

REPUBLIC OF KENYA



REPORT
OF
THE AUDITOR-GENERAL
ON
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – BUTERE CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 FEB 2026

DAY.
Wednesday

**TABLED
BY:**

*Hon. Dr. Robert Pukose,
on behalf of leader of majority*

**CLERK-AT
THE-TABLE:**

Lomale

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BUTERE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee.....	viii
4. NG-CDFC Chairman's Report.....	xi
5. Statement Of Performance Against Predetermined Objectives for FY252024/25	xx
6. Governance Statement	xxiv
7. Management Discussion and Analysis	xxx
8. Environmental and Sustainability Reporting.....	xxxvii
9. Statement Of Management Responsibilities.....	xli
10. Report Of the Independent Auditor on the NGCDF- Butere Constituency.....	xliii
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement Of Financial Position As At 30th June, 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	6
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	8
17. Notes to the Financial Statements	15
18. Annexes.....	54

1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the entity.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). 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 the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the 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 exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) 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.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Butere Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Mary Mwaki
2.	National Sub-County Accountant	John Ohanga
3.	Chairman NGCDFC	Wambani Were Wambiri
4.	Member NGCDFC	James Ambetsa
5.	Member NG CDFC	Lilian Akinyi

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Butere Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Butere Constituency Headquarters

Butere Building/House/Plaza
Sabatia Sidindi road
Butere.

(e) NGCDF Butere Constituency Contacts

P.O. Box 1045-50102
Telephone: (254) 254723052513
E-mail: cdfButere@ngcdf.go.ke
Website: www.ngcdfButere.go.ke

(f) NGCDF Butere Constituency Bankers

1. Operations Account
Co-operative Bank
Mumias Branch
P.O. Box 59
Mumias
2. Deposit account
Equity Bank
Mumias Branch
P.O. Box 606
Mumias
3. Project Management Committee Accounts

Co-operative Bank
Mumias Branch
P.O. Box 59
MUMIAS




(g) Independent Auditor




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

(h) Principal Legal Adviser




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

3. NGCDF Committee

Name & Passport	Details
 <p>Wambani Were NGCDFC Chairman</p>	<p>Date of Birth: 1956</p> <p>Academic and professional qualification Primary certificate</p> <p>Work Experience Retired primary teacher Joined Butere NGCDF committee as male adult representative Currently the NGCDF Committee chairman.</p>
 <p>James Ambetsa NGCDFC Secretary</p>	<p>Date of Birth: 07/12/1982</p> <p>Academic and professional qualification KCSE Education: Diploma In Clinical Medicine</p> <p>Work Experience Experience: 15 years experience as a clinical officer Joined Butere NGCDF committee as male adult representative. Currently the NGCDF Committee secretary</p>
 <p>Lilian Akinyi NGCDFC Member</p>	<p>Date of Birth: 28/05/1987</p> <p>Academic and professional qualification KCSE</p> <p>Work Experience Experience: 10 years experience as an entrepreneur Joined Butere NGCDF committee as a female adult representative</p>

 <p>Livingstone Shibona NGCDFC Member</p>	<p>Date of Birth: 28/07/1972</p> <p>Academic and professional qualification KCSE</p> <p>Work Experience 20 years experience in business Joined Butere NGCDF committee as representative of person living with disability</p>
 <p>Lavine Tsalwa NGCDFC Member</p>	<p>Date of Birth: 03/01/1999</p> <p>Academic and professional qualification Education: Bachelors Degree in Bio chemist</p> <p>Work Experience Worked at Afric Entertainment as a presenter Joined Butere NGCDF committee as female youth representative</p>
 <p>Margaret Adhiambo NGCDFC Member</p>	<p>Date of Birth: 15/03/1957</p> <p>Academic and professional qualification KCSE Certificate in Banking</p> <p>Work Experience 20 years experience in banking Joined Butere NGCDF committee as female adult representative</p>

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Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

 <p>Linus Ashika NGCDFC Member</p>	<p>Date of Birth: 12/12/1989</p> <p>Academic and professional qualification Bachelors Degree in Economics</p> <p>Work Experience 6 years in teaching field Joined Butere NGCDF committee as male youth representative</p>
 <p>Millicent Maube NGCDFC Member</p>	<p>Date of Birth: 22/03/1990</p> <p>Academic and professional qualification Education: Diploma in Nursing</p> <p>Work Experience Worked at Fafa Medical for 5 years in Nursing Joined Butere NGCDF committee as co-opted member</p>
 <p>Silvano Mbiuki Deputy County Commissioner</p>	<p>Date of Birth:</p> <p>Academic and professional qualification Education:</p> <p>Work Experience Works at Ministry of interior and Coordination</p>
 <p>Mary Mwaki Fund Account Manager</p>	<p>Date of Birth:</p> <p>Academic and professional qualification Education: CPA K</p> <p>Work Experience Works at National Government Constituency Development Fund</p>

4. NG-CDFC Chairman's Report



**Wambani Were Wambiri
Butere NGCDF Chairman**

I am pleased to present to you the annual report and financial statement for the year ended 30th June 2025. The Butere Constituency National Government Constituency Development Fund (NG-CDF) has continued to make significant strides in transforming our community. For the financial year 2024/2025, despite facing some challenges, we successfully implemented various projects across different sectors, with a focus on education, security, and bursaries and infrastructure. Butere NG-CDF aspires to be the best constituency in utilization of NGCDF funds through satisfying the community needs and promoting good governance in management of the fund through public participation.

Budget Performance Overview

In the current financial year, budget performance in comparison to the actual has been below 100% that is 63.03% because of delays in receiving the current financial year funds. The constituency received Kshs. 182,920,000.00 against a budgeted amount of Kshs. 257,785,161. Financial year 2024/2025 had allocation of Kshs. 179,441,954.08. The previous financial year had an amount of Kshs. 4,363,267.97 as the balance brought forward and pending approval of Kshs. 3,400,000. This financial year we have various projects amounting to Kshs. 6,047,865 which are still pending to be approved by the NGCDF Board.

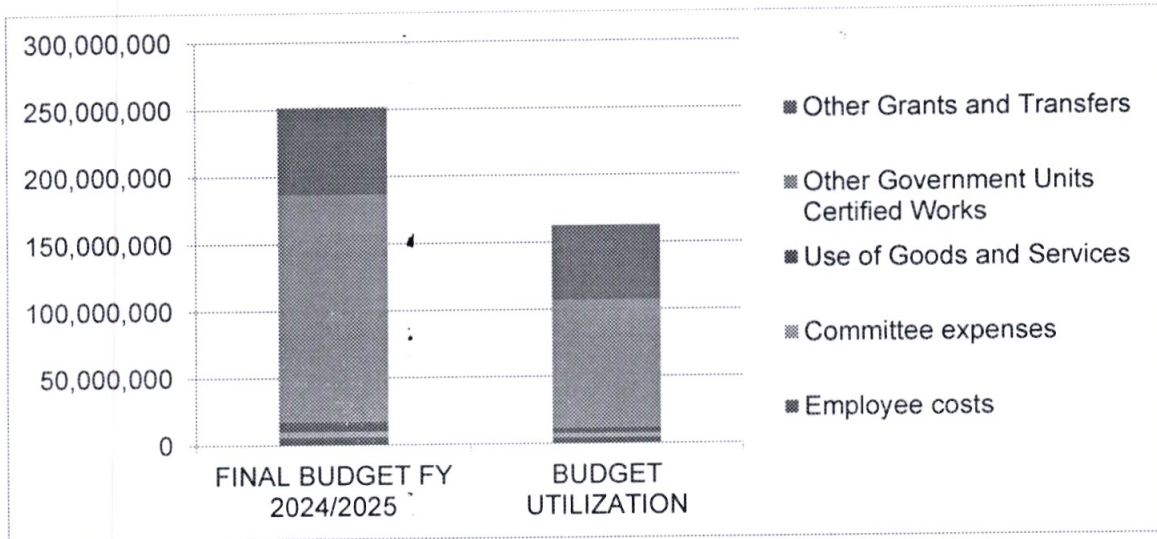
National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Budget allocation for the financial year 2024/2025

NAME OF PROJECT	AMOUNT ALLOCATED (KSHS)
Administration and Recurrent	10,766,517
Monitoring and evaluation	5,383,259
Emergency	9,444,313
Bursary and Social Security	40,000,000
Primary Schools Projects	69,800,000
Secondary Schools Projects	29,000,000
Security Projects	8,000,000
Purchase of furniture and fittings	1,000,000
Funds pending approval	6,047,865
	179,441,954.08

The summary of expenditure during the financial year 2024/2025 is as summarized below.

PROJECT NAME	AMOUNT
Employee costs	3,967,223
Committee expenses	3,848,075
Use of Goods and Services	3,997,647
Other Government Units Certified Works	95,728,817
Other Grants and Transfers	54,937,064
Total Expenditure	162,478,826



Despite the delay in disbursement of funds, we have been able to implement and complete more than 50% of projects. A number of new school projects both in primary and secondary were established by constructing classrooms, dining hall, administration blocks and pit latrines.

We have faced a number of challenges during this financial year. The first major challenge being over dependency on bursaries due to high level of poverty and too many orphans within the constituency. High poverty level and lack of information within the constituency affected the implementation of projects, high inflation and rise in prices of basic commodities had an impact in the implementation of projects within the Constituency. High taxation and poor legislative policy framework had an effect on project implementation.

For this reason NGCDF Butere strives to Finance most of the projects to completion so as to minimize the effect of Inflation on the projects. Thus variations are usually evaded.

