

# REPORT

OF

**THE AUDITOR-GENERAL**

ON

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

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

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 FEB 2023 DAY: THURSDAY

ED Leader of Majority Party (Lom)

NAME: Joyce Lemerelle





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

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

## **Functions of NG-CDF Committee**

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

### **(b) Key Management**

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

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

### **(c) Fiduciary Management**

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

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

### **(d) Fiduciary Oversight Arrangements**

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

### **(e) Butula Constituency NGCDF Headquarters**

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



**(f) Butula Constituency NGCDF Contacts**

Telephone: (254) 726269213  
E-mail: cdfbutula@ngcdf.go.ke  
Website: www.go.ke

**(g) Butula Constituency NGCDF Bankers**

National Bank (specify the constituency account banker details)

ACCOUNT NO: 01021037115600

Busia Branch

P.o Box

Busia

**(h) Independent Auditors**

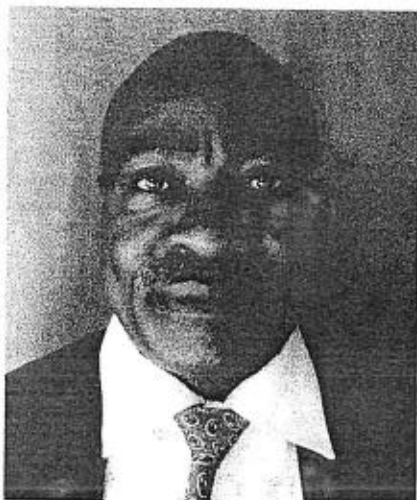
Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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

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## **II. NG-CDFC CHAIRMAN'S REPORT**

