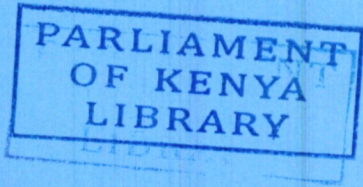


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY	
DATE: 23 NOV 2022	DAY: Wednesday
TABLED BY: Majority Whip	
CLERK AT THE TABLE: Christine	

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



BUDALANGI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

*Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work

Budalangi Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

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

Functions of NG-CDF Committee

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

(ii) Key Management

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

- a. National Government Constituencies Development Fund Board (NGCDFB)
- b. National Government Constituency Development Fund Committee (NGCDFC)

(ci) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1	A.I.I holder	Scott Omondi Odoyo
2	Sub-Committee Accountant	Jared L. Manono
3	Chairman NGCDF	Alfred Wemonga Suluwa
4	Member NGCDF	Jackson Onyango

(ii) Fiduciary Oversight Arrangements

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

(c) BUDALANGI Constituency NGCDF Headquarters

P.O. Box 171-50410 Port Victoria
Old Action Aid Building, Bureya District Headquarters
Bura, ELNYA

(f) BUDALANGI Constituency NGCDF Contacts

Telephone: (254) 727226801
E-mail: Budalangi@NGCDF.go.ke
Website: www.ngcdf.go.ke

(g) BUDALANGI Constituency NGCDF Bankers

Equity Bank
P.O Box 264-50400
Busia

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



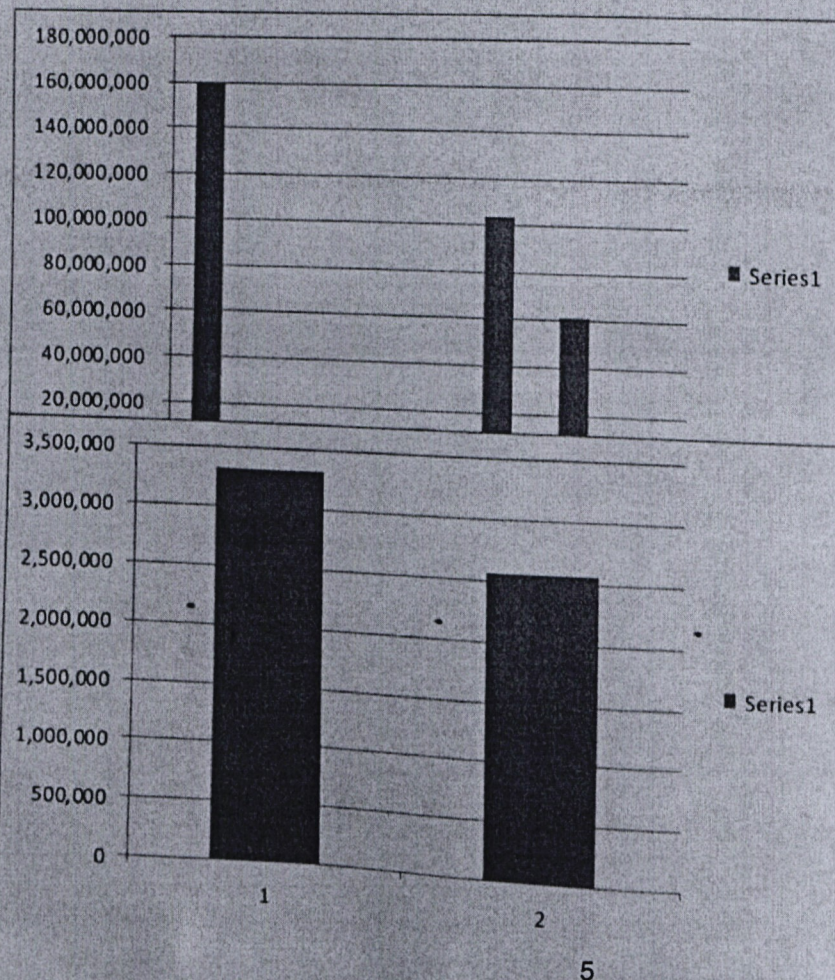
Alfred Wesonga Siduwa

Chair NG-CDFC Budalangi Constituency

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

As NG-CDFC we have achieved a 57.3% budget absorption rate as indicated in the appropriation account.

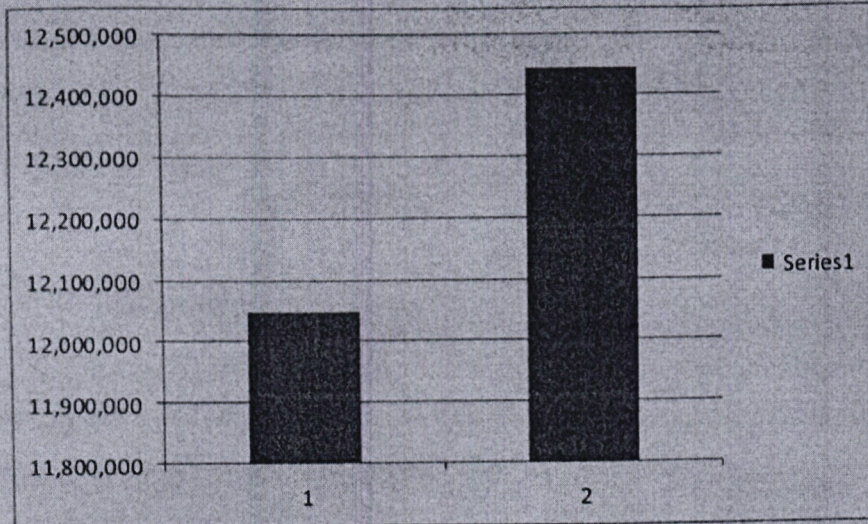
Final budget in relation to expenditures



- 1. Total Receipts
- 3. Compensation of Employees
- 4. Use of goods and services
- 5. Transfers to Other Government Units
- 6. Other grants and transfers

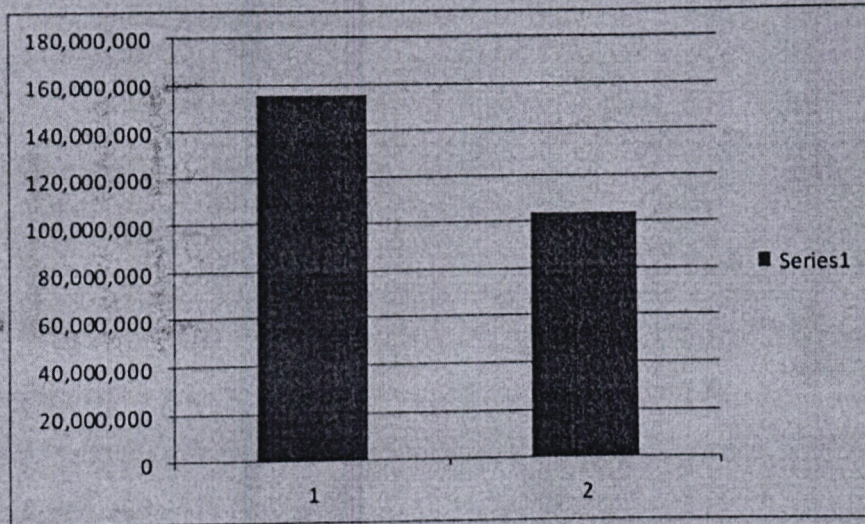
- Compensation of employee**
- 1. Budgeted Expenditure
 - 2. Actual Expenditure