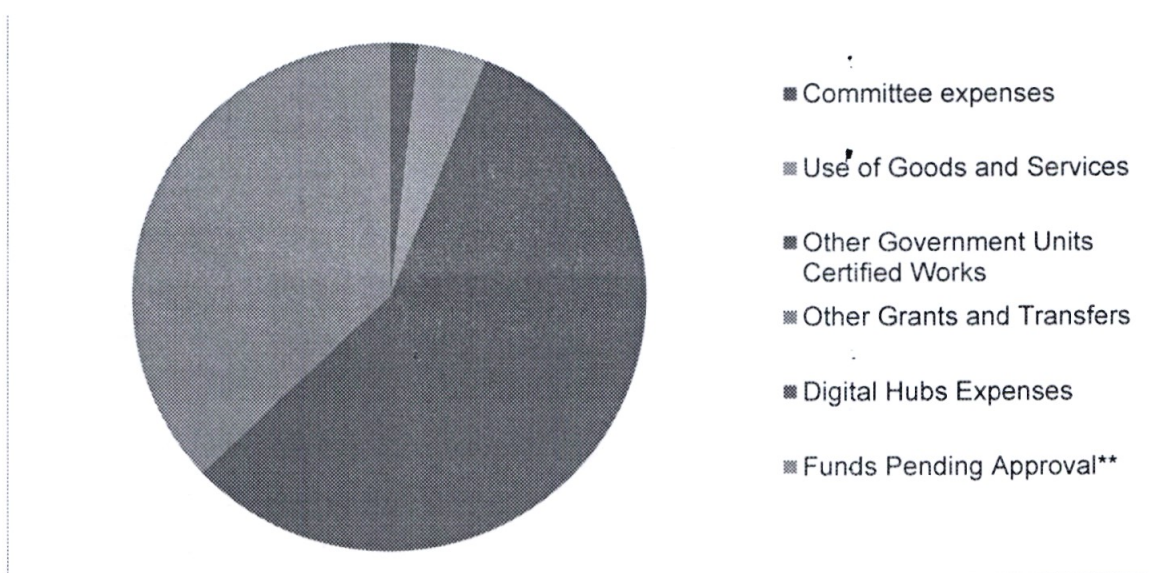
Allocation of Funds

During the financial year, the constituency total budget stood at Kshs 257,785,161 with Kshs 179,441,954 being the allocation for 2024/2025 financial year, Kshs 4,363,267.97 opening balance from previous year's and Kshs. 3,400,00 being outstanding disbursement. We prioritized on education where we allocated Kshs. 98,800,000.

Allocation of funds for the financial year 2024/2025

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

NAME OF PROJECT	AMOUNT ALLOCATED (KSHS)
Employee costs	5,556,029
Committee expenses	3,120,000
Use of Goods and Services	7,473,747
Other Government Units Certified Works	98,800,000
Other Grants and Transfers	58,444,313
Funds Pending Approval	6,047,865
Total Expenditure	179,441,954

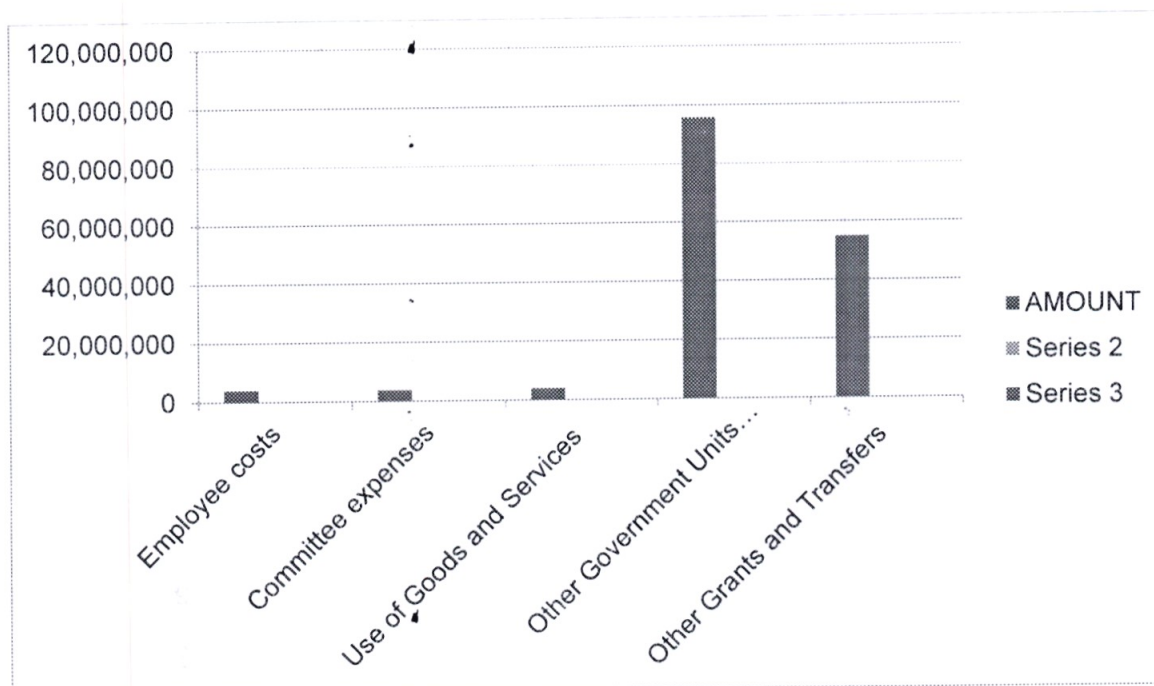


Utilization of Funds

Utilization of funds stood at **63.03%**. The absorption rate was however below 100% and is attributed to late receipt of funds from Board and non-receipt of sizeable percentage of original budget before the closure of the financial. The committee managed to spent Kshs. 162,478,826 during the financial year as shown in the graph below.

PROJECT NAME	AMOUNT
Employee costs	3,967,223
Committee expenses	3,848,075

Use of Goods and Services	3,997,647
Other Government Units Certified Works	95,728,817
Other Grants and Transfers	54,937,064
Total Expenditure	162,478,826



Key Achievements

During the 2024/2025 financial year, the NGCDF achieved significant milestones in various sectors, demonstrating a strong commitment to community development despite numerous challenges. One of the major areas of focus was Education and Infrastructure Development. Substantial investments were made to improve educational facilities across the constituency. In secondary schools, the NGCDF is constructing six (6) number storey building consisting of 8 classrooms which are still on-going. Both primary schools and secondary have benefited from these efforts, with the construction of dormitories and laboratories. Security Enhancements were another priority, with efforts geared towards improving safety within the constituency. The NGCDF constructed three assistant chief's offices and two 8 number pit latrines at Butere Police station and Butere AP Line.

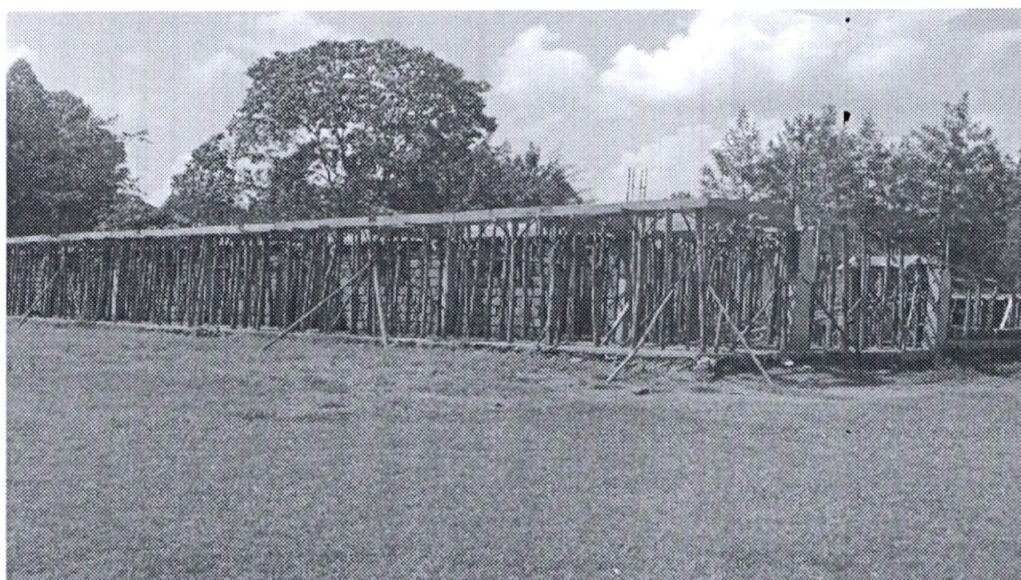
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Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Bursary Program continued to play a pivotal role in supporting needy students, with a total of Ksh. 40,000,000 allocated to the scheme during the 2024/2025 financial year.

Some of the projects implemented in the year are as follows;



Construction of administration Block at Bulanda Primary School



Construction of story building (8 classrooms) at Muluwa Secondary School



Renovation of four classrooms at Butunyi Primary School

Emerging Issues

Several issues have emerged that could potentially impact the operations and effectiveness of the NGCDF. The persistent calls by civil society for the disbandment of the NGCDF, despite its numerous achievements, have created uncertainty among stakeholders. Additionally, negative media coverage has at a times, overshadowed the positive impact of our projects. Another critical issue is the limited scope of the current NGCDF Act, which restricts funding to projects under the National Government's purview, leaving out essential community-based initiatives.

Implementation Challenges and Way Forward

A significant challenge faced was the delayed disbursement of funds from the NGCDF Board, which hindered the full implementation of planned projects. To mitigate this, we are actively engaging with the Board to ensure timely release of funds in the future. The rising costs of goods and services posed another challenge, impacting project budgets. To address this, we are exploring options for bulk purchasing and negotiating better rates with suppliers.

The NGCDF Secretariat also faced challenges related to project management capacity. To overcome this, we conducted various training programs for NGCDF staff, committees, and Project Management Committees (PMCs) to enhance their skills in project supervision and management. We will continue to invest in capacity building to ensure that our teams are well-equipped to handle the expanding scope of work.

Challenges and Way Forward

The main challenge faced during the 2024/2025 financial year was the delayed disbursement of funds, which affected project implementation timelines and overall budget utilization. Political rivalries at the local level also hindered the smooth execution and prioritization of some projects. The ongoing infrastructure gaps resulting from the implementation of the Competency-Based Curriculum (CBC) have further strained resources, highlighting the urgent need for additional classrooms to meet new educational demands.

Way Forward:

To address these challenges, we are engaging with the NGCDF Board and other relevant authorities to ensure timely disbursement of funds. We are also strengthening our stakeholder engagement efforts to reduce political interference and foster a collaborative approach to project planning and execution. Additionally, we are exploring innovative funding solutions and partnerships to accelerate the development of school infrastructure, particularly to meet the CBC requirements.

Outlook for 2025/2026

The 2025/2026 financial year presents an opportunity to build on the gains made in 2024/2025. We also plan to expand the bursary program to support schools in acquiring learning materials and facilitating a constituency stakeholders' and education day.

In conclusion, the Butere NGCDF remains committed to fostering sustainable development in our community. We are encouraged by the continued support from our partners and stakeholders, and we look forward to achieving even greater success in the coming year.



