



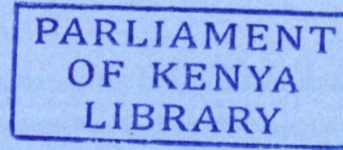
REPUBLIC OF KENYA



*Paper laid by the
Leader of Majority Party
12/6/2018.*



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
BUTULA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**





OFFICE OF THE AUDITOR GENERAL
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BUTULA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016
(Amended Copy)

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
BUTULA CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

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CONSTITUENCY DEVELOPMENT FUND- BUTULA CONSTITUENCY
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For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

(b) Key Management

The Butula constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Winston Lihanda
3.	Accountant	Stephen Mesa

(d) Fiduciary Oversight Arrangements

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

(e) Butula NGCDF Headquarters

NGCDF Office Building
P. O. Box 53-50405
Butula
Busia



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BUTULA
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(f) Butula NGCDF Contacts

Telephone: (254) 0 787 883 580

E-mail: cdfbutula@cdf.go.ke

(g) Butula NGCDF Bankers

National Bank of Kenya

Butula Branch

01021037115600

(h) Independent Auditors

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BUTULA CONSTITUENCY

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II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

Butula is an electoral constituency in Busia County covering approximately 247 km² with a population of 121,870. The Constituency consist of six assembly wards. namely: Marachi East, Marachi Central, Marachi West, Marachi North, Elugulu and Kingandole.

KEY ACHIEVEMENTS OF THE FUND

- It has led to the initiation of development projects at the local level thereby availing financial resources at the grassroots level, thus, empowering communities economically.
- It has led to the expansion of education infrastructure through construction of new schools.
- Bursary awards have increased enrolment and retention rates education institutions.
- It has led to the increase in accessibility of clean water.

Emerging issues


- Project management committees capacity building
- Piece meal funding of projects leading to its delayed benefit.
- Legal issues.

Challenges

- Insufficient annual allocated budget
- Increased population and poverty
- Insufficient technical support

Way forward

- Strengthening of audit systems and collaboration with investigating agencies i.e. Ethics and Anti-Corruption Commission and Director of Criminal Investigation on cases touching on fraud.
- To intensify Monitoring and Evaluation Unit,
- The NG CDF Board to hire registered Structural Engineers, Quality Surveyors and other staff on full-time basis.



Pamphil Opoya
Chairperson - NGCDFC



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III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

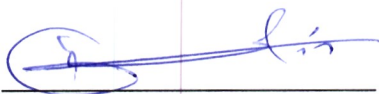
The Accounting Officer in charge of the Butula NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Butula NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Butula NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

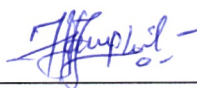
The Accounting Officer in charge of the Butula NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on 26th August, 2016.



Winston Lihanda
Fund Account Manager



Pamphil Opoya
Chairperson NGCDFC



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- BUTULA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Butula Constituency set out on pages 5 to 16, which comprise the statement of assets and liabilities as at 30 June 2016, and the statement receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund- Butula Constituency for the year ended 30 June 2016

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Incomplete Project- Bwaliro Girls Secondary School

The Fund disbursed Kshs.800,000 to Bwaliro Girls Secondary School for construction of two staff houses. However, physical audit verification revealed that the houses were incomplete and one house is poorly constructed.

Consequently, there is no value for money on the project and the residents may not get the intended benefits.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Butula Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budgetary Control Performance

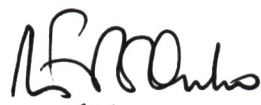
The Fund had an approved budget of Kshs.194,907,850 and spent Kshs.130,050,259 resulting in under expenditure of Kshs.64,857,591 or overall budget utilization of 68%. Further, some budgetary expenditure items incurred absorption rate of below 90%. This includes compensation of employees at 68%, transfers to other government units at 60% and other grants and transfers at 66%. Consequently, the budget target was not met and various projects budgeted for were not implemented within the financial year. It is not clear how the CDF intended to clear this backlog of projects as low budget absorption negatively affects service delivery.

2. Project Implementation Status

During the year under review, the Fund planned to implement a total of 99 projects/programmes by different sectors during the financial year. Further analysis indicated that 2 (2%) of the projects had not started, 29 (29%) were still on going and 68 (69%) had been completed. Therefore, the Fund did not fully meet the budget target and thus hampering effective delivery of service.