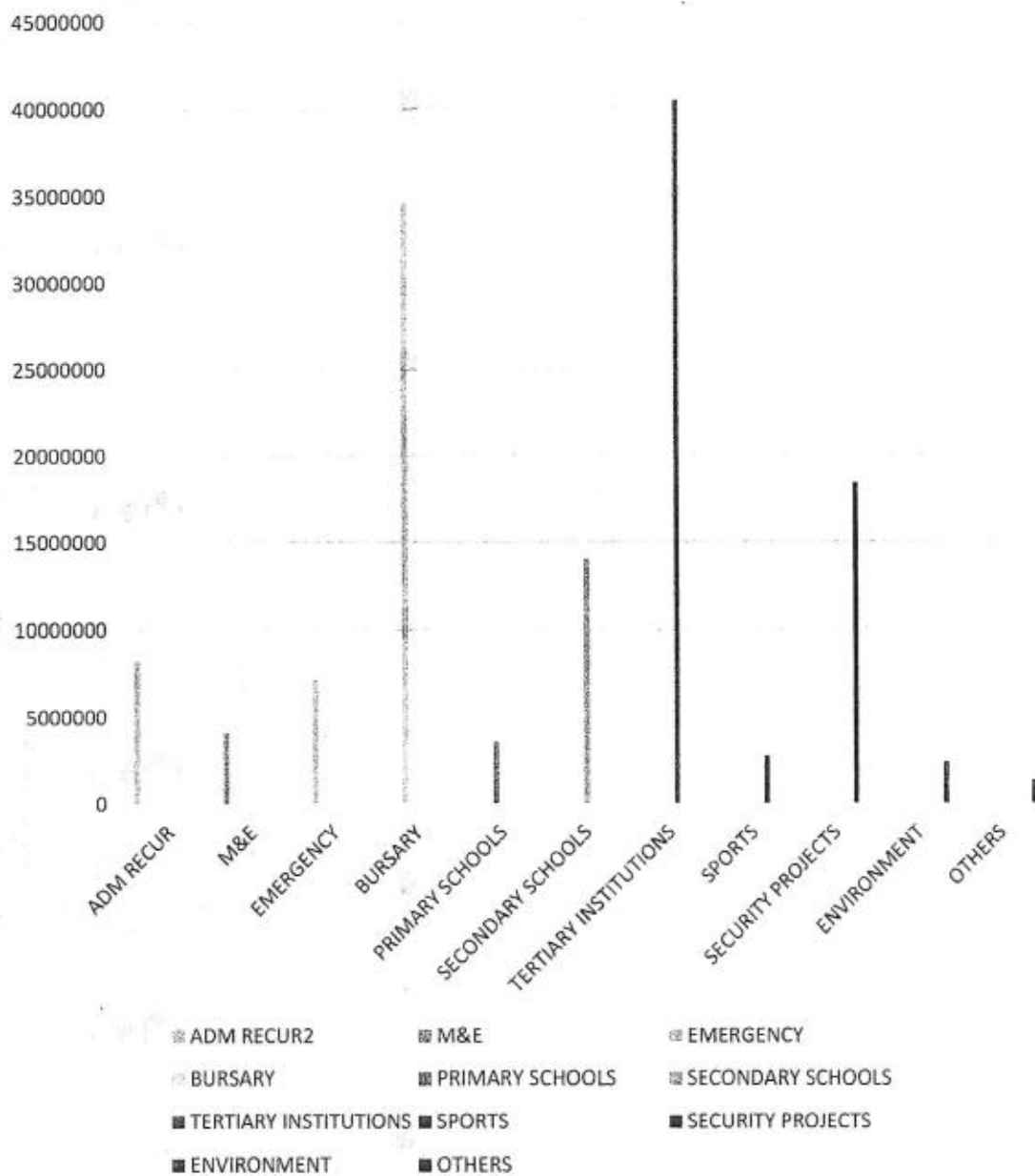


**LEONARD O. NAKHUNGU**  
**BUTULA NGCDFC**  
**CHAIRMAN**

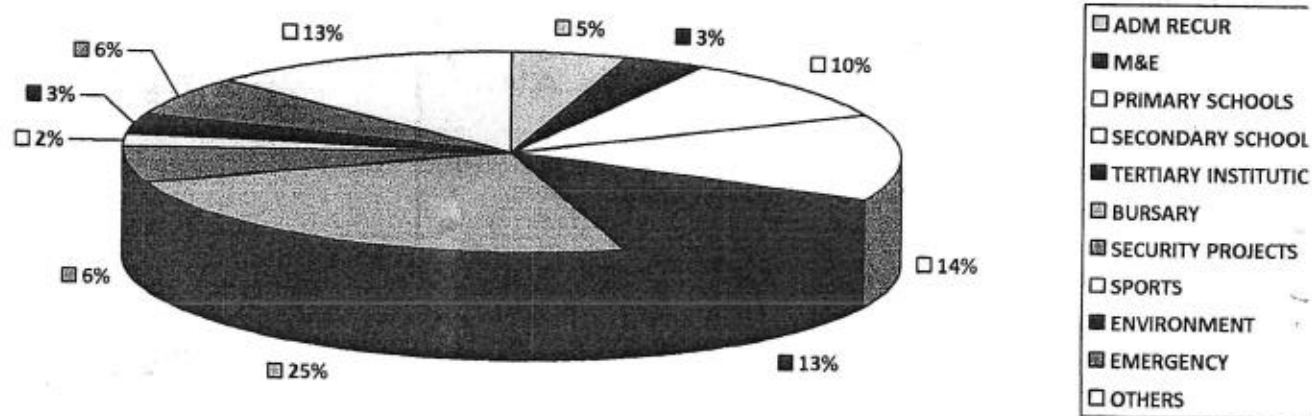
This is a true reflection of Butula NGCDFC budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructure within the constituency which is evident from the Transfers to Other Government Entities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

Budget performance against actual amounts for current year based on economic classification and programmes of **kshs 137,233,724.31** inclusive of AIA of **kshs 146,000** as below

### ALLOCATIONS IN KSHS



## EXPENDITURE IN KSHS



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

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

### Challenges

- Inadequate funding.
- Frequent personnel changes in management leading to interruption of work during the transitions.
- Delays in disbursement of Funds hence affecting timely Project implementation.