.....
Name: Wambani Were
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY 2024/25

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 the **NGCDF BUTERE Constituency 2025-2028** plan are to:

- 1. To have all children of school going age attending school in the Education sector*
- 2. To curb within the Constituency and sensitize constituents on the need to be secure in their neighborhood in the security sector*
- 3. Strengthening of overall policy coordination of natural resources and ensure proper waste disposal and management to curb the extreme global warming and climate change*
- 4. To cater for unforeseen occurrences within the Constituency using emergency funds*
- 5. Promote effective and efficient financial management and accountability systems*
- 6. Promote timely disbursement of funds to PMCs*
- 7. Enhance effective implementation of projects*
- 8. Strengthen Butere NG-CDF Committee and Staff capacity and development*
- 9. Promote authentic and inclusive Public Participation and involvement.*

Progress on the attainment of Strategic development objectives

To implement and cascade 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:

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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 24/25 We constructed 12 new classrooms and Renovated 18 Classrooms in Primary Schools. We also constructed 8 door pit latrines in 5 primary schools. We also commenced construction of storey building comprising of 6 number classrooms in 5 primary schools and five in secondary schools which will take three financial years to be complete. We awarded bursaries to approximately 9,000 students in

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

				secondary school, 6000 in tertiary institutions.
Security	To curb within the Constituency and sensitize constituents on the need to be secure in their neighbourhoods	Increased security and social protection within the Constituency	<ul style="list-style-type: none"> - Buy land for construction of administration offices - Construct rehabilitate of Police Posts and Police housing - Construct and Equip additional Security installations in underserved areas 	Butere NGCDF has constructed three assistant chief's administration block
Environment	Strengthening of overall policy coordination of natural resources and ensure proper	Awareness creation on importance of environmental management Conservation and strengthening of overall policy	<ul style="list-style-type: none"> - To promote and encourage tree planting within the Constituency - Improve water catchment 	-We paidKsh.3,000,000 for tree planting in five (3) learning institutions and sensitized the public on climate

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

	waste disposal and management	coordination of Natural resources management	<p>areas</p> <ul style="list-style-type: none"> - Promote green environment within the Constituency - Promote clean environment by establishment infrastructural facilities(Ablution blocks, Pit Latrines) in the learning institutions) 	change.
Emergency	To cater for unforeseen occurrences within the Constituency	Increase in Construction and renovation of infrastructural facilities in learning institutions affected by calamities	<ul style="list-style-type: none"> - Number of Classrooms constructed - Number of infrastructural facilities renovated 	In the financial year 2024/2025 Butere NGCDFC constructed Classrooms and Pit Latrines that had been blown away by wind after heavy downpour.

6. Governance Statement

NGCDF Butere recruited its members of committee in the year 2024 when the two year term of the last committee elapsed. The new committee is awaiting gazettelement. It is important to note that the old team made it for reappointment 100%. The team is scheduled to be trained immediately after gazettelement. Removal of any members as stipulated in the NGCDF Act.

a. NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

There is established a National Government Constituency Development Fund Committee for every constituency.

1. Constituency Committee Shall comprise of;

- a) the national government official responsible for co-ordination of national government functions.
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
- c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
- d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with regulations made by the Board

2. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members were gazetted in December 22, 2022 and the first meeting was held in 3RD January, 2023.

b. NG-CDFC Tenure

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

c. The Role of the Constituency Committee

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

The roles and functions of NG-CDFC are as follows: -

- a) Build the capacity of project management committees and Committee.
- b) Sensitize the Community on the operations of the Fund;
- c) Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- d) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;1956 - Kenya Subsidiary Legislation, 2016
- e) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

- f) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- g) Ensure that all projects receive adequate funding and are completed within three years;
- h) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

d. Removal of a member

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behaviour in public, advocating unethical behaviours, creating discord within the committee, Suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

e. NG-CDFC Induction and training

In the year 2023/2024, the entity conducted capacity building for the NGCDF Committees in January 2025 at Kakamega Golf Hotel. The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource management, taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

National Government Constituencies Development Fund (NGCDF)

Butere Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

f. Number of meetings:

NG-CDF Act Section 43 (11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Butere Constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

NAME OF COMMITTEE MEMBER		11/7/24	28/8/24	6/9/24	30/9/24	16/10/24	22/11/24	18/12/24	13/1/25	24/1/24	7/1/24	2/5/24	28/5/25
1.	Wambani Were	√	√	√	√	√	√	√	√	√	√	√	√
2.	Ambetsa James	√	√	√	√	√	√	√	√	√	√	√	√
3.	Linus Ashika	√	√	√	√		√		√			√	
4.	Livingstone Shibona	√	√	√	√	√	√	√	√	√		√	
5.	Millicent Maube	√		√	√	√		√	√	√	√	√	√
6.	LavineTsalwa	√	√	√	√	√	√	√	√	√	√	√	
7.	LilinAkinyi		√	√	√	√	√	√	√	√	√	√	√
8.	Margaret Alukhaba	√	√	√	√	√	√		√	√	√		√
9.	Mr. Mutembei	√	x	√	√	√	√	√	√	√		√	
10.	Mary Mwaki	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receive a sitting allowance of Ksh 5,000 per session, while the chairperson is entitled to Ksh 7,000 per session.

Remuneration for Constituency staff is derived from the allocation designated for office administration, and this is done in alignment with the stipulations outlined by the SRC, NGCDF Board, and the Employment Act of 2007. It is important to note that all payments are subject to the prevailing tax laws and other mandatory deductions as per statutory regulations.

h. Disclose the policy on conflict of interest

Butere NGCDF requires all individuals associated with our organization to promptly and openly disclose any conflicts of interest that may arise in the course of their duties. Such disclosures are crucial to maintaining the integrity and impartiality of our decision-making processes, ensuring transparency, and upholding the highest standards of ethics and accountability. All disclosures shall be to the Fund Account Manager and the Chairman of the Committee

In line with our dedication to transparency, integrity, and the highest ethical standards, it is essential that all committee members and staff within our organization disclose any potential conflicts of interest that may arise during the course of their responsibilities. This act of disclosure is crucial to guarantee that our decision-making processes remain impartial, equitable, and in the best interests of our constituents and stakeholders. By promptly identifying and addressing conflicts of interest, we demonstrate our commitment to preserving the trust vested in us by the community we serve and upholding our organization's credibility.

Moreover, ethical conduct stands as a fundamental pillar of our organization's mission, and we anticipate all committee members and staff to strictly adhere to a code of ethics in the

execution of their professional duties. This commitment encompasses the preservation of confidentiality, avoidance of any actions that could jeopardize our organization's integrity, and the enactment of behaviours that align with our core values. Our unwavering dedication to ethical behaviour not only reinforces our standing but also ensures that our actions consistently conform to the principles of equity, accountability, and responsibility that serve as the foundation of our work.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

j. Ethics and code of conduct

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

k. Risk Management

As part of the training organized by the NG-CDF Board, committee members were educated on the intricacies of risk management, equipping them with the skills necessary to address risks at the constituency level. Recognizing that risk management is an essential component of sound governance and exemplary management practices within the constituency.

Moreover, the committee was informed that the Risk Policy underscores NG-CDF's commitment to cultivating a risk-aware culture that promotes deliberate and proactive risk management, aligned with NG-CDF's strategic objectives. Specific examples of identified risks and their corresponding management responses were also provided.

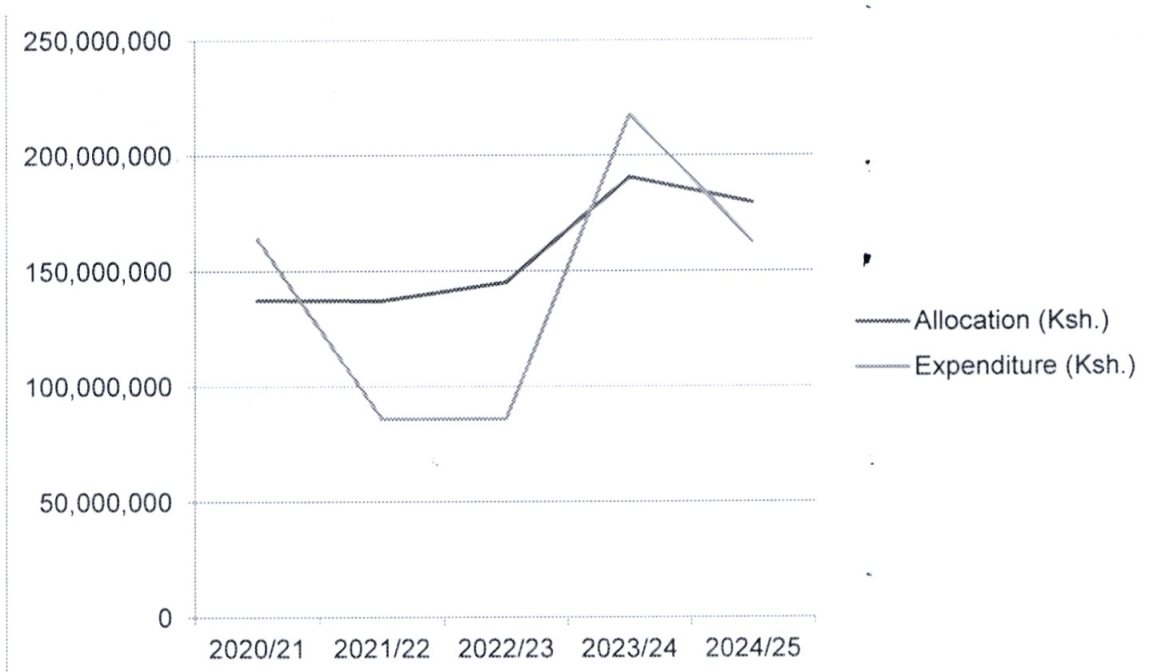
7. Management Discussion and Analysis

Financial Performance

Over the past five financial years, Butere NG-CDFC has steadily increased its annual allocation and improved its rate of fund absorption. Despite several challenges encountered during disbursement of funds and implementation of projects at the community level we managed implement the approved projects of which some are complete and others are ongoing. The graph below illustrates allocation vs. actual expenditure from FY 2019/2020 to FY 2024/25 and expenditures per sector for the financial years.