3. Undisbursed Allocation

The Fund received Kshs.120,999,263 in the year under review against total National Allocation of Kshs.125,131,211 resulting to an undisbursed allocation of Kshs.4,131,948. This is likely to hinder the implementation of projects and subsequently have an impact on subsequent year's delivery of targets.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

19 April 2018

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

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For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kes	Kes
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	120,999,263	99,906,847
TOTAL RECEIPTS		120,999,263	99,906,847
PAYMENTS			
Compensation of employees	2	1,446,644	1,014,403
Use of goods and services	3	14,150,222	7,723,489
Transfers to Other Government Units	4	32,090,741	44,368,108
Other grants and transfers	5	82,362,652	40,869,301
Acquisition of Assets	-	-	1,345,880
Other Payments	-	-	1,150,000
TOTAL PAYMENTS		130,050,259	96,471,181
(DEFICIT) SURPLUS		(9,050,997)	3,435,666

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Pamphil Opoya
Chairperson - NGCDFC



Winston Lihanda
Fund Account Manager

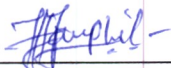


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BUTULA
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016


V. STATEMENT OF ASSETS

	Note	2015 - 2016	2014 - 2015
		Kes	Kes
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	6	1,726,380	7,220,667
Outstanding Imprests	-	-	3,556,709
TOTAL FINANCIAL ASSETS		1,726,380	10,777,376
REPRESENTED BY			
Fund balance b/fwd 1st July, 2015	7	10,777,376	7,653,603
Surplus/Deficit for the year		(9,050,996)	3,123,773
NET LIABILITIES		1,726,380	10,777,376

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Pamphil Opoya
Chairperson - NGCDFC



Winston Lihanda
Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BUTULA
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Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
		Kes	Kes
Transfers from CDF Board	1	120,999,263	99,906,847
		120,999,263	99,906,847
Payments for operating expenses			
Compensation of Employees	2	1,446,644	1,014,402
Use of goods and services	3	14,150,222	8,035,383
Transfers to Other Government Units	4	32,090,741	44,368,108
Other grants and transfers	5	82,362,652	40,869,301
Other Payments		-	1,150,000
		130,050,259	95,437,195
Net cash flow from operating activities		(9,050,996)	4,469,652
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	1,345,880
Net cash flows from Investing Activities		-	(1,345,880)
NET INCREASE IN CASH AND CASH EQUIVALENT		(9,050,996)	3,123,773
Cash and cash equivalent at BEGINNING of the year	7	10,777,376	7,653,603
Cash and cash equivalent at END of the year		1,726,380	10,777,376

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Pamphil Opoya
Chairperson - NGCDFC



Winston Lihanda
Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	A	B	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	125,131,211	69,776,639	194,907,850	131,776,639	63,131,211	67.6%
TOTAL	125,131,211	69,776,639	194,907,850	131,776,639	63,131,211	67.6%
PAYMENTS						
Compensation of Employees	1,600,000	538,014	2,138,014	1,446,644	691,370	67.7%
Use of goods and services	9,657,789	4,544,429	14,202,218	14,150,222	51,996	99.6%
Transfers to Other Government Units	28,326,775	25,156,812	53,483,587	32,090,741	21,392,846	60.0%
Other grants and transfers	85,546,647	39,537,384	125,084,031	82,362,652	42,721,379	65.8%
TOTAL	125,131,211	69,776,639	194,907,850	130,050,259	64,857,591	66.7%

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Pamphil Opoya
Chairperson - NGCDFC



Winston Lihanda
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND BUTULA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

I. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NGCDF.

II. Recognition of revenue and expenses

The NGCDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NGCDF. In addition, the NGCDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NGCDF.

III. In-kind contributions

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

IV. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

CONSTITUENCIES DEVELOPMENT FUND BUTULA CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Pending bills

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

VI. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NGCDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

VII. Comparative figures

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

VIII. 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, 2016.

CONSTITUENCIES DEVELOPMENT FUND BUTULA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description	AIE NO.	2015 - 2016	2014 - 2015
		Kes	Kes
	711905		40,907,574
	750425		29,499,632
	796528		14,699,789
	796714		14,799,852
Normal Allocation	790829	46,487,776	
	750425	12,511,487	
	796414	20,000,000	
	820708	20,000,000	
	825517	22,000,000	
TOTAL		120,999,263	99,906,847

2 COMPENSATION OF EMPLOYEES

Description		2015 - 2016	2014 - 2015
		Kes	Kes
Basic wages of contractual employees		1,446,644	972,925
Employer contribution to NSSF		-	41,478
Total		1,446,644	1,014,403

3 USE OF GOODS AND SERVICES

Description		2015 - 2016	2014 - 2015
		Kes	Kes
Utilities, supplies and services		1,496,113	-
Printing, advertising and information supplies & services		-	577,874
Other committee expenses		2,036,000	3,513,864