### Recommendations

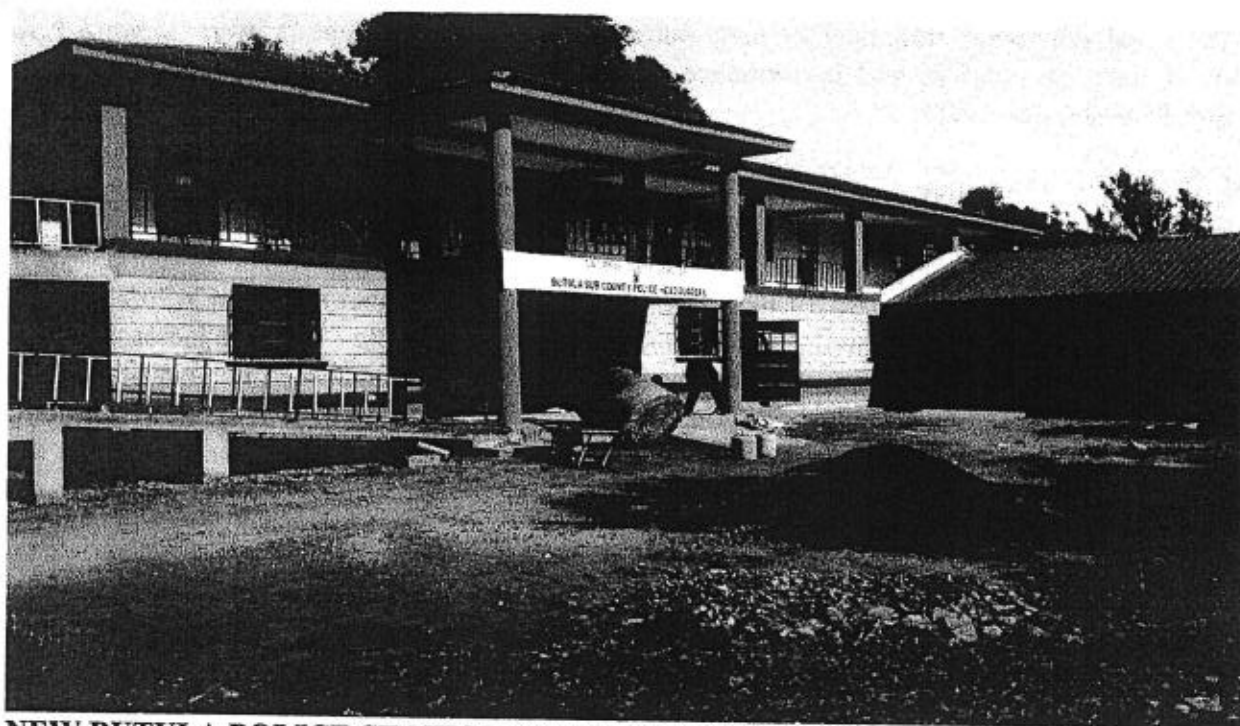


- Increase in allocation of Funds in order to meet the needs of the Constituents at a wider level.
- Capacity building of local stakeholders in order to improve management of the Fund.
- Continuous monitoring of projects.

An illustration of some of the Projects implemented and completed in FY 2020/2021



**NEW KINGANDOLE SECONDARY SCHOOL DINNING HALL (EDUCATION PROJECT)**



**NEW BUTULA POLICE STATION (SECURITY PROJECT)**

**Signature**

**CHAIRMAN NGCDF COMMITTEE**

### **III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 **Butula Constituency** 2018-2022 plan are to:  
**(Enumerate all the objectives of the constituency as per the Strategic Plan)**

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

#### **Progress on attainment of Strategic development objectives**

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

<b>Constituency Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
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	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all levels</li> </ul>	In FY 20/21 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security				
Environment	To have almost all schools with modern	Reduce number of emergencies arising from	Improve Sanitation in various Schools within the	In FY 20/21 We increased number of modern

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

	Biodigestor Toilets	collapsed pitlatrines	Constituency	Bio digester Toilets from two to four in the following schools Bumala B Sec School, Bumutiru AC Sec School
Sports	To enhance development of co curriculum activities in the constituency	-Nurturing of talents among the youth	-Decreased level of idleness among the youth especially during the holidays - Encourage and motivate the youth	In FY 20/21 we organized constituency sports tournaments for primary and secondary schools teams & purchased sports kits,
Emergency	To have almost all schools with modern Pitlatrines	Reduce number of emergencies arising from collapsed pitlatrines	Improve Sanitation in various Schools within the Constituency	In FY 20/21 we constructed several toilets in various schools that had been warned by the public health and the ones that had insufficient sanitation facilities

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

##### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Butula NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; Butula 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 Butula 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 Butula 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**

- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

## **3. Employee welfare**

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

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

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

## **4. Market place practices- Butula NGCDF Constituency is committed to fair and ethical market practises.**

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

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

NGCDF has put in efforts to ensure:

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

## **5. Community Engagements-**

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

### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

### **Public Awareness**

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

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

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**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

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

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

**Approval of the financial statements**

The NGCDF- Butula Constituency financial statements were approved and signed by the Accounting Officer on 13<sup>TH</sup> JUNE, 2022.



**Chairman NGCDF Committee**

Name: LEONARD NJIRUNJU



**Fund Account Manager**

Name: PETER OCHIENG

FUND ACCOUNT MANAGER  
BUTULA CONSTITUENCY  
P.O. BOX 53-50-105,  
BUTULA.





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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT - BUTULA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and 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 NGCDF-Butula Constituency set out on pages 17 to 60 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of NGCDF - Butula Constituency as at 30 June, 2021, and 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 National Government Constituencies Development Fund Act, 2015.

### Basis for Qualification

#### 1. Inaccuracies of Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.51,842,358 under cash and cash equivalents. However, a bank reconciliation statement for the month of June, 2021, reflects receipts in bank statement not in cash book totalling Kshs.75,000 which relate to the period between 8 October, 2020 and 18 June, 2021. The bank reconciliation statement also reflects payments in bank not reflected in the cash book totalling Kshs.9,786. No explanation was provided for failure to update the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.51,842,358 could not be confirmed.

#### 2. Unsupported Project Management Committee (PMC) Account Balances

Note 17.4 to the financial statements reflects a balance of Kshs.34,058,786 relating to PMC account balance which, as detailed under Annex 5, comprises of sixty-seven (67) Project Management Committee bank account balances. However, certificates of bank balance to support the individual balances were not provided for audit review. Further, the balance of Kshs.34,058,786 disclosed at Annex 5 excludes balances totalling Kshs.4,355,590 relating to three schools.