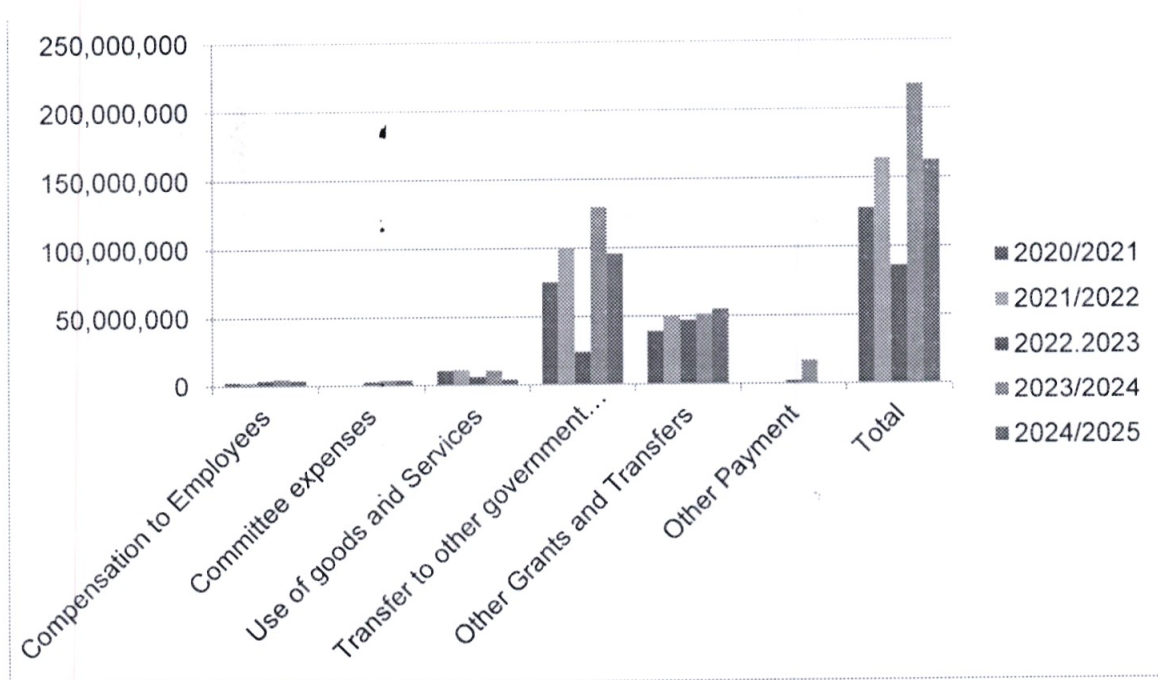
a. Allocation against expenditure over the five years

Financial Year	Allocation (Ksh.)	Expenditure (Ksh.)
2020/21	137,367,724	164,149,218
2021/22	137,088,879	85,847,099
2022/23	145,087,603	85,847,099
2023/24	190,445,293	217,832,763
2024/25	179,441,954	162,478,826



b. Budget Expenditure per sector over the five years.

Expenditure Per Sector	2020/2021	2021/2022	2022.2023	2023/2024	2024/2025
Compensation to Employees	2,783,285	2,488,200	3,861,234	5,090,714	3,967,223
Committee expenses			2,737,200	3,816,400	3,848,075
Use of goods and Services	10,808,685	11,867,599	6,266,314	10,944,149	3,997,647
Transfer to other government Entities	75,250,000	99,770,000	24,000,000	129,722,632	95,728,817
Other Grants and Transfers	38,867,038	50,023,419	46,982,351	51,241,182	54,937,064
Other Payment			2,000,000	17,017,686	
Total	127,709,007	164,149,218	85,847,099	217,832,763	162,478,826

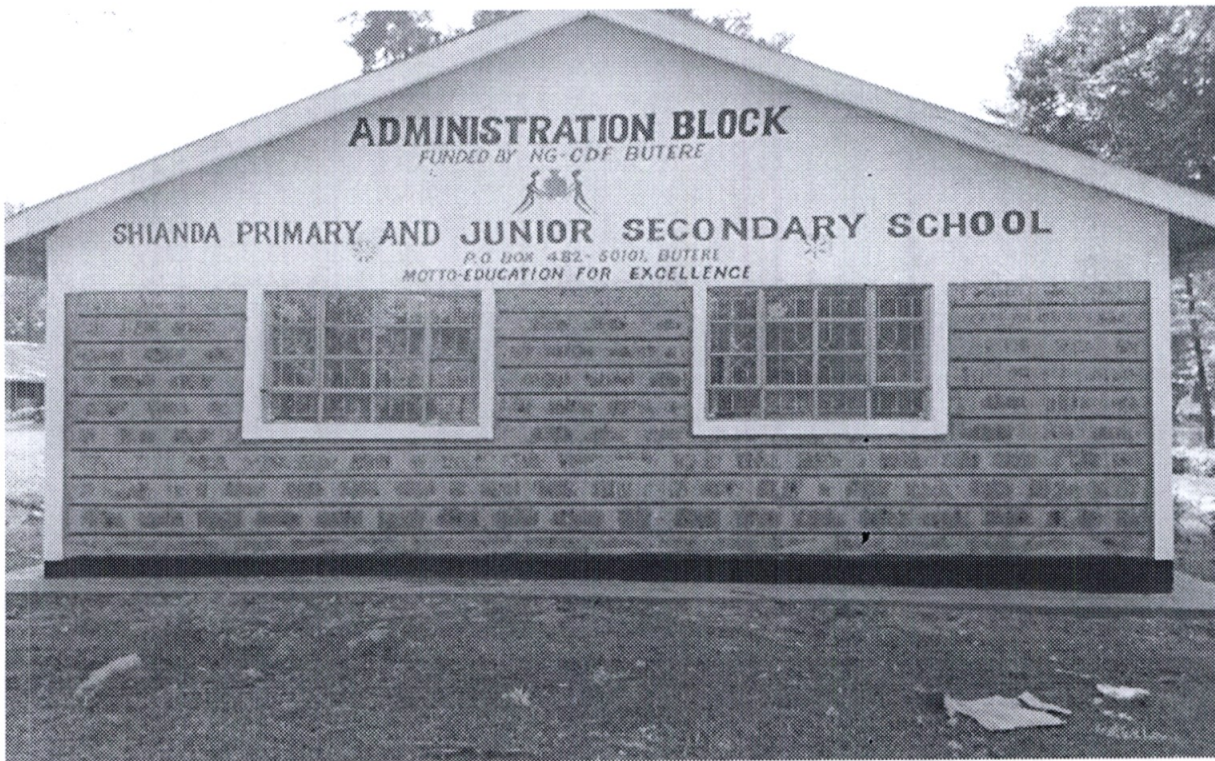


Key Projects – Implemented & Ongoing

Some of the key projects implemented of the years was construction of administration blocks, dormitories, laboratories and classrooms under the education sector which have greatly assisted learners in impacting knowledge and reducing level of illiteracy among the residents of Butere constituency. Construction of security projects also reduced insecurity within the constituency and increased trading and socialization for the people therefore increasing the living standards for the people.

Some of the best implemented projects are as shown:

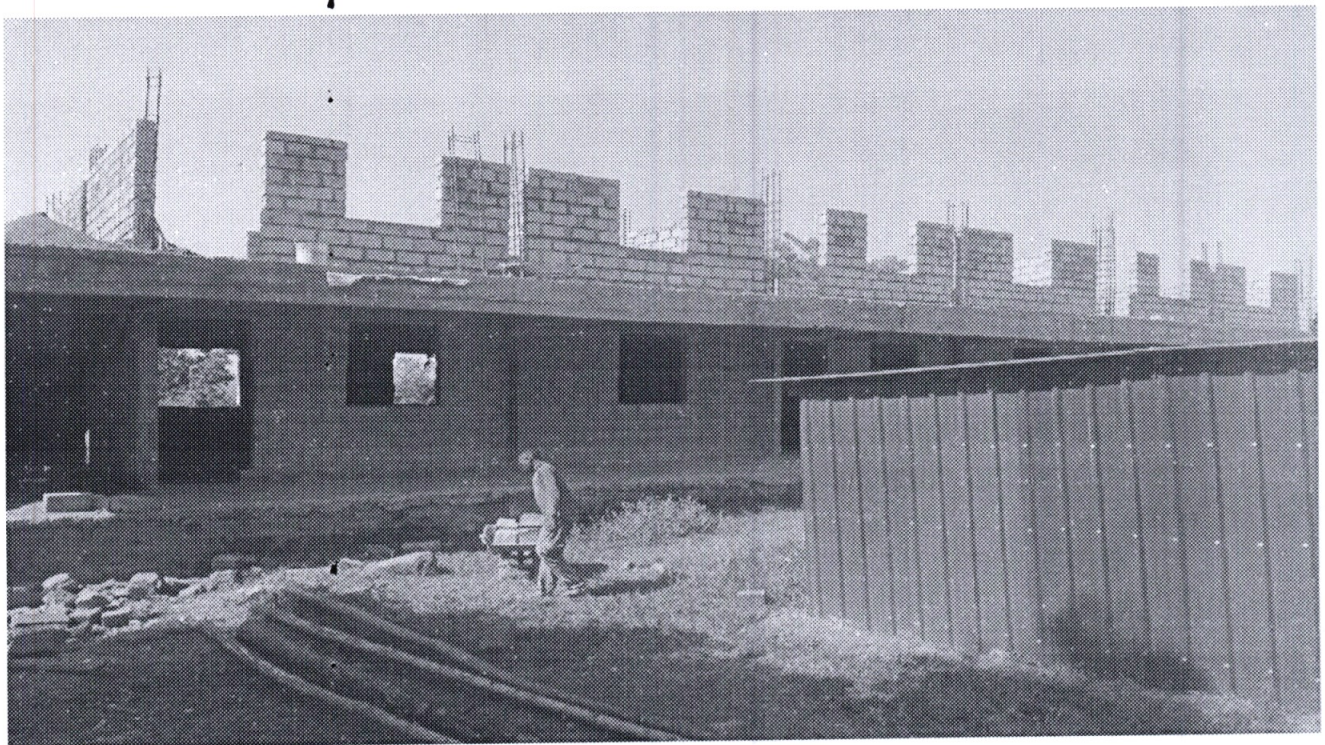
1. Construction of administration block at shianda primary school



2. Construction of chief's office at Mutoma sublocation.



3. Ongoing construction of Muluwa Secondary school storey building comprising of 8 classrooms.



National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Bursary & Education Support -Over Ksh. 150Million disbursed during the five financial years FY 2020-2025 across all education levels.

Butere NGCDF constructed over 180 classrooms and renovated over 200 classrooms across the constituency. We also responded to emergency by reconstructing blown off classrooms and constructed pit latrines for the students.

Security – Constructed over 5 chiefs offices.

Butere NG-CDF has consistently adhered to:

1. The NG-CDF Act, 2015;
2. Annual audits by the Auditor-General’s Office, with no unresolved material arrears as of Jun 2025;
3. Adherence to Public Finance Management and Procurement laws;
4. Timely submission of financial statements and annual reports.