Use of goods and services



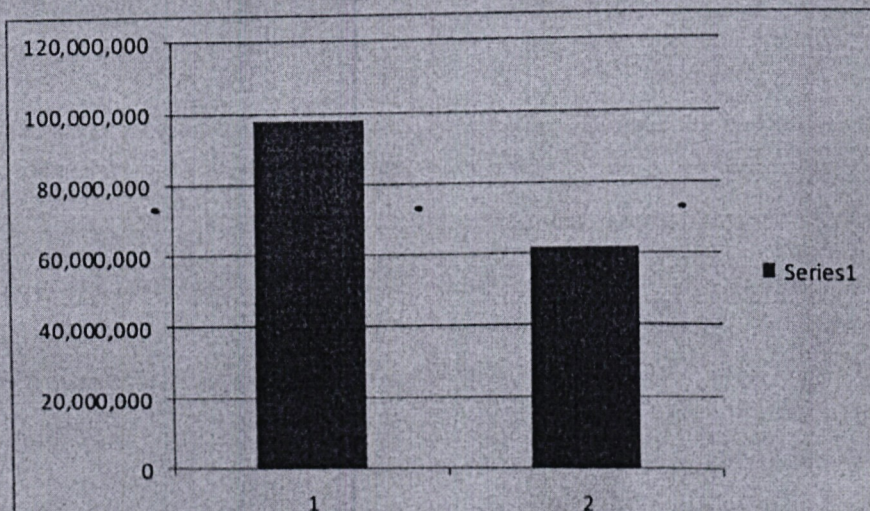
- 1. Budgeted Expenditure
- 2. Actual Expenditure

Transfers to Other Government Units



- 1. Budgeted Expenditure
- 2. Actual Expenditure

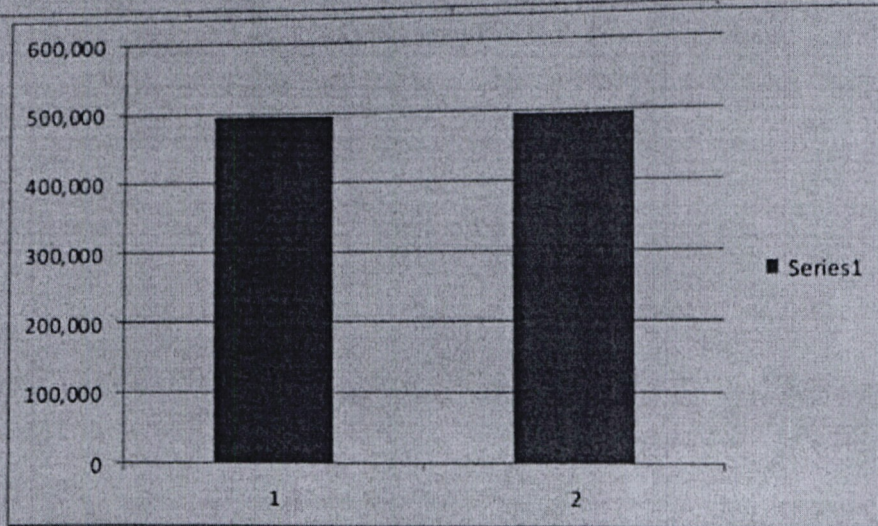
Other grants and transfers



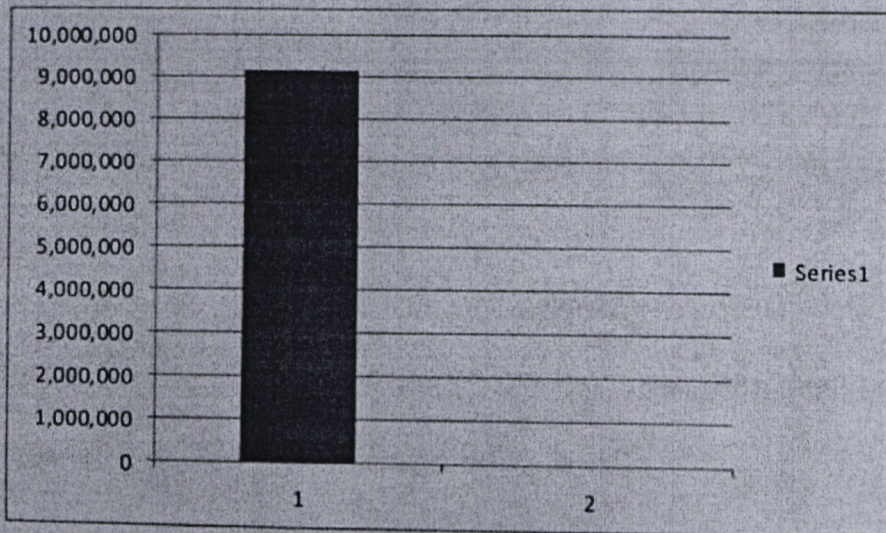
- 1. Budgeted Expenditure
- 2. Actual Expenditure

Acquisition of Assets

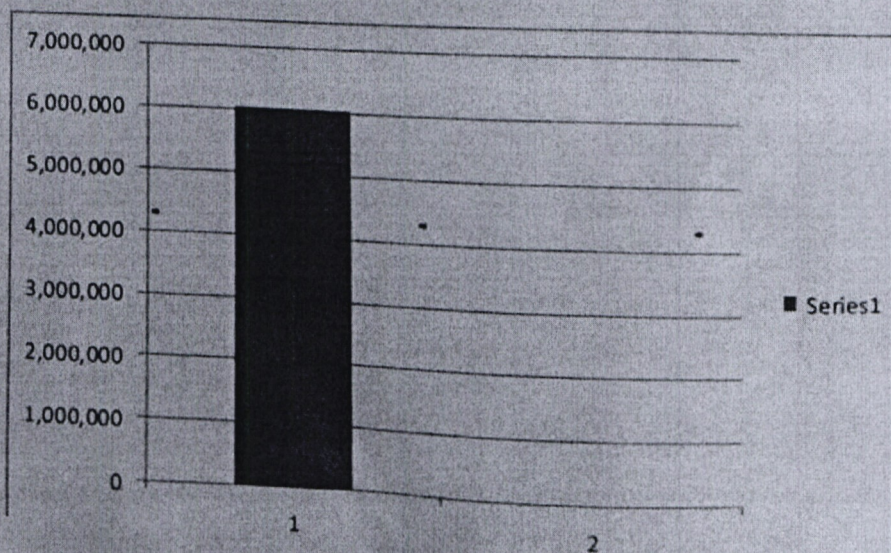
**Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**



Other Payments



- 1. Budgeted Expenditure
- 2. Actual Expenditure



Funds pending approval

- 1. Budgeted Expenditure
 - 2. Actual Expenditure
- Emerging issues related to the NG-CDF Entrenching CDF in the new constitutional dispensation, since it is facing a lot of legal

challenges hence Members of parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

Implementation Challenges and Recommended Way forward

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

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

1. Most projects could not commence due to untimely disbursement of funds and subsequent delayed formation of PMCs
2. The emergence of the Corona Pandemic in the country has made the achievement of the bursary project difficult with the subsequent closure of schools thus harbouring our budget absorption rate.
- 3.