In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.34,058,786 could not be confirmed.



### **3. Lack of ownership of Documents**

The statement of receipts and payments reflects an amount of Kshs.53,828,132 for transfers to other Government units, as disclosed in Note 6 to the financial statements. The amount includes Kshs.20,257,132 for transfers to secondary schools which further includes Kshs.1,000,000 transferred to Madola Secondary School for purchase of land. However, a title deed for the land was not provided for audit.

In the circumstances, occurrence of (the expenditure on transfer to other government units amounting to Kshs.1,000,000 and the ownership of the land by the school could not be confirmed.

### **4. Unsupported Expenditure-Other Payments**

The statement of receipts and payments reflects an amount of Kshs.11,500,000 under other payments, as disclosed in Note 9 to the financial statements. This amount includes Kshs.5,000,000 and Kshs.6,500,000 as transfers to Rural Electrification Authority and Geographical information system (GIS) respectively. However, expenditure returns were not provided by the respective Project Management Committees to support the expenditures.

In the circumstances, the propriety of Kshs.11,500,000 could not be confirmed.

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

### **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 the Fund had approved budget of Kshs.248,987,188 for the year under review. However, actual receipts amounted to Kshs.196,152,994 or 79% of the budget. The resultant difference of Kshs.52,834,195 was unexplained.

Similarly, the fund expended Kshs.144,441,636 against approved budget of Kshs.248,987,188 resulting to an under-expenditure of Kshs.104,545,552 or 42% of the budget.

The underfunding and underperformance 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 report of the previous year, several issues were raised under the report on financial statements and report on lawfulness. The Management has indicated that the issues were resolved on progress on follow up. However, evidence to indicate how the issues were resolved was not provided. The matters therefore, remain unresolved.

### **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.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 September, 2022



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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	174,267,724	146,252,674
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	131,000	146,000
<b>TOTAL RECEIPTS</b>		<b>174,398,724</b>	<b>146,398,674</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,139,433	1,476,262
Use of goods and services	5	8,353,828	9,550,107
Transfers to Other Government Units	6	53,828,132	66,600,000
Other grants and transfers	7	60,256,248	35,806,131
Acquisition of Assets	8	7,363,995	319,500
Other Payments	9	11,500,000	14,764,730
<b>TOTAL PAYMENTS</b>		<b>144,441,636</b>	<b>128,516,730</b>
<b>SURPLUS/(DEFICIT)</b>		<b>29,957,088</b>	<b>17,881,944</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butula Constituency financial statements were approved on 13<sup>TH</sup> JUNE 2022 and signed by:



**Fund Account Manager**  
**Name: PETER OCHOKOLO**

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



**National Sub-County**  
**Accountant**  
**Name: Lilian Amusolo**  
**ICPAK M/No: 29512**



**Chairman NG-CDF Committee**  
**Name: BONITA NAKAMUKHA**




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


**VIII.STATEMENT OF ASSETS AND LIABILITIES**

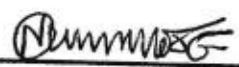
	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	51,842,358	21,885,270
Cash Balances (cash at hand)	10B	0	0
<b>Total Cash and Cash Equivalents</b>		<b>51,842,358</b>	<b>21,885,270</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>51,842,358</b>	<b>21,885,270</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	0	0
Gratuity	12B	0	0
<b>NET FINANCIAL SSETS</b>		<b>51,842,358</b>	<b>21,885,270</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	21,885,270	3,709,372
Prior year adjustments	14	0	293,954
Surplus/Deficit for the year		29,957,088	17,881,944
<b>NET FINANCIAL POSITION</b>		<b>51,842,358</b>	<b>21,885,270</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butula Constituency financial statements were approved on 13<sup>th</sup> June, 2022 and signed by:

  
**Fund Account Manager**  
**Name: PETER OCHOKOLO**

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

  
**National Sub-County**  
**Accountant**  
**Name: Lilian Amusilo**  
**ICPAK M/No: 29512**

  
**Chairman NG-CDF Committee**  
**Name: LEONARD NANKHUMBI**

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

**STATEMENT OF CASHFLOWS**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	174,267,724	146,252,674
Other Receipts	3	131,000	146,000
<b>Total Receipts</b>		<b>174,398,724</b>	<b>146,398,674</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,139,433	1,476,262
Use of goods and services	5	8,353,828	9,550,107
Transfers to Other Government Units	6	53,828,132	66,600,000
Other grants and transfers	7	60,256,248	35,806,131
Other Payments	9	11,500,000	14,764,730
<b>Total Payments</b>		<b>137,077,641</b>	<b>128,197,230</b>
<b>Total receipts less Total Payments</b>		<b>37,321,083</b>	<b>18,201,444</b>
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	0	0
Increase/(Decrease) in Accounts Payable	16	0	0
Prior year Adjustments	14	0	0
Net Adjustments		0	0
<b>Net cash flow from operating activities</b>		<b>37,321,083</b>	<b>18,201,444</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	8	7,363,995	319,500
<b>Net cash flows from Investing Activities</b>		<b>(7,363,995)</b>	<b>(319,500)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>29,957,088</b>	<b>17,881,944</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>21,885,270</b>	<b>3,709,372</b>
Prior year Adjustments	14	0	293,954
<b>Cash and cash equivalent at END of the year</b>		<b>51,842,358</b>	<b>21,885,270</b>

