211,804	12,444,750

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6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	38,404,672	12,520,222
Transfers To Secondary Schools (See Attached List)	89,686,796	90,300,354
Transfers To Tertiary Institutions (See Attached List)	500,000	1,077,027
Total	128,591,468	103,897,603

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,206,245	30,361,813
Bursary – tertiary institutions (see attached list)	11,441,898	16,597,409
Bursary – special schools (see attached list)	2,500,000	2,500,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	1,700,000	-
Sports projects (see attached list)	5,241,000	2,747,000
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,583,207	9,596,241
Total	57,672,350	61,802,463

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	-	-
Purchase of motorcycles	-	494,746
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	-	-
Acquisition of Land	-	-
Total	-	494,746

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9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Metrological Department	750,000	-
Total	750,000	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	4,279,077	37,004,540
<i>Equity Bank- Busia branch a/c No. 0780279693505</i>	-	-
Total	4,279,077	37,004,540
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

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Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	37,004,540	58,851,111
Cash in hand		
Imprest		
Total	37,004,540	58,851,111

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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>)	-	-	-
Total	-	-	-

****** *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 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st 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	-	-

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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	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	(312,480)	-
Use of goods and services	(2,992,526)	157,520
Amounts due to other Government entities (see attached list)	21,564,739	76,450,000
Amounts due to other grants and other transfers (see attached list)	6,184,086	6,750,227
Acquisition of assets	-	-
Other payments	-	750,000
Funds pending approval	-	6,061,534
	24,443,818	90,169,281

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	34,244,867	58,311,943
Total	34,244,867	58,311,943

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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					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	(312,480)	0	Implementations in progress
Use of goods & services	Purchasing of Goods and Services in the Office	(2,992,526)	157,520	Implementations in progress
Amounts due to other Government entities				
Primary Schools				Implementations in progress
Budubusi Primary school	Erection of lightening arrester	2,399,999		
Bubango primary school	Renovations of classrooms	0	1,500,000	Implementations in progress
Budalangi Primary School	Renovations of classrooms	0	1,000,000	Implementations in progress
Budubusi Primary School	Erection of lightening arrester	0	2,500,000	Implementations in progress
Makunda Primary School	Construction of one classroom	0	1,300,000	Implementations in progress
Bumadeya Primary School	Construction of two classrooms	0	2,400,000	Implementations in progress

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Mundika Primary school	Construction of one classroom	0	1,300,000	Implementations in progress
Namalo Primary School	Renovation of one classroom	0	500,000	Implementations in progress
Namalo Primary School	Levelling of school field	0	1,000,000	Implementations in progress
Port Mixed Primary School	Renovations of classrooms	0	1,500,000	Implementations in progress
Secondary Schools				
St. peters Makunda Secondary School	Construction of modern Toilet	2,500,000	0	Project awaiting for funds
St. Annes Secondary School	Construction of modern Toilet	2,000,000	0	Project awaiting for funds
Bunyala Model Secondary PMC				
Bunyala Model Secondary PMC	Construction of a kitchen	1,653,204	0	Project awaiting for funds
ACK Musoma Sec. PMC	Purchasing of furniture	350,000	0	Project awaiting for funds
Sisenye Mixed Secondary school PMC	Purchasing of furniture	350,000	0	Project awaiting for funds
Ruambwa Secondary school PMC	Purchasing of furniture	785,673	0	Project awaiting for funds
ACK Musoma Sec. PMC	Construction of storey of building	4,575,862	0	Project awaiting for funds

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bunyala Model Secondary School	Construction kitchen block	0	2,000,000	Project awaiting for funds
ACK Musoma Secondary School	Construction of storey building	0	10,000,000	Implementations in progress
Mundere Secondary School	Construction of storey building	0	20,000,000	Implementations in progress
Ruambwa Secondary School	Construction of storey building	0	5,000,000	Implementations in progress
Sisenye Secondary School	Construction of storey building	0	20,000,000	Implementations in progress
St. Ann's Secondary School	Construction of modern Toilet	0	2,000,000	Implementations in progress
St. Peter's Makunda Secondary School	Construction of modern Toilet	0	2,500,000	Implementations in progress
Tertiary Institutions				
Bunyala Technical and Vocational Training Institute	Construction of office block	0	1,950,000	Project awaiting for funds
Masinde Muliro University Of science and Technology	Construction kitchen block	5,000,000	0	Project re-allocation in progress
Bunyala Institute Of Technology	Construction of a kitchen	1,950,000	0	Implementations in progress
Amounts due to other grants and other transfers				
Security				
Mukhobola Police Post	Construction office block	1,500,000	1,500,000	Project awaiting for funds
Mukhobola Police Post	Construction of a toilet	500,000	500,000	Project awaiting for funds