Major Risks & Management Strategies

Butere NG-CDFC, like other public entities, operates in a dynamic environment that exposes it to financial, operational, legal, and reputational risks. The management has identified the following key risk areas and corresponding mitigation strategies:

Risk	Description	Mitigation Measures
Delayed Disbursement of Funds	Late releases from the Broad disrupt planned project timelines and bursary disbursements.	- Implement phased project planning - Prioritize essential projects early - Maintain a working balance from prior-year savings

Rising Costs of Construction Materials	Inflation and market fluctuations increase costs mid-project, affecting scope and quality.	<ul style="list-style-type: none"> - Use locally available materials - Build in contingencies during budgeting - Regularly review and update Bill of Quantities
Contractor Underperformance	Some contractors fail to meet timelines or quality standards, delaying completion.	<ul style="list-style-type: none"> - Strict vetting and registration procedures - Enforce performance bonds - Use blacklisting mechanisms for repeat offenders
Limited Technical Capacity in Implementation	Some schools and PMCs lack technical knowledge for effective supervision of projects.	<ul style="list-style-type: none"> - Train PMC members and school heads - Assign technical officers for M&E - Use simplified guidelines and manuals
Fraud and Misappropriation Risk	Potential misuse of funds at implementation level.	<ul style="list-style-type: none"> - Frequent audits - Strict approval and payment workflows
Data and Records Management Challenges	Manual record keeping may affect tracking, retrieval, and reporting.	<ul style="list-style-type: none"> - Introduce digital systems - Train staff on data management - Regular backups

Material Arrears & Financial Obligations

There are no material arrears in statutory or contractual payments as of FY 2024/25. PMC savings and prudent fund management have ensured all obligations are met promptly.

Economic & Sectorial Context


Despite inflationary pressures and agricultural challenges, local investments have improved community resilience. Continuous support to education and health sectors is delivering notable local returns, evident in school enrolment, infrastructure upgrades, and youth participation.

Future Outlook & Strategic Developments

- Optimized Bursary Scheme - Scaling bursaries to meet continued demand.
- ICT and Innovation Expansion - Increased budgets for training and hub infrastructure.
- Green Commitment - Target to plant 20,000 trees in upcoming FY.

Conclusion

- Butere NG-CDF has demonstrated Improved funding absorption throughout the financial year.
- A balanced project portfolio encompassing education, infrastructure, environment, and security
- Robust compliance and risk systems ensuring transparency and efficiency.
- Through ongoing stakeholder engagement and strategic prioritization, the Fund remains on track to meet its mandate and heighten impact in subsequent financial years.


.....
Name *Mary Mwakari*
Fund Account Manager

8. Environmental and Sustainability Reporting

The National Government Constituencies Development Fund (NG-CDF) for Butere Constituency operates under the mandate of the NG-CDF Act, 2015, with the primary objective of facilitating equitable development across the constituency by financing priority projects identified through public participation. The Fund's core focus lies in enhancing access to quality education, improving local infrastructure, supporting security initiatives, empowering youth, and responding to emergencies in a timely and inclusive manner.

To ensure long-term sustainability, Butere NG-CDFC emphasizes transparency, accountability, and community involvement in project planning and implementation. The Committee actively promotes capacity building among stakeholders, encourages the use of cost-effective and environmentally friendly construction methods, and maintains a rigorous monitoring and evaluation framework. These strategies not only ensure optimal use of resources but also build local ownership and resilience—thereby positioning the Fund to consistently deliver impactful and citizen-centered services for years to come.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Butere Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; 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. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as a forestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

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

3. Employee welfare

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

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

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in

place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Butere Constituency is committed to fair and ethical market practices.

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

Butere Constituency 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

Butere Constituency 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 program, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

Butere Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....
Name: Mary Mwaki
Fund Account Manager.

9. 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Butere Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Butere Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual 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, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Butere Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF-Butere Constituency financial statements were approved and signed by the Accounting Officer on 30th July 2025.



.....
Name: Wambani Were
Chairman – NGCDF Committee



.....
Name: Mary Mwaki
Fund Account Manager

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Name: Mary Mwaki

Fund Account Manager.

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The Accounting Officer in charge of the NGCDF-Butere Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

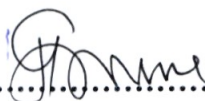
The Accounting Officer in charge of the NGCDF-Butere Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Butere Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF-Butere Constituency financial statements were approved and signed by the Accounting Officer on 30th July 2025.



.....
Name: Wambani Were
Chairman – NGCDF Committee



.....
Name: Mary Mwaki
Fund Account Manager

REPUBLIC OF KENYA



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Anniversary Towers
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BUTERE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Butere Constituency set out on pages 1 to 64, which comprise of the statement of financial position as at 30 June, 2025 and the

Report of the Auditor-General on National Government Constituencies Development Fund - Butere Constituency for the year ended 30 June, 2025

statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Butere Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Butere Constituency Management in accordance with ISSAI 130 on the 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved budgeted revenue of Kshs.257,785,161 and actual receipts of Kshs.207,343,208 resulting to under-funding of Kshs.50,441,953 or 20% of the budget. Similarly, the Fund spent Kshs.162,478,826 out of budgeted expenditure of Kshs.257,785,161 resulting to under-performance of Kshs.95,306,336 or 37% of the budget.

In the circumstances, the under-funding and under-performance affected the implementation of planned activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Unresolved Prior Year Audit Matters

In the report for the previous year, several issues were raised under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. However, Management has not resolved the issues or given any explanation for the delay in resolving the issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xlii which comprise of Key Constituency Information and Management, NG-CDF Committee, NGCDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Review of the project implementation status report provided for audit revealed that the Fund planned to implement thirty-two (32) projects with an estimated cost of Kshs.114,600,000 in the 2024/2025 financial year. Out of these, four (4) projects with an

estimated cost of Kshs.6,400,000 were complete, twenty-seven (27) projects with estimated cost of Kshs.107,200,000 were still ongoing and one (1) project with estimated cost of Kshs.1,000,000 had not started.

In the circumstances, the public did not realize value for money on the ongoing and not started projects.

2. Non-Compliance with Transition from Cash to Accrual Accounting Framework

Review of the implementation of cash basis to accrual basis of accounting roadmap at the National Government Constituencies Development Fund – Butere Constituency revealed that the Accounting Officer of the Fund did not establish a cash to accrual transition committee at the entity level and did not appoint a project manager to oversee the transition. Further, a detailed roadmap outlining the key milestones at the entity level was not developed.

This was contrary to The National Treasury and Economic Planning circular Ref. Treasury circular No.3/2025 of 14 April, 2025 for Guidelines on transition from cash to accrual accounting by the National Government, County Governments and their respective entities.

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

3. Outstanding Tax Arrears Owed to Kenya Revenue Authority

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.39,696,718 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

4. Failure to Prepare Quarterly Financial Reports

During the year under review, Management did not prepare quarterly financial reports. This was contrary to Section 83 (1) of the Public Finance Management Act, 2012 which provides that an Accounting Officer for a National Government entity shall prepare a report for each quarter of the financial year in respect of the entity.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section 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

Review of the Fund activities for the year revealed that the Fund's operations were not reviewed by internal audit unit contrary to the Public Finance Management Act, 2012, Section 73 (l)(a) which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, Management was in breach of law and the effectiveness of internal controls and risk management 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 effective 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 the 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 (Accrual Basis) and for maintaining effective internal controls 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 governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2025

Report of the Auditor-General on National Government Constituencies Development Fund - Butere Constituency for the year ended 30 June, 2025

Appendix I

Unresolved Prior Year Audit Matters

Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Unsupported Project Management Committee Bank Balances
2	Unsupported Bursary Disbursements
3	Unconfirmed Cash and Cash equivalent
4	Unsupported Gratuity Balance
	Emphasis of Matter
	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Delayed Project Implementations
2	Delayed Completion of Administration Block at Bulanda RC Primary School
	Report on Effectiveness of Internal Controls, Risk Management and Governance
	Lack of internal Audit Report

National Government Constituencies Development Fund (NGCDF)

Butere Constituency

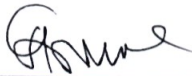
Annual Report and Financial Statements for The Year Ended June 30, 2025


11. Statement of Financial Performance for the Year Ended 30th June 2025

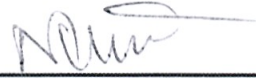
	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	4,924,293
Committee expenses	11	2,937,200
Use of Goods and Services	12	4,908,522
Other Government Units Actual expenditure	13	95,728,817
Other Grants and Transfers Actual expenditure	14	54,937,064
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		163,435,896
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		16,006,058

The Constituency financial statements were approved by the NGCDFC on 30th July 2025 and signed

by:


Chairman NG-CDF
Committee
Name: Wambani Were


National Sub-County
Accountant
Name: John Ohanga
ICPAK M/No:


Fund Account Manager
Name: Mary Mwaki

Fund Account Manager
Butere NG-CDF
P. O. Box 326 - 50100
Butere

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

12. Statement Of Financial Position As At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	44,864,382	24,423,208
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	50,441,954	53,920,000
Prepayments	22	-	-
Total Current Assets		95,306,336	78,343,208
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		95,306,336	78,343,208
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	280,688	280,688
Lease Liabilities	28	-	-
Gratuity Provision	29	2,549,247	1,592,177
Total Current Liabilities		2,829,934	1,872,864
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,829,934	1,872,864
Net Assets (A-B)		92,476,402	76,470,343
Represented by:			
Revaluation Reserves			
Accumulated Surplus		92,476,402	76,470,343
Total Net Assets		92,476,402	76,470,343

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

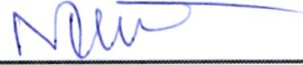
The Constituency financial statements set out on pages 1 to Butere 8 approved by NG CDFC on 30th July 2025 and signed by;



Chairman NG-CDF
Committee
Name: Wambani Were



National Sub-County
Accountant
Name: John Ohanga
ICPAK M/No:



Fund Account Manager

Name: Mary Mwaki

DISTRICT ACCOUNTANT
BUTERE DISTRICT

Fund Account Manager
Butere NG-CDF
P. O. Box 326 - 50100
Butere

13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024		4,363,268	4,363,268
Adjustments			
Recognition of Assets		73,979,940	73,979,940
Recognition of Liabilities		1,872,864	1,872,864
As at July 1, 2025		76,470,343	76,470,343
Surplus/(Deficit) For the Period		16,006,058	16,006,058
Revaluation Gain/Loss			
As at June 30, 2025 (current year)		92,476,402	92,476,402

Note:

- For cash and cash equivalent Opening balance as at July 2024 was 24,423,208 and closing balance as at 30th June 2024 was 4,363,268 causing a variance of 20,059,940. The variance of 20,059,208 consist of 18,187,075 being PMC Account balances as at 30th June 2025 and 1,872,864 being the closing balance on the deposit account as at 30th June 2024.
- PMC balances as 1st July was 18,187,075 and as at 30th June 2024 was 8,240,279 causing a variance of 9,946,796. This was as a result of additions of various PMCs balances which were omitted in the previous financial year and also because of transition from the cash to accrual basis.