Key achievements for Budalangi NG-CDF

- By equal distribution of funds to all constituents to fight poverty and ensuring regional balance .
- In the Education sector, NGCDF funding has aided in ensuring that infrastructure in schools is improved and that students are able to learn in conducive environment , a move that has seen students retained in schools and thus performance has been achieved.

Below are pictures of various projects done as indicators of our achievements:



Project Name: Igigo Primary school
Activity : Renovation of two classrooms to completion.



Project Name: Sisenye Mixed Secondary school
Activity: Construction of a storey building(Phase 1: Construction of ground floor to completion)



Project: Ruambwa Secondary school
Activity: Construction of a storey building (Phase 1: Construction of ground floor to completion)

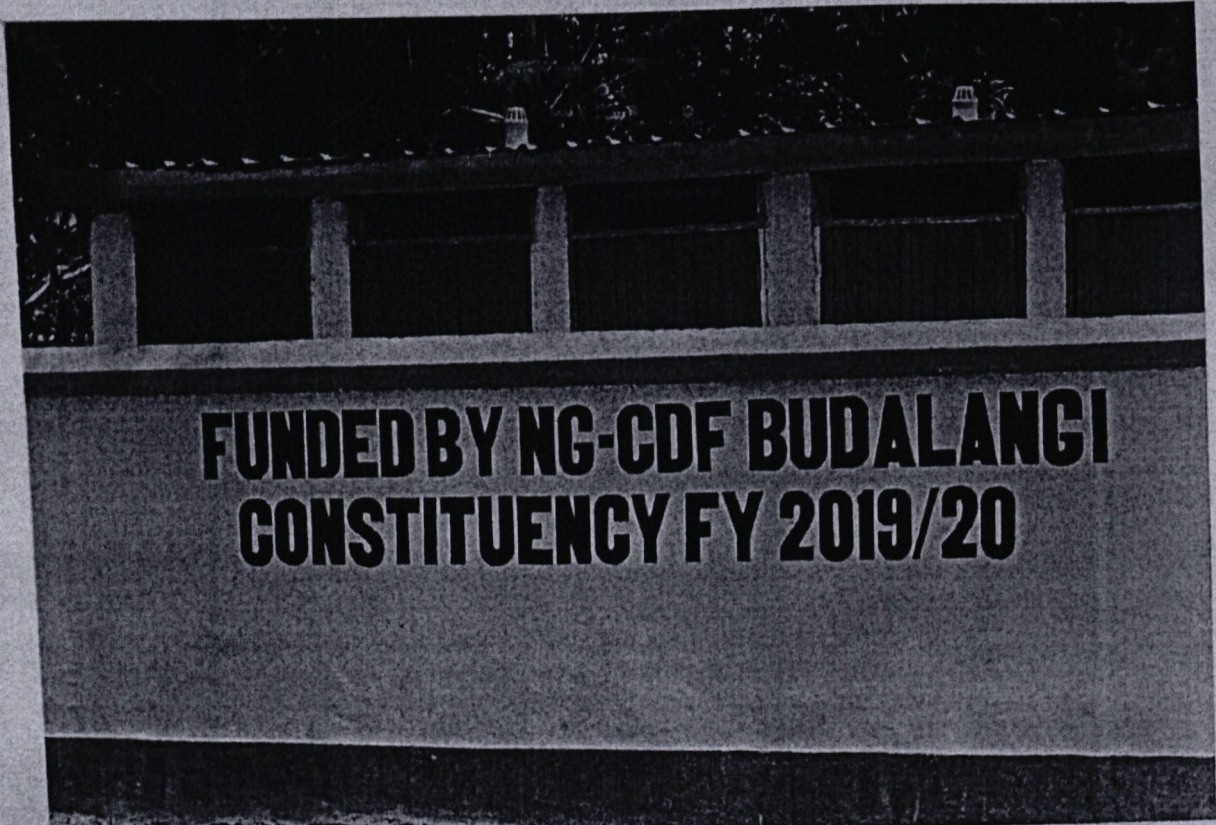


Project: Budubusi Primary school
Activity: Renovation of four classrooms and office to completion



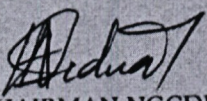
Project Name : Sibuka Primary school

Activity: Renovation of three classrooms and administration block to completion



Project Name: Mukhobola Primary school Toilet
Activity: Construction of a six door modern pit latrine to completion at Mukhobola Primary school

Signature


CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

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 NGCDF-BUDALANGI Constituency's 2018-2022 strategic plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 20/21 - we have completed the construction of 10 classrooms, 2 laboratories. - we had disbursed Bursary to over 1000 beneficiaries in both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good	- number of usable chiefs offices and police stations constructed.	We constructed a total 3 Assistant Chiefs Offices, 2 Chiefs

Endowment Constitution

National Government Constitutional Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

		Interests of the members of the community		Officers and / public status
Government	To conserve the environment and beauty of	Measured number of trees within government institutions	The planting in the institutions were done and trees survived	We planted tree seedlings at 20 government institutions
Agency	To empower youths to identify their talents	Youths have a source of income thus reducing dependency and crime	Number of groups have benefited from tournaments organized by the entity	We supported 23 teams by providing uniforms and balls

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

1. Sustainability strategy and profile -

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

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

3. Employee welfare

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

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

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and

Madheshi Commission

National Government Communities Development Fund (NGCDF)

Report and Financial Statements for The Year Ended June 30, 2011

... and the community strategy development plan. The identified list of priority projects from immediate and long term, was submitted to the NGCDF 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 NGCDF during library programme engaged the community through the community leaders to identify the needy students to be awarded with the library.

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.

During the year NGCDF have continuously practiced public participation and public awareness during project identification and proposal collection in all the wards in the community.

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

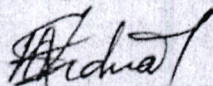
The Accounting Officer in charge of the NGCDF-BUDALANGI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-BUDALANGI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- BUDALANGI Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- BUDALANGI Constituency financial statements were approved and signed by the Accounting Officer on 13th September, 2022



Chairman NGCDF Committee
Name: ALFRED W. SIDUWA



Fund Account Manager
Name: BOAZ O. OBEYO

REPUBLIC OF KENYA

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Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BUDALANGI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Budalangi Constituency set out on pages 20 to 56,

Report of the Auditor-General on National Government Constituencies Development Fund - Budalangi Constituency for the year ended 30 June, 2021

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Budalangi Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Inaccuracy of Expenditure on Use of Goods and Services

The statement of receipts and payments reflects an amount of Kshs.12,444,750 under use of goods and services as disclosed in Note 5 to the financial statements. The amount includes Kshs.6,072,320 relating to committee expenses. However, supporting schedule provided for audit reflects an amount of Kshs.8,170,820. The variance of Kshs.2,098,500 was not reconciled.

In the circumstances, the accuracy of expenditure on committee expenses of Kshs.6,072,320 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Budalangi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation indicates that the Fund had approved budget of Kshs.271,383,576 but realized actual receipts of Kshs.218,218,835 or 80% of the budget. The resultant underfunding difference of Kshs.53,164,741 was unexplained.

Further, out of the actual receipts of Kshs.218,218,835, the Fund utilized Kshs.181,214,295 or 83% of the budget. The under-utilization of available funds by Kshs.37,004,540 was not explained.