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Committee allowance		10,618,109	2,993,091
Fuel ,oil & lubricants		-	467,474
Routine maintenance – other assets		-	483,080
Total		14,150,222	8,035,383
4 TRANSFER TO OTHER GOVERNMENT ENTITIES			
Description		2015 - 2016	2014 - 2015
		Kes	Kes
Transfers to primary schools		10,787,931	7,900,000
Transfers to secondary schools		13,300,000	12,375,000
Transfers to Tertiary institutions		4,853,810	15,860,349
Transfers to Health institutions		3,149,000	8,232,759
TOTAL		32,090,741	44,368,108
5 OTHER GRANTS AND OTHER PAYMENTS			
Description		2015 - 2016	2014 - 2015
		Kes	Kes
Bursary -Secondary		17,264,554	17,406,750
Bursary -Tertiary		4,648,000	7,081,000
Mocks & CAT		300,000	500,000
Water		16,669,079	3,520,701
Electricity projects		8,750,000	1,050,000
Security		6,050,000	2,500,000
Roads		23,531,019	2,790,000
Sports		2,500,000	1,970,000
Environment		-	882,000
Emergency Projects (specify)		2,650,000	3,168,850
Total		82,362,652	40,869,301

CONSTITUENCIES DEVELOPMENT FUND BUTULA CONSTITUENCY
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6: BANK BALANCES (CASH BOOK BANK BALANCE)			
Name of Bank, Account No. & Currency		2015 - 2016	2014 - 2015
	Account Number	Kes (30/6/2016)	Kes (30/6/2015)
National Bank of Kenya, Busia Branch	1021037115600	1,726,380	7,220,667
Total		1,726,380	7,220,667
7 BALANCES BROUGHT FORWARD			
		2015 - 2016	2014 - 2015
		Kes (1/7/2015)	Kes (1/7/2014)
Bank accounts		7,220,667	7,653,603
Imprest		3,556,709	-
Total		10,777,376	7,653,603
ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER			
Asset class	Historical Cost		
	Kes	Kes	
	2015/16	2014/15	
Land	250,000	250,000	
Buildings and structures	4,200,654	4,200,654	
Transport equipment	4,565,000	4,565,000	
Office equipment, furniture and fittings	487,387	487,387	
ICT Equipment, Software and Other ICT Assets	1,228,129	1,228,129	
Other Machinery & Equipment	18,005,520	18,005,520	
Total	28,736,690	28,736,690	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Pamphil Opoya
 Chairperson - NGCDFC



Winston Lihanda
 Fund Account Manager

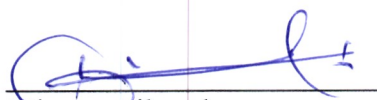


CONSTITUENCIES DEVELOPMENT FUND BUTULA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

TRIAL BALANCE AS AT 30TH JUNE, 2016

		DR	CR
Cash and Cash equivalents			
	Bank Balances	1,726,380	
Payments			
	Compensation of Employees	1,446,644	
	Use of goods and services	14,150,222	
	Transfers to Other Government Units	32,090,741	
	Other grants and transfers	82,362,652	
Receipts			
	Transfers from the Board		120,999,263
	Fund Balance b/f		10,777,376
	TOTAL	131,776,639	131,776,639

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Butula NGCDF financial statements were approved on 26th August, 2016 and signed by:



Winston Lihanda
Fund Account Manager



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X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Presentation, Accuracy & Completeness of the Financial Statements	-At the time of the audit, we had not received the prior year's certificate	Winston Lihanda - FAM	Resolved	Immediately
2	Budget Control & Performance	-As at the end of the financial year, the constituency had not received kes. 66,652,856 from the Board. -Revenue from hire of grader has been included in the financial statement.	Winston Lihanda - FAM	Resolved	Immediately
3	Cash & Cash Equivalents	-The corrected reconciled bank balance is kes. 7,220,667. -Receipts in the cash book not recorded in bank statement totalling 2,417,769 has been explained.	Winston Lihanda - FAM	Resolved	Immediately
4.0	Other grants and transfers	-Payment vouchers amounting kes. 2,782,000 have been availed.	Winston Lihanda - FAM	Resolved	Immediately
4.1	Incomplete Building Project at Shibale Market Centre	-Bill of quantities and drawings have been availed. Out of the kes. 500,000 disbursed kes. 300,000 was used to acquire 50 x 100 piece of land, the balance of kes. 200,000 used for construction of the houses.	Winston Lihanda - FAM	Resolved	Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Committee Expenses	-Payment vouchers totalling to kes. 845,991 have been availed.	Winston Lihanda – FAM	Resolved	Immediately
6	Transfer to other Government Units	-The projects were initiated without prior involvement of the relevant line ministries. The projects are currently at different levels of implementation.	Winston Lihanda - FAM	Resolved	Immediately
7	Other Payments	-Procurement documents for the strategic plan have been provided.	Winston Lihanda - FAM	Resolved	Immediately
8	Acquisition of non-current assets	-The asset register has been updated.	Winston Lihanda - FAM	Resolved	Immediately



Pamphil Opoya
Chairperson - NGCDFC



Winston Lihanda
Fund Account Manager