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

14. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	2024/2025 Kshs
Cashflows from operating activities		
Receipts		
Transfers from the NGCDF Board		182,920,000
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		182,920,000
Payments		
Employee costs		3,967,223
Committee expenses		2,937,200
Use of Goods and Services		4,908,522
Other Government Units Certified Works		95,728,817
Other Grants and Transfers		54,937,064
Digital Hubs Expenses		-
Total Payments		162,478,826
Net Cash Flows from/ (used in) Operating Activities	30	20,441,174
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		20,441,174
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		20,441,174
Cash and cash equivalents at Period Start	19	24,423,208
Cash and cash equivalents at Period End	19	44,864,382

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	24,423,208	53,920,000	257,785,161	207,343,208	50,441,954	80
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	179,441,954	24,423,208	53,920,000	257,785,161	207,343,208	50,441,954	80
Expenses							
Employee costs	5,556,029	243,079	-	5,799,108	3,967,223	1,831,885	68
Committee expenses	3,120,000	-	1,000,000	4,120,000	3,848,075	271,925	93
Use of Goods and Services	7,473,747	1,835	-	7,475,582	3,997,647	3,477,935	53
Other Government Units Certified Works	98,800,000	19,974,027	50,920,000	169,694,027	95,728,817	73,965,210	56
Other Grants and Transfers	58,444,313	4,204,267	2,000,000	64,648,580	54,937,064	9,711,516	85
Digital Hubs Expenses	-	-	-	-	-	-	-
Funds Pending Approval**	6,047,865	-	-	6,047,865	-	6,047,865	-
Total Expenditure	179,441,954	24,423,208	53,920,000	257,785,161	162,478,826	95,306,336	63
Surplus for the period	-	-	-	-	44,864,382	(44,864,382)	

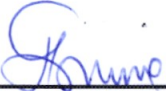
National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


Explanatory Notes.

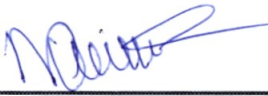
- (a) 68% for compensation of employees which was below 90% as there was still at the Board for FY 2024/2025.
- (b) 53% use of goods its on-going
- (c) 56% for transfers to Transfers To Government entities which was below 90% as there was still at the Board for FY 2024/2025.
- (d) 85% for transfers to other Government entities which was below 90% as there was still at the Board for FY 2024/2025.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,306,336
Less undisbursed funds receivable from the Board as at 30 th June 2025	50,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	44,864,382

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG CDFC on 30th July 2025 and signed by;


Chairman NG-CDF Committee
Name: Wambani Were


National Sub-County Accountant
Name: John Ohanga
ICPAK M/No:


Fund Account Manager
Name: Mary Mwaki

DISTRICT ACCOUNTANT
BUTERE DISTRICT

Fund Account Manager
Butere NG-CDF
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National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,556,029	243,079		5,799,108	3,967,223	1,831,885
1.2 Committee allowances	1,248,000		1,000,000	2,248,000	2,195,700	52,300
1.3 Use of goods and services	3,962,488	627		3,963,116	2,136,284	1,826,831
Sub-total	10,766,517	243,706	1,000,000	12,010,223	8,299,207	3,711,016
2.0 Monitoring and evaluation						
2.1 Capacity building	1,004,000	550		1,004,550	741,500	263,050
2.2 Committee allowances	1,872,000			1,872,000	1,652,375	219,625
2.3 Use of goods and services	2,507,259	658		2,507,917	1,119,863	1,388,054
Sub-total	5,383,259	1,208	-	5,384,467	3,513,738	1,870,729
4.0 Emergency						
Unutilized				-		-
Emutondo Primary School	1,100,000			1,100,000	1,100,000	-
Eshitoyi Primary School	1,100,000			1,100,000	1,100,000	-
Eshikomere Primary School	4,800,000			4,800,000	4,800,000	-
Eshishebu Primary School	700,000			700,000	686,000	14,000

National Government Constituencies Development Fund (NGCDF)
Butere Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget		Adjustments		Finai Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Opening Balance (C/Bk) and AIA	Kshs	Previous Years' Outstanding Disbursements			
Lukohe Primary School	700,000				700,000	700,000	-
Ikokwa Primary	500,000				500,000	-	500,000
Unutilized	544,313				544,313		544,313
Sub-total	9,444,313	-		-	9,444,313	8,386,000	1,058,313
5.0 Bursary and Social Security							
5.1 Primary Schools					-		-
5.2 Secondary Schools	25,000,000	72,000			25,072,000	24,985,000	87,000
5.3 Tertiary Institutions	15,000,000				15,000,000	13,627,000	1,373,000
5.4 special needs					-		-
5.5 Education Support Programmes					-		-
5.6 Social Security					-		-
Sub-total	40,000,000	72,000		-	40,072,000	38,612,000	1,460,000
7.0 Environment							
Butere Primary School		1,000,000			1,000,000	999,000	1,000
Iufumbo Primary School				1,000,000	1,000,000	999,500	500
Shishebu Primary School				1,000,000	1,000,000	980,000	20,000
Sub-total	-	1,000,000		2,000,000	3,000,000	2,978,500	21,500

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.0 Primary Schools Projects						
Bulanda RC Primary School	1,500,000			1,500,000	952,958	547,042
Bulanda Primary School	1,000,000	1,407		1,001,407	-	1,001,407
Butunyi Primary School	1,800,000			1,800,000	950,000	850,000
EBUTSETSE PRIMARY SCHOOL		40,469		40,469	40,000	469
Emahola Primary School	4,500,000			4,500,000	-	4,500,000
EMAUKO PRIMARY SCHOOL		826,233		826,233	823,648	2,585
Emunuku Primary	1,000,000			1,000,000	-	1,000,000
Emutondo Primary School	2,400,000			2,400,000	-	2,400,000
ESHIKANGU PRIMARY SCHOOL		39,752		39,752	-	39,752
ESHIKOMERE PRIMARY SCHOOL	4,800,000	1,176		4,801,176	-	4,801,176
ESHIREMBE PRIMARY SCHOOL	7,800,000	1,439	5,000,000	12,801,439	8,991,150	3,810,289
ESHISHEBU PRIMARY SCHOOL				-	-	-
Eshitoyi primary school	2,400,000			2,400,000	1,400,120	999,880
Ikokwa Primary School	1,000,000			1,000,000		1,000,000
Ikokwa Primary School	8,000,000		5,000,000	13,000,000	4,951,150	8,048,850
Inaya Primary School	4,800,000			4,800,000	901,025	3,898,975
Iranda Primary school	2,400,000			2,400,000	-	2,400,000
LUKOHE PRIMARY SCHOOL	8,000,000	1,000,547	5,000,000	14,000,547	10,749,179	3,251,368
Matawa Primary School	1,200,000			1,200,000	-	1,200,000

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
MULUWA PRIMARY SCHOOL		9,059		9,059	-	9,059
MUYUNDI PRIMARY SCHOOL		130,062		130,062	-	130,062
Nyenyesi Primary School	1,200,000			1,200,000	-	1,200,000
SHIBUCHE PRIMARY SCHOOL		93,212		93,212	-	93,212
SHIBUCHE PRIMARY SCHOOL	8,000,000	3,001,944	5,000,000	16,001,944	9,751,318	6,250,626
Shikanga Primary Sch		600,000		600,000	-	600,000
SHIKULU PRIMARY SCHOOL	8,000,000	350,062	5,000,000	13,350,062	10,487,247	2,862,815
EMARENYO PRIMARY SCHOOL				-	-	-
ESHIRUMBA PRIMARY SCHOOL		12,398		12,398	575	11,823
Sub-total	69,800,000	6,107,759	25,000,000	100,907,759	49,998,370	50,909,389
9.0 Secondary Schools Projects (List all the Projects)						
Bukolwe Secondary School	7,000,000	575	6,500,000	13,500,575	10,672,968	2,827,608
Bululwe Secondary School			400,000	400,000	-	400,000
Butere Boys high School	4,000,000			4,000,000	-	4,000,000
Butere Girls High School			2,000,000	2,000,000	-	2,000,000
EMUSUNGURI SECONDARY SCHOOL		351,729		351,729	346,728	5,001
Eshikomere Secondary school	3,000,000			3,000,000	2,728,628	271,372
ITUTI SEC SCHOOL		6,970,457		6,970,457	6,936,262	34,195

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lufumbo Girls Secondary school			1,950,000	1,950,000	1,224,274	725,726
Lunza Secondary School		2,050,950	2,050,000	4,100,950	1,839,546	2,261,404
MASABA SEC SCHOOL	1,000,000			1,000,000	-	1,000,000
Masaba Secondary School	7,000,000	3,001,869	6,500,000	16,501,869	11,248,911	5,252,958
Muluwa Secondary School	6,000,000	1,000,000	6,520,000	13,520,000	10,295,050	3,224,950
SHINMWENYULI SEC SCHOOL		435,194		435,194	434,000	1,194
SHIRAHA SEC SCHOOL		55,495		55,495	4,080	51,415
Shirembe Secondary	1,000,000			1,000,000	-	1,000,000
Sub-total	29,000,000	13,866,268	25,920,000	68,786,268	45,730,447	23,055,822
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Bukhokoro Assistant Chiefs office	1,000,000			1,000,000	-	1,000,000
Busheni Sub-Location Assistant Chiefs office	1,000,000			1,000,000	919,489	80,511
Butere AP Line	1,000,000			1,000,000	-	1,000,000
Butere Police Station	3,000,000			3,000,000	-	3,000,000

National Government Constituencies Development Fund (NGCDF)

Butere Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Butere Police Station	1,000,000			1,000,000	-	1,000,000
BUTERE SUB COUNTY COMM OFFICE		3,004,119		3,004,119	3,000,390	3,729
Mukangu Assistant Chiefs office	1,000,000			1,000,000	980,685	19,315
SHIRAHA DIVISIONAL HQS		128,148		128,148	60,000	68,148
Sub-total	8,000,000	3,132,267	-	11,132,267	4,960,564	6,171,703
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office	1,000,000			1,000,000		1,000,000
Sub-total	1,000,000	-	-	1,000,000	-	1,000,000
13.0 Others						
		-	-	-		-
Sub-total	-	-	-	-	-	-
Funds pending approval**						
unapproved projects		-		-		-
Emahola Primary School	2,500,000			2,500,000	-	2,500,000
Eshilunyire Primary School	547,865			547,865		547,865
Shibuche Primary School	1,000,000			1,000,000		1,000,000