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

2. Unresolved Prior Year Matters

In the audit of the previous year several issues were raised. However, the Management has not resolved the issues or provided any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

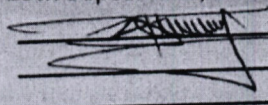
16 September, 2022

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

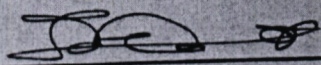
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED JUNE, 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	
RECEIPTS			
Transfers from NGCDF Board	1	159,367,724	121,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		159,367,724	121,540,876
PAYMENTS			
Compensation of employees	4	2,574,733	2,146,292
Use of goods and services	5	12,444,750	11,360,912
Transfers to Other Government Units	6	103,897,603	51,622,385
Other grants and transfers	7	61,802,463	6,636,005
Acquisition of Assets	8	494,746	-
Other Payments	9	-	-
TOTAL PAYMENTS		181,214,295	71,765,594
SURPLUS/DEFICIT		(21,846,571)	49,775,282

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUDALANGI Constituency financial statements were approved on 13th September, 2022 and signed by:

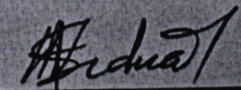


Fund Account Manager
 Name: BOAZ O. ODEYO



 National Sub-County Accountant

Name: JARED L. MANONO
 ICPAK M/No: 466 71



 Chairman NG-CDF Committee

Name: ALFRED W. SIDUWA

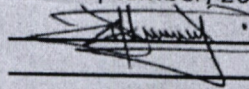
Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Budalangi
 National
 Reports

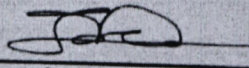
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30TH JUNE, 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	37,004,540	58,851,111
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		37,004,540	58,851,111
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		37,004,540	58,851,111
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		37,004,540	58,851,111
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	58,851,111	9,075,829
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(21,846,571)	49,775,282
NET FINANCIAL POSITION		37,004,540	58,851,111

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUDALANGI Constituency financial statements were approved on 13th September, 2022 and signed by:

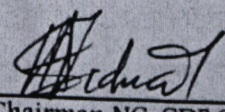


Fund Account Manager
 Name: BOAZ O. ODEYO



National Sub-County Accountant

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



Chairman NG-CDF Committee

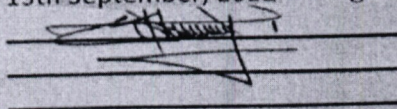
Name: ALFRED W. SIDUWA

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

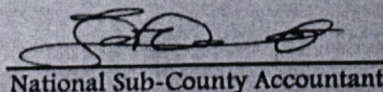
IX. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2021

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	159,367,724	121,540,876
Other Receipts	3	-	-
		159,367,724	121,540,876
Payments for operating activities			
Compensation of Employees	4	2,574,733	2,146,292
Use of goods and services	5	12,444,750	11,360,912
Transfers to Other Government Units	6	103,897,603	51,622,385
Other grants and transfers	7	61,802,463	6,636,005
Other Payments	9	-	-
		180,719,549	71,765,594
Adjusted for:			
Decrease/ (Increase) in Accounts receivable	15	-	-
Increase/ (Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(21,351,825)	49,775,282
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	494,746	-
Net cash flows from Investing Activities		(494,746)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(21,846,571)	49,775,282
Cash and cash equivalent at BEGINNING of the year	10	58,851,111	9,075,829
Cash and cash equivalent at END of the year		37,004,540	58,851,111

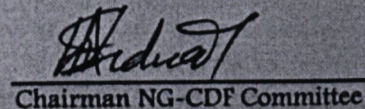
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUDALANGI Constituency financial statements were approved on 13th September, 2022 and signed by:



Fund Account Manager
 Name: BOAZ O. ODEYO



Name: JARED L. MANONO
 ICPAK M/No: 44677



Name: ALFRED W. SIDUWA

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Budalangi
National
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X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% Utilization
		a	b				
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NGCDF Board	137,088,879	58,851,111	75,443,586	271,383,576	218,218,835	53,164,741	80.4%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	-
TOTAL RECEIPTS	137,088,879	58,851,111	75,443,586	271,383,576	218,218,835	53,164,741	80.4%
PAYMENTS							
Compensation of Employees	1,500,000	956,158	118,575	2,574,733	2,574,733	-	100.0%
Use of goods and services	10,838,000	1,764,270	0	12,602,270	12,444,750	157,520	98.8%
Transfers to Other Government Units	76,450,000	34,648,454	69,249,149	180,347,603	103,897,603	76,450,000	57.6%
Other grants and transfers	46,065,207	20,987,483	1,500,000	68,552,690	61,802,463	6,750,227	90.2%
Acquisition of Assets	0	494,746	0	494,746	494,746	-	100.0%
Other Payments	750,000.00	0	0	750,000	-	750,000	0.0%
Funds pending approval**	1,485,672.00	-	4,575,862	6,061,534	-	6,061,534	0.0%
TOTAL	137,088,879	58,851,111	75,443,586	271,383,576	181,214,295	90,169,281	66.8%

(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. For compensation of employees, the expenditure was less than 90% because of delay in the disbursement of funds from the board within the FY 2020/2021
- ii. For Goods and Services the expenditure was less than 90% because of delay in the disbursement of funds from the board within the FY 2020/2021
- iii. For Transfers to Other Government Units the expenditures were less than 90% because of delay in the disbursements of funds from the board within the financial year, 2020/2021

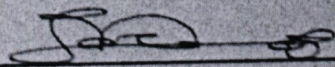
Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	90,169,281
Less undisbursed funds receivable from the Board as at 30 th June 2021	53,164,741
	37,004,540
Add Accounts payable	0
Less Accounts Receivable	0
Add/ Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	37,004,540

The NGCDF BUDALANGI Constituency financial statements were approved on 13th September, 2022 and signed by:

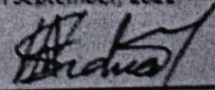


Fund Account Manager
 Name: BOAZ O. ODEYO



National Sub-County Accountant

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



Chairman NG-CDF Committee

Name: ALFRED W. SIDUWA

*Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

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			
	2020/2021			2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,500,000	956,158	118,575	2,574,733	2,574,733	-
1.2 Committee allowances	4,006,140	975,700	-	4,981,840	4,878,420	103,420
1.3 Use of goods and services	2,719,193	188,570	-	2,907,763	2,907,763	-
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	600,000	-	2,600,000	2,600,000	-
2.2 Committee allowances	1,248,000	-	-	1,248,000	1,193,900	54,100
2.3 Use of goods and services	864,667	-	-	864,667	864,667	-
3.0 Emergency	90,707	-	-	90,707	-	90,707
3.1 Mundika B Primary School	-	530,780	-	530,780	530,780	-
3.2 ACK Musoma Secondary School	-	530,780	-	530,780	530,780	-
3.3 St. Annes Secondary School	-	584,401	-	584,401	584,401	-
3.4 Mukhobola Primary School	-	530,780	-	530,780	530,780	-
3.5 Budubusi Primary School	1,801,500	-	-	1,801,500	1,801,500	-
3.6 Sibuka Primary School	2,200,000	-	-	2,200,000	2,200,000	-
3.7 Nandekere Primary School	700,000	-	-	700,000	700,000	-
3.8 DCCS Pit Latrine	200,000	-	-	200,000	200,000	-