**Butula Constituency**

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

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Butula Constituency financial statements were approved on 13<sup>th</sup> JUNE 2022 and signed by:

Peter Ocoto

**Fund Account Manager**

**Name:** PETER OCOTO

Lilian Amusolo

**National Sub-County  
Accountant**

**Name:** Lilian Amusolo  
**ICPAK M/No:** 29512

Leonard Nankunga

**Chairman NG-CDF Committee**

**Name:** LEONARD NANKUNGA

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

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

**IX. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference	% of Utilization
		A	B			C=a+b	
Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilization
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	21,885,270	90,013,039	248,987,188	196,152,994	52,834,195	79%
Proceeds from Sale of Assets				0	0	0	00
Other Receipts		131,000		131,000	131,000	0	1%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>22,016,270</b>	<b>90,013,039</b>	<b>249,118,188</b>	<b>196,283,994</b>	<b>52,834,195</b>	<b>79%</b>
PAYMENTS							
Compensation of Employees	2,804,650		2,655,419	5,460,069	3,139,433	2,320,636	57%
Use of goods and services	9,533,349		863,116	10,396,465	8,353,828	2,042,637	80%
Transfers to Other Government Units	58,116,502	10,000,000	18,800,000	86,916,502	53,828,132	33,088,370	62%



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

Receipts/Payments	Adjustments		Final Budget c=a+b	Actual on comparable basis D	Budget utilization Difference e=c-d	% of Utiliz ation f=d/c %
	Original Budget A	B				
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilis ation
Other grants and transfers	65,384,378	11,885,270	124,728,918	60,256,248	64,472,670	48%
Acquisition of Assets		1,000,000	7,500,000	7,363,995	136,005	98%
Other Payments(GIS, REA)	1,250,000		14,985,270	11,500,000	3,485,270	77%
Unlocated funds(AIA)		131,000	131,000		131,000	
<b>TOTAL</b>	<b>137,088,879</b>	<b>22,016,270</b>	<b>249,118,224</b>	<b>144,441,636</b>	<b>105,676,588</b>	<b>58%</b>

(a) The underutilization is as a result of delays in disbursement of Funds by the Board.

(b) The difference between the original and the final budget is due to Funds for the previous Financial Years that were received during the Financial Year under review as summarized below;



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

Out of the 174,267,724.10 Adjustments on Transfers from the Board	Balance b/f	Opening CB Bal.
21,885,269.50		
5,000,000.00	AIE NO.B096869	2019/2020FY
64,367,724.10	AIE NO.B104778	2019/2020FY
9,000,000.00	AIE NO.B105000	2020/2021FY
12,000,000.00	AIE NO.B124907	2020/2021FY
15,000,000.00	AIE NO.B119762	2020/2021FY
6,900,000.00	AIE NO.B128053	2020/2021FY
8,000,000.00	AIE NO.B128363	2020/2021FY
6,000,000.00	AIE NO.B132108	2020/2021FY
15,000,000.00	AIE NO.B138776	2020/2021FY
6,000,000.00	AIE NO.B126071	2020/2021FY
10,000,000.00	AIE NO.B126361	2020/2021FY
2,000,000.00	AIE NO.B105160	2019/2020FY
15,000,000.00	AIE NO.B140507	2020/2021FY

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

(a)(i). All items were spent below 90% as **only Kshs. 174,267,724.10 million** representing **88.8%** had been received by the end of the financial year. The expenditure against available funds was **kshs,144,441,636** representing **82.9%**. The budget had few conditional approval items which were responded during the year.