National Government Constituencies Development Fund (NGCDF)

Butere Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muyundi Primary School	1,000,000			1,000,000		1,000,000
Mukoye Primary Sch	1,000,000			1,000,000		1,000,000
AIA	-			-		-
Sub-total	6,047,865	-	-	6,047,865	-	6,047,865
Total	179,441,954	24,423,208	53,920,000	257,785,161	162,478,826	95,306,336

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Butere Constituency principal activity is farming.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Butere has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Butere has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

*National Government Constituencies Development Fund (NGCDF)
Bùtere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Not Applicable</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not Applicable</i>
IPSAS 45:	<i>Applicable 1st January 2025</i>

Property Plant and Equipment	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not Applicable</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the</p>

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

	nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not Applicable</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not Applicable</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not Applicable</p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually, on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity*.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget was approved by Parliament on 25 June 2025 for the period 1st July 2025 to 30th June 2025 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 final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 25*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

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.

o) 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

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

q) 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 June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	
Total	

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	
Total	

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	
Income from sale of tenders	
Hire of plant/equipment/facilities	
Other Income Not Classified Elsewhere (<i>specify</i>)	
Total	

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,483,585
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	957,070
Employer Contributions Compulsory national social security schemes	375,840
Employer Contributions Compulsory Housing levy	107,798
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,924,293

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,195,700
Other Committee expenses	741,500
Total	2,937,200

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	21,885
Communication, supplies and services	383,860
Domestic travel and subsistence	249,100
Printing, advertising and information supplies & services	243,000
Office Rent	-
Training expenses	873,775
Hospitality supplies and services	339,000
Insurance costs	300,000
Specialized materials and services	700,000
Office and general supplies and services	292,244
Fuel, oil & lubricants	350,000
Bank charges	40,439
Routine maintenance – vehicles and other transport equipment	138,619
Routine maintenance – other assets	198,000
Strategic plan expenses	-
Other operating expenses	778,600
Total	4,908,522

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	49,998,370
Secondary Schools Actual expenditure	45,730,447
Tertiary Institutions Actual expenditure	-
Total	95,728,817

14. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	24,985,000
Bursary – tertiary institutions	13,627,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	4,960,564
Climate change mitigation projects	2,978,500
Emergency projects Actual expenditure	8,386,000
Roads projects Actual expenditure	-
Others specify	-
Total	54,937,064

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	
Intangible Assets	
Total	

16. Digital Hubs Expenses

Description	<i>2024/2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	
Digital Hub utility costs Water, Electricity,	
Maintenance of ICT equipment	
Maintenance of building	
Others (<i>specify</i>)	
Total	

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

17. Gain/loss on Sale of Assets

Description	2024/2025
	Kshs
Property, Plant and Equipment	
Intangible Assets	
Total Gain/loss on Sale of Assets	

18. Impairment Loss

Description	2024/2025
	Kshs
Property, Plant and Equipment	
Intangible Assets	
<i>(Include financial instruments that are impaired)</i>	
Total Impairment Loss	

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1- July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Co-operative Bank, Mumias Branch, Account No. 01120068114200</i>	7,281,253	4,363,268
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, Mumias Branch, Account No. 0680285522051</i>	2,829,934	1,872,864
<i>Co-operative of Bank Mumias , account No. (PMC accounts)</i>	34,753,195	18,187,075
Total	44,864,382	24,423,208
Cash Balances		
Location 1		
Location 2		
Other Locations <i>(Specify)</i>		
Total		

20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)		
Less: impairment allowance		
Total receivables		
a. Current receivables		
b. Non-current receivables		
Total Receivables (a+b)		

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB	50,441,954		53,920,000	
Outstanding imprest	-		-	
Total	50,441,954		53,920,000	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	50,441,954	100%	53,920,000	100%
Between 1-2 years		%		%
Over 3 years		%		%
Total	50,441,954	100%	53,920,000	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Prepaid Rent				
Prepaid Insurance				
Prepaid Electricity Costs				
Other Prepayments (<i>Specify</i>)				
Total				

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2% *	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2025	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025								
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025								
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1 st July 2025	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on Butere.

22 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2025	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1st 2025	-
NBV at June 30th 2025	-

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)				
Additions				
As At 30 June 2025 (Comparative Period)				
Additions				
As At 30 June 2025 (Current FY)				
Accumulated Depreciation				
As At 1 July 2025 (Comparative period)				
Charge for the period				
As At 30 June 2025 (Comparative period))				
Charge for the period				
As At 30 June 2025 (Current FY)				
Carrying Amount				
As At 30 June 2025 (Current FY)				
As At 30 June 2025. (Comparative Period)				

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Trade payables				
Employee payables				
Other payables				
Total trade and other payables				
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

27. Third-Party deposits

	2024/2025	2023/2024
	KShs	
Retention as at 1 st July (A)	280,688	-
Retention held during the year (B)	-	280,688
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	280,688	280,688

Retentions aging analysis.

	2025/2025	% of the total	2023/2024	% of the total
Less than 1 year	280,688	100%	280,688	100%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total	280,688	100%	280,688	100%

28. Lease Liabilities

Description	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Balance at the beginning of the year		
Discount interest on lease liability		
Paid during the year		
At end of the year		

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Maturity Analysis

Period	Amount
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and onwards	
Less: unearned Interest	

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

29. Gratuity Provision

Description	2024/2025	2023/2024
	Kshs	
Gratuity at the beginning of the year 1 st of July	1,592,177	-
Gratuity held during the year	957,070	1,592,177
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	2,549,247	1,592,177

30. Cash Generated from Operations

	<i>2024/2025</i>
	Kshs
Surplus/Deficit for the year	16,006,058
Adjusted for:	
Depreciation	
Impairment	
Gains and losses on disposal of assets	
Working capital adjustments	
Increase/decrease in receivables	3,478,046
Changes in gratuity provision	957,070
Increase/decrease in payables	
Net cash flow from operating activities	20,441,174

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions	50,441,954	50,441,954		
Bank balances	44,864,382	44,864,382		
Total	95,306,336	95,306,336		
As at 30 June (Previous FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from Butere. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Trade payables	-			
Current portion of borrowings				
Provisions(Retention)			280,688	280,688
Deferred income				
Gratuity Provision			2,549,247	2,549,247
Total			2,829,935	2,829,935
As at 30th June (2023/2024)				
Trade payables				
Current portion of borrowings				
Provisions(Retention)			280,688	280,688
Deferred income				
Employee benefit obligation			1,592,177	1,592,177

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Total			1,872,865	1,872,865

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets			
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets			
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%		
USD	10%		
Previous FY			
Euro	10%		
USD	10%		

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.,

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by

one percentage point as a decrease/increase of Kshs. (Current FY: Kshs.). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. (Current FY – Kshs.)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets	N/A	N/A	N/A	N/A
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
Total				

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets				
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
Total				

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	<i>2024/2025</i>	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings?	92,476,402	76,470,343
Capital Reserve		
Total Funds	92,476,402	76,470,343
Total Borrowings		
Less: Cash and Bank Balances	44,864,382	24,423,208
Net Debt/(Excess Cash And Cash Equivalents)	47,612,020	52,047,135
Gearing	51.48%	68.1%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,195,700	1,964,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	182,920,000	210,723,795
Total	185,115,700	212,687,795

33. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Contingent Assets	N/A	N/A
Insurance Reimbursements	N/A	N/A
Assets Arising from Determination Of Court Cases	N/A	N/A
Reimbursable Indemnities and Guarantees	N/A	N/A
Receivables From Other Government Entities	N/A	N/A
Others (Specify)	N/A	N/A
Total		

(Give details)

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Contingent Liabilities

Description	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Contingent Liabilities		N/A
Court Case 25 against the Entity	N/A	N/A
Bank Guarantees in Favour of Subsidiary	N/A	N/A
Contingent Liabilities arising from Contracts Including PPPs	N/A	N/A
Others (Specify)	N/A	N/A
Total		

35. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Authorised for	N/A	N/A
Authorised and Contracted for	N/A	N/A
Total		

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

37. Ultimate And Holding Entity

The Butere Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

*Butere Constituency
National Government Constituencies Development Fund (NGCCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2025*

**18. Annexes
Annex 1: Summary of Asset Register**

Asset class	Historical Cost/valuation cost/balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	8,148,132	0.00	-	8,148,132
Buildings and structures	4,057,402	0.00	-	4,057,402
Transport equipment	1,340,171	0.00	-	1,340,171
Office equipment, furniture, and fittings	1,495,634	0.00	-	1,495,634
ICT Equipment and Other ICT Assets	2,880,000	0.00	-	2,880,000
Other Machinery and Equipment	175,000	0.00	-	175,000
Intangible assets	175,000	0.00	-	175,000
Total	18,271,339	0.00	-	18,271,339

(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Annex 2 –PMC Bank Balances As At 30th June 2025

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
Bukhokoro Assistant Chief Office	Co-operative Bank	01100920362001	1,000,975	975
Bukolwe Secondary School	Co-operative Bank	01139233059800	827,608	575
Bulanda Ac Primary School	Co-operative Bank	01141068037100	522	522
Bulanda Rc Primary School	Co-operative Bank	01141234172100	48,449	1,407
Bululwe Secondary School	Co-operative Bank	01141233925600	400,000	
Bumamu Primary School	Co-operative Bank	01141233869400	1,971	1,971
Bushieni Assistant Chief Office	Co-operative Bank	01100934596001	29,486	948,975
Butere Boys High School	Co-operative Bank	01141498728701	4,000,000	
Butere Primary School	Co-operative Bank	01141799014800	20,000	
Butere Girls High School	Co-operative Bank	01115424564600	2,000,000	
Butere Primary School	Co-operative Bank	01141498087001	2,002	2,002
Butere Sub County Comm Office	Co-operative Bank	01141233859400	3,729	3,004,119
Butunyi Primary School	Co-operative Bank	01141233869410	852,920	2,920
Ebukhokoro Primary School	Co-operative Bank	1141067305901	804	804
Ebulafu Primary School	Co-operative Bank	1141233995000	4,516	4,516
Ebutsetse Primary School	Co-operative Bank	1139233877300	469	40,469