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

3.9 Emergency Rescue Boats	2,200,000			2,200,000	2,200,000	
3.10 Exec Office		318,000		318,000	318,000	
4.0 Bursary and Social Security						
4.1 Primary Schools				30,455,435	30,361,815	93,622
4.2 Secondary Schools	22,873,000	7,582,435		16,978,250	16,597,409	380,841
4.3 Tertiary Institutions	9,000,000	7,978,250		3,207,005	2,500,000	707,005
4.3 Special Schools	2,300,000	707,005		4,725,052	2,747,000	1,978,052
5.0 Sports	2,500,000	2,223,052		1,500,000		1,500,000
6.0 Environment			1,500,000			
7.0 Primary Schools Projects						
7.1 Bubango primary school	1,500,000			1,500,000		1,500,000
7.2 Budalangi Primary School	1,000,000			1,000,000		1,000,000
7.3 Budubusi Primary School	2,500,000			2,500,000		2,500,000
7.4 Makunda Primary School	1,300,000			1,300,000		1,300,000
7.5 Bumadeya Primary School	2,400,000			2,400,000		2,400,000
7.6 Mundika Primary School	1,300,000			1,300,000		1,300,000
7.7 Namalo Primary School	500,000			500,000		500,000
7.8 Namalo Primary School	1,000,000			1,000,000		1,000,000
7.9 Fort Mixed Primary School	1,500,000			1,500,000		1,500,000
7.10 Primary School Desk		138,100		138,100	138,100	
7.11 Bubango Primary school			141,000	141,000	141,000	
7.12 Mundika Primary school			138,000	138,000	138,000	
7.13 Makunda Primary school			138,000	138,000	138,000	
7.14 Mundika Primary school			1,300,000	1,300,000	1,300,000	
7.15 ACK Lugare Primary School			1,300,000	1,300,000	1,300,000	
7.16 Igigo Primary School			1,000,000	1,000,000	1,000,000	
7.17 Bukoma Primary School			800,002	800,002	800,002	
7.18 Rugunga Primary School			513,780	513,780	513,780	
7.19 Mudembi Primary School			513,780	513,780	513,780	
7.20 Makunda			513,780	513,780	513,780	

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Primary School						
7.21 ACK Lugare Primary School		-	513,780	513,780	513,780	
7.22 Lugale Primary School		-	75,000	75,000	75,000	
7.23 Fort Mixed Primary School		-	75,000	75,000	75,000	
7.24 Mudembi Primary School		-	75,000	75,000	75,000	
7.25 Budalangi Primary School		-	75,000	75,000	75,000	
7.26 Mudembi Primary School		-	75,000	75,000	75,000	
7.27 Mudembi Primary School		-	1,000,000	1,000,000	1,000,000	
7.28 ACK Musoma Primary School		1,500,000		1,500,000	1,500,000	
7.29 Rugunga Primary School		1,000,000		1,000,000	1,000,000	
7.30 Budubusi Primary School		1,000,000		1,000,000	1,000,000	
7.31 Bulemia Primary School		100,000		100,000	100,000	
8.0 Secondary Schools Projects (List all the Projects)		610,000		610,000	610,000	
8.1 Bunyala Model Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
8.2 ACK Musoma Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
8.3 Mundere Secondary School	15,000,000	15,000,000	-	30,000,000	10,000,000	20,000,000
8.4 Ruambwa Secondary School	15,000,000	-	-	15,000,000	10,000,000	5,000,000
8.5 Sisenye Secondary School	15,000,000	15,000,000	-	30,000,000	10,000,000	20,000,000
8.6 St. Ann's Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
8.7 St. Peter's Makunda Secondary School	2,500,000	-	-	2,500,000	-	2,500,000
8.8 Mundere Secondary School	-	-	15,000,000	15,000,000	15,000,000	-
8.9 ACK Musoma Secondary School	-	-	15,000,000	15,000,000	15,000,000	-
8.10 Sisenye Mixed Secondary School	-	-	15,000,000	15,000,000	15,000,000	-
8.11 Ruambwa Secondary School	-	-	15,000,000	15,000,000	15,000,000	-
8.12 Bukoma Mixed Secondary	-	300,354	-	300,354	300,354	-
9.0 Tertiary institutions Projects (List all the Projects)						

Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

1 Bunyala Technical and Vocational Training Institute	1,950,000			1,950,000		1,950,000
9.2 Bunyala Vocational Training Institute			1,077,027	1,077,027	1,077,027	
10.0 Security Projects						
10.1 Mukhobola Police Post	1,500,000			1,500,000		1,500,000
10.2 Mukhobola Police Post	500,000			500,000		500,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)		494,746		494,746	494,746	
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Innovation Hub						
12.2 Strategic Plan						
12.3 Innovation Hub						
12.4 Meteorological Department	750,000			750,000		750,000
13.0 Funds pending approval**	1,485,672		4,575,862	6,061,534		6,061,534
Total	137,088,879	58,851,111	75,443,586	271,383,576	181,214,295	90,169,281

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 15th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

14. Errors

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

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

15. **Related Party Transactions**

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO.B047206	1		53,540,876
AIE NO.B047376	2		4,000,000
AIE NO.B049239	3		15,000,000
AIE NO.B047804	4		18,000,000
AIE NO.B096538	5		16,000,000
AIE NO.B096745	6		15,000,000
AIE NO. B 124739	1	3,000,000	
AIE NO. B 124902	2	7,000,000	
AIE NO. B 124819	3	69,367,724	
AIE NO. B	4	12,000,000	
AIE NO. B 119747	5	6,900,000	
AIE NO. B 128358	6	10,000,000	
AIE NO. B 132103	7	6,000,000	
AIE NO. B 138771	8	12,000,000	
AIE NO. B 126066	9	9,000,000	
AIE NO. B 126356	10	11,100,000	
AIE NO. B 140502	11	13,000,000	
	12		
	13		
TOTAL		159,367,724	121,540,876

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,448,733	1,910,222
Personal allowances paid as part of salary	-	150,000
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	126,000	86,070
	-	-
Total	2,574,733	2,146,292

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	6,072,320	4,866,520
Utilities, supplies and services	-	-
Communication, supplies and services	81,820	169,080
Domestic travel and subsistence	202,900	674,040
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,449,100	2,000,000
Hospitality supplies and services	227,580	82,870
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,840,300	1,474,670
Other operating expenses	259,622	418,900
Routine maintenance – vehicles and other transport equipment	711,108	456,112
Routine maintenance – other assets	-	168,720
Fuel ,oil & lubricants	1,600,000	1,050,000
Total	12,444,750	11,360,912

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	12,520,222	22,506,968
Transfers to secondary schools (see attached list)	90,300,354	29,115,417
Transfers to tertiary institutions (see attached list)	1,077,027	-
TOTAL	103,897,603	51,622,385

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,361,813	380,209
Bursary – tertiary institutions (see attached list)	16,597,409	1,021,750
Bursary – special schools (see attached list)	2,500,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	2,567,388
Security projects (see attached list)	2,747,000	-
Sports projects (see attached list)	-	2,180,818
Environment projects (see attached list)	9,596,241	485,840
Emergency projects (see attached list)	-	-
Total	61,802,463	6,636,005

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	494,746.00	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	494,746.00	0