(ii.) Transfers to other Government units and other grants and transfers part of the funds had not been disbursed by NGCDF BOARD as at 30<sup>th</sup> June, 2021, (b) The changes between the original and final budget are as a result of funds balance carried forward and previous funds received in the current financial year from the Board. The NGCDF-Butula Constituency financial statements were approved on \_\_\_\_\_ 2022 and Signed by

**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	105,676,552
Less undisbursed funds receivable from the Board as at 30th June 2021	53,834,164
	51,842,358
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202021	<b>51,842,358</b>

The NGCDF-Butula Constituency financial statements were approved on 13<sup>th</sup> June, 2022 and signed by:


**Fund Account Manager**Name: **PETER Ochokolo**

**National Sub-County Accountant**Name: **Lilian Amusolo**  
ICPAK M/No: **29512**

**Chairman NG-CDF Committee**Name: **LEONARD NJIRU**

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

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

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,804,650		2,655,419	5,460,069	3,139,433	2,320,636
1.2 Committee allowances	2,500,000		173,047	2,673,047	1,811,690	861,357
1.3 Use of goods and services	2,920,683		677,490	3,598,173	2,044,422	1,553,751
<b>Sub Total</b>	<b>8,225,333</b>	<b>0</b>	<b>3,505,956</b>	<b>11,731,289</b>	<b>6,995,545</b>	<b>4,735,744</b>
<b>2.0 Monitoring and evaluation</b>						<b>0</b>
2.1 Capacity building	1,800,000		4,998	1,804,998	2,583,356	(778,358)
2.2 Committee allowances	1,312,666		7,141	1,319,807	1,280,000	39,807
2.3 Use of goods and services	1,000,000		440	1,000,440	634,360	366,080
<b>Sub Total</b>	<b>4,112,666</b>	<b>0</b>	<b>12,579</b>	<b>4,125,245</b>	<b>4,497,716</b>	<b>(372,471)</b>
<b>3.0.Emergency</b>	<b>7,192,206</b>		<b>6,278,834</b>	<b>13,471,040</b>		<b>13,471,040</b>
<b>Mauko Pri Sch</b>					<b>600,000</b>	
<b>Bumala B.Sec Sch</b>					<b>100,000</b>	

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

Kalalani Pri School						400,000	
Kalalani Pri School						400,000	
Sirandala Pri School						1,130,000	
Lunyiko Pri School						400,000	
Lunyiko Pri School						400,000	
Madola Pri School						400,000	
St. Augustine Boys						400,000	
Boarding Pri School							
Magombe Pri School						400,000	
Kingandole Pri School						400,000	
Lugulu Primary School						800,000	
Musoma RC Pri School						900,000	
Nyalwanda Pri School						1,300,000	
Nyamwanga Pri School						450,000	
Kalalani Pri School						400,000	
3.2.1 Bishop Nicholas							
Stam Sec School							
<b>Sub Total</b>	<b>7,192,206</b>		<b>6,278,834</b>	<b>13,471,040</b>	<b>9,280,000</b>		<b>4,191,040</b>
<b>4.0 Bursary and Social Security</b>							
4.2 Secondary Schools	20,000,000		18,000,000	38,000,000	23,510,699	14,489,301	
4.3 Tertiary Institutions	14,624,528	3,035,270	7,259,232	24,919,030	11,381,050	13,537,980	
<b>Sub Total</b>	<b>34,624,528</b>	<b>3,035,270</b>	<b>25,259,232</b>	<b>62,919,030</b>	<b>34,891,749</b>	<b>28,027,281</b>	
<b>5.0 Sports</b>	<b>2,741,778</b>		<b>2,747,300</b>	<b>5,489,078</b>	<b>2,747,300</b>	<b>2,741,778</b>	
<b>Sub Total</b>	<b>2,741,778</b>	<b>0</b>	<b>2,747,300</b>	<b>5,489,078</b>	<b>2,747,300</b>	<b>2,741,778</b>	
<b>6.0 Environment</b>							
Bumala A.C Sec Sch			800,000	800,000	800,000	0	
Butula Boys High School			800,000	800,000	800,000	0	
Busiada Girl's Sec Sch			800,000	800,000	800,000	0	
St. Augustine Butunyi			200,000	200,000		200,000	



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

Boys Pr Sch						
6.1.Bumala B Secondary School	1,200,000			1,200,000	1,200,000	
6.2.Bumuitiru Secondary School	1,200,000			1,200,000	1,200,000	
6.3.NGCDF Office			147,300	147,300		147,300
Sub Total	2,400,000	0	2,747,300	5,147,300	4,800,000	347,300
7.0 Primary Schools Projects (List all the Projects)						
7.1.Sirandala Primary School	571,000			571,000	571,000	
7.2.Namwisiula primary school	1,000,000	425,000		1,425,000		1,425,000
7.3.Tingolo Primary School	2,000,000			2,000,000	2,000,000	2,000,000
Eluche Primary School			2,000,000	2,000,000		
Elukhari Primary School		1,425,000		1,425,000	1,000,000	425,000
Masendebale Primary School		5,000,000		5,000,000	5,000,000	0
Katalani Primary School		2,000,000		2,000,000	2,000,000	
Mauko Primary School		1,000,000		1,000,000	1,000,000	
Bwaliro Primary School		1,000,000		1,000,000	1,000,000	
Khunyangungu Primary School		1,000,000		1,000,000	1,000,000	
John Utatu Primary School		1,000,000		1,000,000	1,000,000	
Sub-Total	3,571,000	12,850,000	2,000,000	18,421,000	14,571,000	3,850,000
8.0 Secondary Schools Projects (List all the Projects)						