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
Elukokho Primary School	Co-operative Bank	1141067534800	29,461	29,461
Emahola Primary School	Co-operative Bank	1141799394500	576	576
Emarenyo Primary School	Co-operative Bank	1141498971101	310	310
Emashere Primary School	Co-operative Bank	1141067812400	363	363
Ematsakha Primary School	Co-operative Bank	1141498144700	1,240	1,240
Emauko Primary School	Co-operative Bank	1141498622600	2,586	826,234
Emukangu Primary School	Co-operative Bank	1139067539401	597	597
Emunuku Primary	Co-operative Bank	1141068034900	26,598	26,598
Emusunguri Secondary School	Co-operative Bank	1141234049900	5,001	351,729
Emutondo Primary School	Co-operative Bank	1141498112200	1,503	1,503
Eshianini Primary School	Co-operative Bank	1141499522500	746	746
Eshikangu Primary School	Co-operative Bank	1141234747700	40,252	40,252
Eshikomere Girls Sec School	Co-operative Bank	1141233881300	301,979	30,607
Eshikomere Primary School	Co-operative Bank	1141234740100	1,276	1,276
Eshilunyire Primary School	Co-operative Bank	1141067534000	1,084	1,084
Eshirembe Primary School	Co-operative Bank	1141067526300	3,010,289	1,439
Eshirumba Primary School	Co-operative Bank	1141234715800	11,823	12,398
Eshishebu Primary School	Co-operative Bank	1141067504200	14,000	-

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
Eshitari Primary School	Co-operative Bank	1141068044200	36,847	36,847
Eshitoyi Primary School	Co-operative Bank		9,463	9,583
Eshitsakha Primary School	Co-operative Bank	1141234975900	10,414	10,414
Eshiyanza Secondary School	Co-operative Bank		3,135	3,135
Ikokwa Primary	Co-operative Bank		500,000	
Ikokwa Primary School	Co-operative Bank	1141067531900	4,101,141	52,291
Imanga Secondary School	Co-operative Bank	1141233011300	31,861	31,861
Inaya Primary School	Co-operative Bank		1,306,494	7,519
Inaya Secondary Sch	Co-operative Bank	1141068219200	4,323	4,323
Iranda Primary School	Co-operative Bank		2,413,419	13,419
Ituti Sec School	Co-operative Bank	1141234734100	6,500	6,942,762
Lufumbo Primary School	Co-operative Bank	1141799195600	1,000	
Lufumbo Girls Secondary School	Co-operative Bank	1141068188300	766,441	40,715
Lukohe Primary School	Co-operative Bank	1141068228200	2,251,368	3,000,547
Lunza Sec School	Co-operative Bank	1141499537800	211,404	950
Mabole Boys Sec School	Co-operative Bank	1141233025000	14,281	14,281
Mahondo Primary School	Co-operative Bank	1141499462000	2,590	2,590
Manyala Secondary School	Co-operative Bank	1141498324100	6,206	6,206

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
Masaba Primary School	Co-operative Bank	1139068485500	15,211	15,211
Masaba Secondary School	Co-operative Bank	1141498483700	2,252,958	1,869
Matawa Primary School	Co-operative Bank	1141067812000	38,004	38,004
Mukangu Assistant Chief Office	Co-operative Bank	01100944268001	19,315	1,000,000
Mukoye Primary School	Co-operative Bank	01141234856701	870	870
Muluwa Primary School	Co-operative Bank	01141067526700	9,159	9,159
Muluwa Secondary School	Co-operative Bank	01139233059800	2,224,950	
Mutoma Primary School	Co-operative Bank	01141068041900	3,755	3,755
Muyundi Primary School	Co-operative Bank	01141067300401	562	562
Nativity Our Lady Mutoma Girls	Co-operative Bank	01141234589401	768	768
Nyenyesi Primary School	Co-operative Bank	01141234121800	1,448	1,448
Shianda Primary School	Co-operative Bank	01141067767100	2,495	2,495
Shiatsala Primary School	Co-operative Bank	01141498946300	3,284	3,284
Shibembe Mixed Sec School	Co-operative Bank	01141234746101	482	482
Shibimbi Primary School	Co-operative Bank	01141799038600	8,629	8,629
Shibuche Primary School	Co-operative Bank	01141067196300	93,212	93,212
Shibuche Primary School	Co-operative Bank	01141067196300	3,250,176	1,494
Shishebu Primary School	Co-operative Bank	01141283175400	12,794	12,294

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
Shikulu Primary School	Co-operative Bank	01141498635800	2,350,061	837,308
Shikunga Primary School	Co-operative Bank	01141234890400	18,835	18,835
Shinmwenyuli Sec School	Co-operative Bank	01120233025200	1,194	435,194
Shinyulu Primary Sch	Co-operative Bank	01139067302801	4,886	4,886
Shiraha Divisional Hqs	Co-operative Bank	01141068366800	68,148	128,148
Shiraha Sec School	Co-operative Bank	01141068168800	49,900	53,980
Shirembe Sec	Co-operative Bank	01141798616400	482	482
Shitsitswi Primary School	Co-operative Bank	01141234122101	1,602	1,602
Total			34,753,195	18,187,075

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Unsupported Project Management Committee Bank Balances. Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs. 8,240,279 as at 30 June, 2024 in respect to thirty(38) bank accounts. However, the bank reconciliation statements, bank statements, cash book and bank confirmation certificate were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs. 8,240,279 could not be confirmed.</p>	<p>We have attached (Reference 2) bank certificates for the respective PMCs to ascertain the accuracy of the disclosed figures.</p>	Not resolved	2 Weeks
2	<p>Unsupported Bursary Disbursements The statements of receipts and payments and Note 8 to the financial statements reflect other grants and transfers of Kshs. 66,758,868. The balance includes Kshs. 23,429,000 and Kshs. 13,184,000 in respect to bursary payments to secondary schools and tertiary institutions respectively. However, bursary payments to various learning institutions amounting to Kshs3,802,400 were not supported by acknowledgment slips from beneficiary institutions.</p>	<p>We have attached student list of beneficiaries, acknowledgement receipts from recipient institution and the subcommittee approval minutes at the ward level</p>	Not resolved	1 Months

National Government Constituencies Development Fund (NGCDF)

Butere Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
	In the circumstances, the accuracy and completeness of the bursary disbursements of Kshs.23,429,400 could not be confirmed.	for audit verification.		
3	<p>Unconfirmed Cash and Cash Equivalents Balance The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.4363268 as disclosed Note 11A to the financial statements. However review of Bank reconciliation statements for the month of June, 2024 in respect of operations account revealed unrepresented cheques totalling Kshs, 478000 that had become stale. Supporting documents to show reversal of the cheques in the cash book was not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4363268 could not be confirmed.</p>	We have attached (Reference 4) amended financial statement and cash book extract for audit review.	Not resolved	2 Weeks
4	<p>Unsupported Gratuity Balance The statement of assets and Liabilities reflects Nil gratuity balance as disclosed in Note 14 to the financial statements. However, Note 14 to the financial statements reflects gratuity paid during the year of Kshs. 1964159 whose supporting documents including deductions summary were not provided for audit review. Further, Note 14 shows a Nil comparative balance for 2022/2023 financial year, while audited financial statements for the Year ended 30 June, 2023 shows a balance of Kshs. 1964159 resulting to unexplained variance Kshs. 1964159.</p>	We have attached supporting documents on Gratuity payments for audit review.	Not resolved	2 Months

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

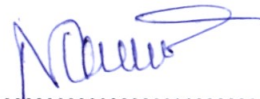
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of Nil gratuity balance could the not be confirmed.			
5	<p>Budgetary Control and Performance The summary statement of appropriation reflects final revenue budget and actual amounts on comparable basis of Kshs. 276,196,031 respectively resulting to under-funding of Kshs. 53,919,999 or 20% of the budget. Similarly, the Fund spent Kshs. 217,832,267 against an approved budget of Kshs. 276,116,030 resulting to under –expenditure of Kshs. 58,283,267 or 21% of the budget.</p> <p>In the circumstances, the under-funding and under –expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>	The under expenditure under transfers to Other Government Units, Other grants and transfers is due to money delay in disbursement of money from the NGCDF Board which delayed the implementation of the project.	Not resolved	2 Months
6	<p>Unresolved Prior Year Matters In the audit of previous year, several issues were reported under the report on the Financial Statements and report on lawfulness and effectiveness in use of public resources. However, management has not resolved the issues or given reasons for the delay in resolving the issues.</p>	We have attached (Reference 4) amended financial statement for audit review.	Not resolved	2 Months

National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
7	<p>Delayed Project Implementation During the year under review, records revealed that the fund had planned to implement forty-three(43) projects at a total cost of Kshs. 118,933,483. However two (2) or 5% of the projects whose funds had been disbursed costing Kshs. 7,000,000 had not commenced while twenty-two (22) or 65%of the project costing Kshs. 76,820,000 were ongoing and only nineteen (19) or 30% of projects costing Kshs. 35,113,483 had been completed.</p> <p>In the circumstances, value for money for the two (2) projects that had not commenced of Kshs. 7,000,000 and twenty-two (22) projects that were ongoing could not be confirmed.</p>	<p>We have attached (Reference 5) updated implementation status for audit review.</p>	<p>Not resolved</p>	<p>2 Months</p>
8	<p>Delayed Completion of Administration Block at Bulanda RC Primary School During the year under review, scrutiny of records revealed that Management awarded a local contract for the construction of administration block at Bulanda RC Primary School at a contract sum of Kshs. 3,330,486 with an amount of Kshs. 2,300,042 Or 69% already paid to the contractor and without an express contract period stated in the signed contract agreement. Field visit on 22nd November, 2024, revealed that the works had stalled as the contractor was not on site with window panes not fixed, floor not cemented and the inside and outside walls not plastered as required in the bill of quantities.</p>	<p>We have attached (Reference 4) containing; Bills of Quantities, Tender documents and expenditure returns indicating how much has been paid to the contractor and the PMC bank balance. The management has made a follow up on the poor workmanship and the</p>	<p>Not Resolved</p>	<p>3 Months</p>

*National Government Constituencies Development Fund (NGCDF)
Butere Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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)
	In the circumstances, the delayed implementation of the project may deny residents the intended services and value for money for the construction of Kshs. 3,330,486 may not have been realized.	cracks have been rectified and pending works completed.		
9	<p>Lack of Internal Audit Report During the year under review, supporting documents on Internal Audit Reports for The National Government Constituencies Development Fund-Butere constituency were not provided for audit review. This is contrary to section 73(1) of the Public Finance Management Act, 2012 which provides that National Government entities must maintain Internal Auditing arrangements.</p> <p>In the circumstances, the funding risks having weak internal controls which may result in loss of public fund.</p>	We have attached internal audit report for audit verification.	Not resolved	2 Weeks



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Name: MARY MWAKI
Fund Account Manager.