9. OTHER PAYMENTS

Strategic plan		
ICT Hub		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
National Bank Busia Branch a/c No. 01021037100000	116,503	58,851,111
Equity Bank Busia Branch a/c No. 0780279693505	36,888,037	
Total	37,004,540	58,851,111
10B: CASH IN HAND		
Location 1		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken		Status
		KSh	US\$	
None	None			
Total				

12A. RETENTION

	2020/2021 KSh	2019/2020 KSh
Retention as at 1 st July (A)		
Retention held during the year (B)		
Retention paid during the Year (C)		
Closing Retention as at 30 th June (D) = A+B-C		
Total		

12B. GRATUITY

	2020/2021 KSh	2019/2020 KSh
Gratuity as at 1 st July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 th June (D) = A+B-C		

(Provide short appropriate explanations as necessary)

13. BALANCES BROUGHT FORWARD

	2020/2021 KSh	2019/2020 KSh
Bank accounts	58,851,111	4,071,210
Cash in hand		
Imprest	58,851,111	4,071,210
Total		

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f/ FY 2019/2020 as per Audited Financial statements	Adjustments		Adjusted Balance** b/f/ FY 2019/2020
	Kshs	Kshs	Kshs	Kshs
Bank account balances				
Cash in hand				
Accounts Payables				
Receivables				
Others (specify)				
TOTAL				

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	Kshs	Kshs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020-2021	2019-2020
	Kshs	Kshs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account receivables D= A+B-C		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	-	1,822,045
Use of goods and services	157,520	1,209,271
Amounts due to other Government entities (see attached list)	76,450,000	75,217,867
Amounts due to other grants and other transfers (see attached list)	6,750,227	47,647,741
Acquisition of assets	-	2,184,746
Others (specify)	750,000	13,113,027
Funds pending approval	6,061,534	-
	90,169,281	141,194,697

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	58,311,943.48	31,477,642.50
	58,311,943.48	31,477,642.50

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	-	1,822,045	Implementation on-going
Use of goods & services	Purchasing of Goods and Services in the Office	157,520	1,209,271	Implementation on-going
Amounts due to other Government entities				
Primary Schools				
Bubango primary school	Renovations of five classrooms	1,500,000.00	-	Fund had not been disbursed to the PMC
Budalangi Primary School	Renovation of three classrooms	1,000,000.00	-	Fund had not been disbursed to the PMC
Budubusi Primary School	Erection of one lightening arrester	2,500,000.00	-	Fund had not been disbursed to the PMC
Makunda Primary School	Renovation of four classrooms	1,300,000.00	-	Fund had not been disbursed to the PMC
Bumadeya Primary School	Construction of two classrooms	2,400,000.00	-	Fund had not been disbursed to the PMC
Mundika Primary school	Construction of one classroom	1,300,000.00	-	Fund had not been disbursed to the PMC
Namalo Primary School	Renovation of one classroom	500,000.00	-	Fund had not been disbursed to the PMC
Namalo Primary School	Levelling of school playing field	1,000,000.00	-	Fund had not been disbursed to the PMC
Port Mixed Primary School	Renovation of five classrooms	1,500,000.00	-	Fund had not been disbursed to the PMC
Primary School Desk	Purchasing of primary school Desks	-	138,100.00	Implementation Complete
Bubango Primary school	Purchasing of primary school Desks	-	141,000.00	Implementation Complete
Mundika Primary	Purchasing of primary	-	138,000.00	Implementation

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*Buda
Nation
Report*

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
school	school Desks			Complete
Makunda Primary school	Purchasing of primary school Desks	-	138,000.00	Implementation Complete
Mundika Primary school	Construction of one classroom	-	1,300,000.00	Implementation Complete
ACK Lugare Primary School	Construction of one classroom	-	1,300,000.00	Implementation Complete
Igigo Primary School	Renovation of two classroom	-	1,000,000.00	Implementation Complete
Bukoma Primary School	Construction of six door pit latrine	-	800,002.00	Implementation Complete
Rugunga Primary School	Construction of six door pit latrine	-	513,780.00	Implementation Complete
Mudembi Primary School	Construction of six door pit latrine	-	513,780.00	Implementation Complete
Makunda Primary School	Construction of six door pit latrine	-	513,780.00	Implementation Complete
ACK Lugare Primary School	Construction of six door pit latrine	-	513,780.00	Implementation Complete
Lugale Primary School	Construction of six door pit latrine	-	513,780.00	Implementation Complete
Port Mixed Primary School	Purchasing of primary school Desks	-	75,000.00	Implementation Complete
Mudembi Primary School	Purchasing of primary school Desks	-	75,000.00	Implementation Complete
Budalangi Primary School	Purchasing of primary school Desks	-	75,000.00	Implementation Complete
Mudembi Primary School	Purchasing of primary school Desks	-	75,000.00	Implementation Complete
Mudembi Primary School	Purchasing of land	-	1,000,000.00	Implementation Complete
ACK Musoma Primary School	Renovation of five classrooms	-	1,500,000.00	Implementation Complete
Rugunga Primary School	Renovation of three classrooms	-	1,000,000.00	Implementation Complete
Budubusi Primary School	Renovation of three classrooms	-	1,000,000.00	Implementation Complete

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Bulemia Primary School	Painting of roof of three classrooms	-	100,000.00	Implementation Complete
Totals		13,000,000	12,424,002	
Secondary Schools				
Bunyala Model Secondary School	Construction of one kitchen	2,000,000.00	-	Fund had not been disbursed to the PMC
ACK Musoma Secondary School	Construction of storey building	10,000,000.00	-	Fund had not been disbursed to the PMC
Mundere Secondary School	Construction of storey building	5,000,000.00	-	Fund had not been disbursed to the PMC
Ruambwa Secondary School	Construction of storey building	5,000,000.00	-	Fund had not been disbursed to the PMC
Sisenye Secondary School	Construction of storey building	5,000,000.00	-	Fund had not been disbursed to the PMC
St. Ann's Secondary School	Construction of modern Toilet	2,000,000.00	-	Fund had not been disbursed to the PMC
St. Peters Makunda Secondary	Construction of modern Toilet	2,500,000.00	-	Fund had not been disbursed to the PMC
Mundere Secondary School	Construction of storey building	-	15,000,000.00	Implementation Complete
ACK Musoma Secondary School	Construction of storey building	-	15,000,000.00	Implementation Complete
Sisenye Mixed Secondary School	Construction of storey building	-	15,000,000.00	Implementation Complete
Ruambwa Secondary School	Construction of storey building	-	15,000,000.00	Implementation Complete
Bukoma Mixed Secondary	Completion of one classroom	-	300,354.00	Implementation Complete
Totals		31,500,000	60,300,354	
Tertiary Institutions				
Bunyala Technical and Vocational Training Institute	Construction of one college kitchen	1,950,000.00	-	Fund had not been disbursed to the PMC
Total		1,950,000		
Amounts due to other grants and				

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Budalangi
 National
 Constituency