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Environment	Planting of tree seedlings	0	1,500,000	Funds re-allocated to other projects.
Emergency	Carrying out unforeseen occurrence in the constituency	90,707	90,707	Implementations in progress
Bursary and Social Security				
Secondary Schools	Bursaries for needy students in secondary schools	151,138	93,622	Implementations in progress
Tertiary Institutions/Universities	Bursaries for needy students in Tertiary institutions	3,942,241	380,841	Implementations in progress
Special schools	Bursaries for needy students in special schools	0	707,005	Implementations in progress
Sports	Carrying out sports in the constituency		1,978,052	Implementations in progress
Sub-Total		-	-	
Acquisition of assets		-	-	
Others (<i>specify</i>)		-	-	
Metrological department		-	750,000	Implementations in progress
Sub-Total		-	-	
Funds pending approval		-	6,061,534	Project awaiting for funds
Grand Total		24,443,818	90,169,281	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	9,635,345		-	9,635,345
Office equipment, furniture and fittings	434,410	-	-	434,410
ICT Equipment, Software and Other ICT Assets	1,369,750	-	-	1,369,750
Other Machinery and Equipment	4,600,815	-	-	4,600,815
Heritage and cultural assets	-	-	-	-
Intangible assets	1,500	-	-	1,500
Total	15,715,794	-	-	16,041,820

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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
Budalangi Primary school PMC	KCB-PORTVICTORIA BRANCH	1289914605	21/09/2021	82,054	0
Makunda Primary school PMC	KCB-PORTVICTORIA BRANCH	1286069432	21/09/2021	138,570	0
Bubango Primary school PMC	KCB-PORTVICTORIA BRANCH	1289993270	21/09/2021	169,723	0
Port Mixed Primary school PMC	KCB-PORTVICTORIA BRANCH	1290210349	21/09/2021	75,979	0
Bumadeya Primary school PMC	KCB-PORTVICTORIA BRANCH	1289914168	15/10/2021	1,949	0
Namalo Primary school PMC	KCB-PORTVICTORIA BRANCH	1289913870	19/10/2021	187,975	0
Sifugwe Primary school PMC	KCB-PORTVICTORIA BRANCH	1292059729	27/10/2021	7,759	0
Mubwayo Primary school PMC	KCB-PORTVICTORIA BRANCH	1275179819	11/11/2021	210,462	0
Ruambwa Primary school PMC	KCB-PORTVICTORIA BRANCH	1291415726	05/11/2021	0	0
Budubusi Primary school PMC	KCB-PORTVICTORIA BRANCH	1275617409	04/09/2020	40,496	0
Rugunga Primary school PMC	KCB-PORTVICTORIA BRANCH	1285856570	02/07/2021	11,578	0
St. Cecilia primary school PMC	KCB-PORTVICTORIA BRANCH	1292784504	29/10/2021	141,028	0
Osieko Primary school PMC	KCB-PORTVICTORIA BRANCH	1258520184	18/12/2020	0	0
Bubamba Primary school PMC	KCB-PORTVICTORIA BRANCH	1292999950	11.02.2022	0	0
River Riew Primary school PMC	KCB-PORTVICTORIA BRANCH	1293039861	11.02.2022	99,495	0