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

Buhuyi Sec School			3,000,000	3,000,000	
St.Peter's Mungabo Sec Sch	539,720		1,739,720	1,200,000	539,720
Bumutiru Sec Sch	298,650		398,650	100,000	298,650
Kingandole Secondary School	3,200,000	3,000,000	8,200,000	5,200,000	3,000,000
Modola Sec School		1,000,000	1,000,000	1,000,000	
Elukhari Sec School		1,000,000	1,000,000	1,000,000	
Busiada Girls Sec School	2,500,000		2,500,000	2,500,000	
Namwitsula Sec School	1,550,000		1,550,000	1,550,000	
Bumala AC Sec School	2,000,000		2,000,000	2,000,000	
Sikoma Sec School	2,000,000		2,000,000	2,000,000	
Bwaliro Girls Sec School	707,132		707,132	707,132	
Simuli SecSchool	1,000,000		1,000,000		1,000,000
Ikonzo Sec School	250,000		250,000		250,000
Lugulu AC Secondary School			3,000,000		3,000,000
<b>Sub-Total</b>	<b>14,045,502</b>	<b>5,000,000</b>	<b>28,345,502</b>	<b>20,257,132</b>	<b>8,088,370</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>					
Benga TTI	22,000,000		26,000,000	14,000,000	12,000,000
KMTC PMC	18,500,000		22,000,000	5,000,000	17,000,000
<b>Total</b>	<b>40,500,000</b>		<b>48,000,000</b>	<b>19,000,000</b>	<b>29,000,000</b>
<b>10.0 Security Projects</b>					
Butula Police Station	4,900,000		4,900,000	4,900,000	
DCC Residence	3,637,199		3,637,199	3,637,199	
Butula Police Station	614,183		614,183		614,183
Burinda Chief Camp	9,774,484		9,774,484		9,774,484
Bumala Police Station	4,426,568		4,426,568		4,426,568

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

<b>Total</b>	<b>18,425,866</b>		<b>6,000,000</b>	<b>24,425,866</b>	<b>8,537,199</b>	<b>15,888,667</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles			6,500,000	6,500,000	6,500,000	
11.3 Purchase of furniture and equipment		1,000,000		1,000,000	863,995	136,005
<b>Total</b>		<b>1,000,000</b>	<b>6,500,000</b>	<b>7,500,000</b>	<b>7,363,995</b>	<b>136,005</b>
<b>12.0 Other payments</b>				0.00		0.00
Butula NGCDF Office	1,250,000			1,250,000	0	1,250,000
REA			5,000,000	5,000,000	5,000,000	
GIS			6,500,000	6,500,000	6,500,000	
Butula Resource Centre			5,500,000	5,500,000		5,500,000
Strategic Plan			2,235,270	2,235,270		2,235,270
<b>Total</b>	<b>1,250,000</b>	<b>0</b>	<b>13,735,270</b>	<b>14,985,270</b>	<b>11,500,000</b>	<b>3,485,270</b>
<b>13.0 unallocated fund</b>						
AIA		131,000		131,000		131,000
<b>Total</b>	<b>0</b>	<b>131,000</b>		<b>131,000</b>	<b>0</b>	<b>131,000</b>
<b>Grant Total</b>	<b>137,088,879</b>	<b>22,016,270</b>	<b>90,013,039</b>	<b>249,118,118</b>	<b>144,441,636</b>	<b>104,676,552</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme.

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

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

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

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

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

#### **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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> 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**

<b>Description</b>		<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>NGCDF Board</b>			
AIE NO.B047142	1		6,000,000
AIE NO.B041005	2		13,000,000
AIE NO.B047382	3		4,000,000
AIE NO.B041356	4		24,752,673
AIE NO.B041401	5		24,500,000
AIE NO.B041448	6		20,000,000
AIE NO.B047867	7		6,000,000
AIE NO.B049244	8		15,000,000
AIE NO.B104255	9		15,000,000
AIE NO.B104141	10		10,000,000
AIE NO.B096542	11		8,000,000
AIE NO.B096869	1	5,000,000	
AIE NO.B104778	2	64,367,724	
AIE NO.B105000	3	9,000,000	
AIE NO.B124907	4	12,000,000	
AIE NO.B119762	5	15,000,000	
AIE NO.B128053	6	6,900,000	
AIE NO.B128363	7	8,000,000	
AIE NO.B132108	8	6,000,000	
AIE NO.B138776	9	15,000,000	
AIE NO.B126071	10	6,000,000	
AIE NO.B126361	11	10,000,000	
AIE NO.B105160	12	2,000,000	
AIE NO.B140507	13	15,000,000	
<b>TOTAL</b>		<b>174,267,724</b>	<b>146,252,673</b>