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
other transfers				
Security				
Mukhobola Police Post	Construction of one office block	1,500,000.00	-	
Mukhobola Police Post	Construction of 3 door pit latrine	500,000.00	-	
Total		2,000,000	-	
Emergency	Carrying out unforeseen occurrence in the constituency	90,707	-	Implementation in progress
Totals		90,707	-	
Bursary and Social Security				
Secondary Schools	Paying of bursaries to needy students in secondary School	93,622	-	Funds not yet received
Tertiary Institutions/universities	Paying of bursaries to needy students in Tertiary School	380,841	-	Funds not yet received
Special schools	Paying of bursaries to needy students in Special School	707,005	-	Funds not yet received
Total		1,181,468	-	
Sports	Carrying out constituency Tournaments		-	Fund had not been disbursed to the PMC
Totals		2,500,586.00	-	
Acquisition of assets				
		0	494,746.00	Implementation Complete
Totals		0	494,746.00	
Others (specify)				
Meteorological Department		750,000	-	Fund had not been disbursed to the PMC
Sub-Total		750,000	-	
Funds pending approval		6,061,534.00	-	
Total		6,061,534.00	-	
Grand Total		97,069,381	141,194.67	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	9,635,345	-	-	9,635,345
Office equipment, furniture and fittings	434,410	-	-	434,410
ICT Equipment, Software and Other ICT Assets	1,369,750	-	-	1,369,750
Other Machinery and Equipment	4,106,069	494,746	-	4,600,815
Heritage and cultural assets	-	-	-	-
Intangible assets	1,500	-	-	1,500
Total	15,715,794	-	-	16,041,820

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ANNEX 5 – PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
BUDALANGI ENVIRONMENT PMC	KCB-Portvictoria	1239225997	-	682,333.50
ACK MUSOMA SECONDARY SCHOOL PMC	KCB-Portvictoria	1258519712	-	9,748,790
BUKOMA SECONDARY SCHOOL PMC	KCB-Portvictoria	1269960741	-	25,395.00
SISENYE MIXED SECONDARY SCHOOL PMC	KCB-Portvictoria	1254026959	-	8,748,790
MUNDERE GIRLS SECONDARY SCHOOL PMC	KCB-Portvictoria	1269537970	-	3,999,395
RUAMBWA SECONDARY SCHOOL PMC	KCB-Portvictoria	1258531224	-	5,749,395
MUBWAYO PRIMARY SCHOOL PMC	KCB-Portvictoria	1275179819	-	0.00
RUAMBWA PRIMARY SCHOOL PMC	KCB-Portvictoria	1257950215	-	1,203,975
NANJOMI PRIMARY SCHOOL PMC	KCB-Portvictoria	1258519844	-	227,174
BULEMIA PRIMARY SCHOOL	KCB-Portvictoria	1258520257	-	28,975
NABUTSWI PRIMARY SCHOOL PMC	KCB-Portvictoria	1253996075	-	21,935
BUSAGWA PRIMARY SCHOOL	KCB-Portvictoria	1258519917	-	18,535
KENYA GAUZE PRIMARY SCHOOL PMC	KCB-Portvictoria	1254099689	-	23,975
MUNANI PRIMARY SCHOOL	KCB-Portvictoria	1258519569	-	998,975
MUDEMBI PRIMARY SCHOOL	KCB-Portvictoria	1285938747	512,780.00	-
MAKUNDA PRIMARY SCHOOL	KCB-Portvictoria	1286069432	513,780.00	-
ACK LUGALE PRIMARY SCHOOL	KCB-Portvictoria	1285856627	1,811,730.00	-
IGIGO PRIMARY SCHOOL	KCB-Portvictoria	1287212042	-	-
RUGUNGA PRIMARY SCHOOL	KCB-Portvictoria	1285856570	512,780.00	-
BUKOMA PRIMARY SCHOOL	KCB-Portvictoria	1286069580	800,002.00	-
BULEMIA PRIMARY SCHOOL	KCB-Portvictoria	1258520257	1,963,410.00	-
SISENYE MIXED SECONDARY SCHOOL	KCB-Portvictoria	1254026959	3,784,070.53	-
RUAMBWA SECONDARY SCHOOL	KCB-Portvictoria	1258531224	3,315,297.10	-

*Budalangi Constituency
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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
ACK MUSOMA SECONDARY SCHOOL	KCB-Portvictoria	1258519712	24,747,221.00	-
BUKOMA MIXED SECONDARY	KCB-Portvictoria	1269960741	239,958.00	-
MUNDERE GIRLS SECONDARY MUNDERE GIRLS SECONDARY	KCB-Portvictoria	1269537970	16,401,778.00	-
BUNYALA TECHNICAL TRAINING INSTITUTE	KCB-Portvictoria	1285922379	1,077,027.00	-
BUDALANGI SPORTS	KCB-Portvictoria	1239225938	641,291.50	-
MUNDIKA B. PRIMARY SCHOOL	KCB-Portvictoria	1277363161	1,316,317.00	-
ST. ANNES SECONDARY SCHOOL	KCB-Portvictoria	1275617646	583,401.35	-
MUKHOBOLA PRIMARY SCHOOL	KCB-Portvictoria	1275617271	12,355.00	-
BUDUBUSI PRIMARY SCHOOL	KCB-Portvictoria	1275617409	40,935.00	-
SIBUKA PRIMARY SCHOOL	KCB-Portvictoria	1276472609	33,835.00	-
NANDEKERE PRIMARY SCHOOL	KCB-Portvictoria	1275617859	3,975.00	-
Total			58,311,943.48	31,477,642.5

*Budalangi Constituency
National Government Constituencies Development Fund (NGCDF)
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	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)
Comparison of Actual and Budgeted Expenditure	The Fund's revenue budget for the year under review was Kshs.82,296,552 against actual receipts of Kshs.81,896,551 representing an overall under-collection of Kshs.400,001. Further, the CDF spent a total Kshs.93,139,316 against a budget of Kshs.94,479,517 representing under-expenditure of Kshs.1,340,200	There was under-collection and under-expenditure because NGCDF board failed to release all the funds in time to the constituency.	NG-CDF Board	Resolved	
Project Performance	The Fund was to implement a total of 48 projects and activities under various sectors during the financial year. Review of the Fund's performance indicated that as at 30 June 2017, 1% of the projects had not started, 35% of the projects were ongoing and 64 % had been completed.	We want to vouch that all the 48 projects that were to be implemented within the financial year have been implemented and handed over to the committee .	NG-CDFC	Resolved	
Payment for projects not implemented as per the bills of quantities.	Included in the transfer to other Government entities balance of Kshs.47,155,000 are payments totaling Kshs.12,500,000 made for various projects undertaken in various Government entities. However, as detailed below, physical verification of three of the projects	We want to vouch that the three projects were done according to the bill of quantities and value for money was achieved. Annex is there bills of quantities for your further audit	NG-CDFC	Resolved	

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National Government Constituencies Development Fund (NGCDF)
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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)
	<p>revealed that the construction works were not done as specified in the bills of quantities. Further, evidence for authority, if any, granted to the works managers to vary the works was not availed for verification.</p> <p>In the circumstance, it is not possible to confirm the propriety of the expenditure of Kshs.47,155,000 reported to have been incurred on transfers to other Government entities during the year under review.</p>	review.			
Delayed Cultural Project	<p>During the year under review, the Fund incurred expenditure totalling Kshs.1,000,000 on purchase of furniture and construction of three shades at Bunyala Cultural Centre. However, physical verification revealed that the project was not executed yet full payment was made to Bunyala Project Management Committee. The Fund thus failed to provide expected services to the constituents. No plausible explanation has been provided by management for the anomaly.</p>	<p>We want to confirm that the project was being executed by the project management committee and the NG-CDFC was in the process of following up the same with project management committee to ensure that the objective of the fund is achieved.</p>	NG-CDFC	Not Resolved	31 st Decemb er, 2020