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
Buongo Primary school PMC	KCB-PORTVICTORIA BRANCH	1292999985	11.02.2022	113,975	0
Mundika Primary school PMC	KCB-PORTVICTORIA BRANCH	1277363161	30/10/2020	109,327	0
Mumani Primary school PMC	KCB-PORTVICTORIA BRANCH	1258519569	03/11/2021	186,363	0
Budala Primary school PMC	KCB-PORTVICTORIA BRANCH	1275179894	21/07/2021	108,688	0
ACK Lugale Primary school PMC	KCB-PORTVICTORIA BRANCH	1285856627	05/01/2022	380,539	0
Sirimba Primary school School PMC	KCB-PORTVICTORIA BRANCH	1275179525	07/10/2022	201,728	0
ACK Musoma Pri. School PMC	KCB-PORTVICTORIA BRANCH	1290595127	02/07/2021	7,357,042	0
Mukhobola Primary school PMC	KCB-PORTVICTORIA BRANCH	1275617271	03/01/2021	186,790	0
Bulagu Primary school PMC	KCB-PORTVICTORIA BRANCH	1294368680	01/10/2021	105,649	0
Mundere Special school	KCB-PORTVICTORIA BRANCH	1205769498	11/02/2022	8,029	0
Muhobola Police Post PMC	KCB-PORTVICTORIA BRANCH	1294369040	17/12/2022	999,155	0
Bulenia Police Post PMC	KCB-PORTVICTORIA BRANCH	1294368818	13/08/2021	7,583	0
Ruambwa Secondary school PMC	KCB-PORTVICTORIA BRANCH	1258531224	07/10/2020	3,930,037	0
Sisenye Mixed Secondary school PMC	KCB-PORTVICTORIA BRANCH	1254026959	04/12/2020	8,320,001	0
Bunyala Model Secondary PMC	KCB-PORTVICTORIA BRANCH	1292073438	08/10/2021	16,565	0
Mudembi Secondary school	KCB-PORTVICTORIA BRANCH	1285922484	15/01/2022	3,135	0

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
Mundere Secondary school PMC	KCB-PORTVICTORIA BRANCH	1269537970	04/12/2020	7,157,340	0
ACK Musoma Sec. PMC	KCB-PORTVICTORIA BRANCH	1258519712	04/12/2020	242,748	0
Bunyala Institute of Technology	KCB-PORTVICTORIA BRANCH	1285922379	21/01/2022	592,054	0
Budalangi sports PMC	KCB-PORTVICTORIA BRANCH	1239225938	08/08/2019	0	0
Igigo Primary school PMC	KCB-PORTVICTORIA BRANCH	1287212042	25/09/2021	147,584	0
Lunyofu Primary school PMC	KCB-PORTVICTORIA BRANCH	1275617506	22/10/2021	108,230	0
Bukoma Primary school PMC	KCB-PORTVICTORIA BRANCH	1286069580	02/12/2021	439,296	0
DCC Emergency Boats PMC	KCB-PORTVICTORIA BRANCH	1289477744	26/06/2021	4,135	0
Bulwani Primary school PMC	KCB-PORTVICTORIA BRANCH	1275186165	21/08/2021	254,784	0
Runyu Primary school PMC	KCB-PORTVICTORIA BRANCH	1295665204	30/09/2021	1,061,975	0
Sisenye Primary school PMC	KCB-PORTVICTORIA BRANCH	1296485196	14/02/2022	178,975	0
Habanga primary school PMC	KCB-PORTVICTORIA BRANCH	1292689161	14/02/2022	107,099	0
Bulala FM Solar Installation PMC	KCB-PORTVICTORIA BRANCH	1289871981	17/11/2021	748,975	0
MUDEMBI PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1285938747	20/11/2020	0	512,780
MAKUNDA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1286069432	20/11/2020	0	513,780
ACK LUGALE PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1285856627	05/01/2022	0	1,811,730

PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
IGIGO PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1287212042	25/09/2021	0	-
RUGUNGA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1285856570	02/07/2021	0	512,780
BUKOMA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1286069580	02/12/2021	0	800,002
BULEMIA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1258520257	19/02/2021	0	1,963,410
SISENYE MIXED SECONDARY SCHOOL	KCB-PORTVICTORIA BRANCH	1254026959	04/12/2020	0	3,784,071
RUAMBWA SECONDARY SCHOOL	KCB-PORTVICTORIA BRANCH	1258531224	07/10/2020	0	3,315,297
ACK MUSOMA SECONDARY SCHOOL	KCB-PORTVICTORIA BRANCH	1258519712	04/12/2020	0	24,747,221
BUKOMA MIXED SECONDARY	KCB-PORTVICTORIA BRANCH	1269960741	21/10/2020	0	239,958
MUNDERE GIRLS SECONDARY/MUNDERE GIRLS SECONDARY	KCB-PORTVICTORIA BRANCH	1269537970	4/12/2020	0	16,401,778
BUNYALA TECHNICAL TRAINING INSTITUTE	KCB-PORTVICTORIA BRANCH	1285922379	02/02/2021	0	1,077,027
BUDALANGI SPORTS	KCB-PORTVICTORIA BRANCH	1239225938	08/08/2019	0	641,292
MUNDIKA B. PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1277363161	30/10/2020	0	1,316,317
ST. ANNES SECONDARY SCHOOL	KCB-PORTVICTORIA BRANCH	1275617646	19/12/2020	0	583,401
MUKHOBOLA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1275617271	03/01/2021	0	12,355
BUDUBUSI PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1275617409	04/09/2020	0	40,935
SIBUKA PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1276472609	19/12/2020	0	33,835

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

PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
NANDEKERE PRIMARY SCHOOL	KCB-PORTVICTORIA BRANCH	1275617859	03/05/2021	0	3,975
Total				34,244,867	58,311,943

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	Comparison of Actual and Budgeted Expenditure The Fund's revenue budget for the year under review was Kshs.82,296,552 against actual	There was under- collection and under-expenditure because NGCDF board failed to release all the funds in time to the constituency.	Resolved	


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>receipts of Kshs.81,896,551 representing an overall under-collection of Kshs.400,001. Further, the CDF spent a total Kshs.93,139,316 against a budget of Kshs.94,479,517 representing under-expenditure of Kshs.1,340,200</p> <p>Project Performance</p> <p>The Fund was to implement a total of 48 projects and activities under various sectors during the financial year. Review of the Fund's performance indicated that as at 30 June 2017, 1% of the projects had not started, 35% of the projects were ongoing and 64 % had been completed.</p>	<p>We want to vouch that all the 48 projects that were to be implemented within the financial year have been implemented and handed over to the committee.</p>	Resolved	
3	<p>Payment for projects not implemented as per the bills of quantities.</p> <p>Included in the transfer to other Government entities balance of Kshs.47,155,000 are payments totaling Kshs.12,500,000 made for various projects undertaken in various Government entities. However, as detailed below, physical verification of three of the projects revealed that the construction works were not done as specified in the bills of quantities.</p> <p>Further, evidence for authority, if any, granted to the works managers to vary the works was not availed for verification.</p>	<p>We want to vouch that the three projects were done according to the bill of quantities and value for money was achieved. Annex is there bills of quantities for your further audit review.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the circumstance, it is not possible to confirm the propriety of the expenditure of Kshs.47, 155,000 reported to have been incurred on transfers to other Government entities during the year under review.</p>			
4	<p>Delayed Cultural Project During the year under review, the Fund incurred expenditure totalling Kshs.1,000,000 on purchase of furniture and construction of three shades at Bunyala Cultural Centre. However, physical verification revealed that the project was not executed yet full payment was made to Bunyala Project Management Committee. The Fund thus failed to provide expected services to the constituents. No plausible explanation has been provided by management for the anomaly.</p>	<p>We want to confirm that the project was being executed by the project management committee and the NG-CDFC was in the process of following up the same with project management committee to ensure that the objective of the fund is achieved.</p>	Resolved	
5	<p>Project Verification Status The Fund spent Kshs.12,606,905 on emergency, security, mock examinations and school tests during the year under review. However, the management did not avail for audit review the returns and progress reports for the projects as submitted by the respective project management committees (PMCs). In the circumstance, it was not possible to</p>	<p>We want to vouch that the project returns and progress reports have been annexed for further review and therefore we also want to confirm that value for money was achieved</p>	Resolved	

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	evaluate progress on implementation of the projects reported to have been funded under emergency provisions as well as security and education sectors			



 Ignatius Kweyu Ateya
 Fund Account Manager.