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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. Project Verification Status	<p>The Fund spent Kshs.12,606,905 on emergency, security, mock examinations and school tests during the year under review. However, the management did not avail for audit review the returns and progress reports for the projects as submitted by the respective project management committees (PMCs).</p> <p>In the circumstance, it was not possible to evaluate progress on implementation of the projects reported to have been funded under emergency provisions as well as security and education sectors</p>	We want to vouch that the project returns and progress reports have been annexed for further review and therefore we also want to confirm that value for money was achieved	NG-CDFC	Resolved	

BUDALANGI Constituency**National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021****ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
BUDALANGI ENVIRONMENT PMC	KCB-Portvictoria	1239225997	0	682,333.50
ACK MUSOMA SECONDARY SCHOOL PMC	KCB-Portvictoria	1258519712	0	9,748,790
BUKOMA SECONDARY SCHOOL PMC	KCB-Portvictoria	1269960741	0	25,395.00
SISENYE MIXED SECONDARY SCHOOL PMC	KCB-Portvictoria	1254026959	0	8,748,790
MUNDERE GIRLS SECONDARY SCHOOL PMC	KCB-Portvictoria	1269537970	0	3,999,395
RUAMBWA SECONDARY SCHOOL PMC	KCB-Portvictoria	1258531224	0	5,749,395
MUBWAYO PRIMARY SCHOOL PMC	KCB-Portvictoria	1275179819	0	0.00
RUAMBWA PRIMARY SCHOOL PMC	KCB-Portvictoria	1257950215	0	1,203,975
NANJOMI PRIMARY SCHOOL PMC	KCB-Portvictoria	1258519844	0	227,174
BULEMIA PRIMARY SCHOOL	KCB-Portvictoria	1258520257	0	28,975
NABUTSWI PRIMARY SCHOOL PMC	KCB-Portvictoria	1253996075	0	21,935
BUSAGWA PRIMARY SCHOOL	KCB-Portvictoria	1258519917	0	18,535
KENYA GAUZE PRIMARY SCHOOL PMC	KCB-Portvictoria	1254099689	0	23,975
MUNANI PRIMARY SCHOOL	KCB-Portvictoria	1258519569	0	998,975
MUDEMBAI PRIMARY SCHOOL	KCB-Portvictoria	1285938747	512,780.00	
MAKUNDA PRIMARY SCHOOL	KCB-Portvictoria	1286069432	513,780.00	
ACK LUGALE PRIMARY SCHOOL	KCB-Portvictoria	1285856627	1,811,730.00	
IGIGO PRIMARY SCHOOL	KCB-Portvictoria	1287212042	0.00	
RUGUNGA PRIMARY SCHOOL	KCB-Portvictoria	1285856570	512,780.00	
BUKOMA PRIMARY SCHOOL	KCB-Portvictoria	1286069580	800,002.00	
BULEMIA PRIMARY SCHOOL	KCB-Portvictoria	1258520257	1,963,410.00	
SISENYE MIXED SECONDARY SCHOOL	KCB-Portvictoria	1254026959	3,784,070.53	
RUAMBWA SECONDARY SCHOOL	KCB-Portvictoria	1258531224	3,315,297.10	

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National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
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BUKOMA MIXED SECONDARY	KCB-Portvictoria	1269960741	239,958.00	
MUNDERE GIRLS SECONDARY MUNDERE GIRLS SECONDARY	KCB-Portvictoria	1269537970	16,401,778.00	
BUNYALA TECHNICAL TRAINING INSTITUTE	KCB-Portvictoria	1285922379	1,077,027.00	
BUDALANGI SPORTS	KCB-Portvictoria	1239225938	641,291.50	
MUNDIKA B. PRIMARY SCHOOL	KCB-Portvictoria	1277363161	1,316,317.00	
ST. ANNES SECONDARY SCHOOL	KCB-Portvictoria	1275617646	583,401.35	
MUKHOBOLA PRIMARY SCHOOL	KCB-Portvictoria	1275617271	12,355.00	
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SIBUKA PRIMARY SCHOOL	KCB-Portvictoria	1276472609	33,835.00	
NANDEKERE PRIMARY SCHOOL	KCB-Portvictoria	1275617859	3,975.00	
Total			58,311,943.48	31,477,642.5

BUDALANGI Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	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)
Comparison of Actual and Budgeted Expenditure	The Fund's revenue budget for the year under review was Kshs.82,296,552 against actual receipts of Kshs.81,896,551 representing an overall under-collection of Kshs.400,001. Further, the CDF spent a total Kshs.93,139,316 against a budget of Kshs.94,479,517 representing under-expenditure of Kshs.1,340,200	There was under-collection and under-expenditure because NGCDF board failed to release all the funds in time to the constituency.	NG-CDF Board	Resolved	
Project Performance	The Fund was to implement a total of 48 projects and activities under various sectors during the financial year. Review of the Fund's performance indicated that as at 30 June 2017, 1% of the projects had not started, 35% of the projects were ongoing and 64 % had been completed.	We want to vouch that all the 48 projects that were to be implemented within the financial year have been implemented and handed over to the committee .	NG-CDFC	Resolved	
Payment for projects not implemented as per the bills of quantities.	Included in the transfer to other Government entities balance of Kshs.47,155,000 are payments totaling Kshs.12,500,000 made for various projects undertaken in various Government entities. However, as detailed below, physical verification of three of the projects revealed that the construction works were not done as specified in the bills of	We want to vouch that the three projects were done according to the bill of quantities and value for money was achieved. Annex is there bills of quantities for your further audit review.	NG-CDFC	Resolved	

BUDALANGI Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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)
	<p>quantities. Further, evidence for authority, if any, granted to the works managers to vary the works was not availed for verification.</p> <p>In the circumstance, it is not possible to confirm the propriety of the expenditure of Kshs.47,155,000 reported to have been incurred on transfers to other Government entities during the year under review.</p>				
Delayed Cultural Project	<p>During the year under review, the Fund incurred expenditure totalling Kshs.1,000,000 on purchase of furniture and construction of three shades at Bunyala Cultural Centre. However, physical verification revealed that the project was not executed yet full payment was made to Bunyala Project Management Committee. The Fund thus failed to provide expected services to the constituents. No plausible explanation has been provided by management for the anomaly.</p>	<p>We want to confirm that the project was being executed by the project management committee and the NG-CDFC was in the process of following up the same with project management committee to ensure that the objective of the fund is achieved.</p>	NG-CDFC	Not Resolved	31 st December, 2020

BUDALANGI Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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. Project Verification Status	<p>The Fund spent Kshs.12,606,905 on emergency, security, mock examinations and school tests during the year under review. However, the management did not avail for audit review the returns and progress reports for the projects as submitted by the respective project management committees (PMCs).</p> <p>In the circumstance, it was not possible to evaluate progress on implementation of the projects reported to have been funded under emergency provisions as well as security and education sectors</p>	<p>We want to vouch that the project returns and progress reports have been annexed for further review and therefore we also want to confirm that value for money was achieved</p>	NG-CDFC	Resolved	



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