## **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		
<b>Total</b>		



NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	131,000	146,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>131,000</b>	<b>146,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,021,862	1,375,534
<b>Personal allowances paid as part of salary</b>		
House Allowance	240,000	
Transport Allowance	192,000	
Leave allowance		
Gratuity to contractual employees	494,195	
Employer Contributions Compulsory national social security schemes	191,376	100,728
<b>Total</b>	<b>3,139,433</b>	<b>1,476,262</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	89,580	7,053
Electricity	30,872	15,000
Water & sewerage charges	17,400	0
Office rent		0
Communication, supplies and services	624,404	0
Domestic travel and subsistence	222,800	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	2,774,200	0
Hospitality supplies and services	196,380	0
Other committee expenses	1,280,000	1,372,550
Committee allowance	1,811,690	4,602,652
Insurance costs		0
Specialised materials and services		0
Office and general supplies and services	809,290	3,512,852
Fuel , oil & lubricants	200,000	0
Other operating expenses	231,202	0
Bank service commission and charges		40,000
Security operations	0	0
Routine maintenance - vehicles and other transport equipment	66,010	0
Routine maintenance- other assets	0	0
<b>Total</b>	<b>8,353,828</b>	<b>9,550,107</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	14,571,000	5,000,000
Transfers to secondary schools (see attached list)	20,257,132	19,000,000
Transfers to tertiary institutions (see attached list)	19,000,000	42,600,000
<b>TOTAL</b>	<b>53,828,132</b>	<b>66,600,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,510,699	1,013,531
Bursary – tertiary institutions (see attached list)	11,381,050	10822,600
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	8,537,199	18,800,000
Sports projects (see attached list)	2,747,300	
Environment projects (see attached list)	4,800,000	200,000
Emergency projects (see attached list)	9,280,000	4,970,000
<b>Total</b>	<b>60,256,248</b>	<b>35,806,131</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	6,500,000	0
Purchase of Bicycles & Motorcycles	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of office furniture and General Equipment	863,995	0
Purchase of computers, printers and other IT equipments	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	319,500
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets		
<b>Total</b>	<b>7,363,995</b>	<b>319,500</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic Plan	0	1,264,730
ICT Hubs	0	
REA	5,000,000	10,000,000
GIS	6,500,000	3,500,000
<b>TOTAL</b>	<b>11,500,000</b>	<b>14,764,730</b>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

**10: CASH BOOK BANK BALANCE**

Name of Bank, Account No. & currency	Account Number	2020-2021 Kshs	2019-2020 Kshs
National Bank of Kenya, Busia Branch . Butula NG-CDF	A/C no.01021037115600	<b>51,842,358</b>	<b>21,885,270</b>
Name of Bank, Account No.		0	0
Name of Bank, Account No.		0	0
<b>Total</b>		<b>51,842,358</b>	<b>21,885,270</b>
<b>10B: CASH IN HAND</b>			
Location 1			
Location 2			
Location 3			
Other Locations (specify)			
<b>Total</b>			

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

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

**12B. GRATUITY**

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	494,195	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	494,195	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

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**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	21,885,270	3,709,372
Cash in hand		
Imprest		
<b>Total</b>	<b>21,885,270</b>	<b>3,709,372</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0		-
Cash in hand	0	-	-
Accounts Payables	0	-	-
Receivables	0	-	-
Others (specify)	0	-	-
<b>TOTAL</b>	<b>0</b>		<b>-</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\***

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

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

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



**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
NGCDFC Staff		
Others (specify)		
<b>Total</b>		

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,320,636	2,655,419
Use of goods and services	2,042,607	863,116
Amounts due to other Government entities (see attached list)	33,088,400	18,800,000
Amounts due to other grants and other transfers (see attached list)	63,472,634	47,459,234
Acquisition of assets	136,005	6,500,000
Others (specify)	3,485,270	13,735,270
Funds pending approval	131,000	0
<b>Total</b>	<b>104,676,552</b>	<b>90,013,039</b>

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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)	34,058,786	56,941,011
<b>TOTAL</b>	<b>34,058,786</b>	<b>56,941,011</b>

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

<b>Name of Staff</b>	<b>Designation</b>	<b>Date employed</b>	<b>Outstanding Balance 30<sup>th</sup> June 2021</b>	<b>Comments</b>
<b>NG-CDPC Staff</b>				
<b>Sub-Total</b>				
<b>Grand Total</b>				



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees		2,320,636	2,655,419	
1.2 Committee allowances		861,357	173,047	
1.3 Use of goods and services		1,553,751	677,490	
<b>2.0 Monitoring and evaluation</b>				
2.1 Capacity building		(778,358)	4,998	
2.2 Committee allowances		39,807	7,141	
2.3 Use of goods and services		366,080	440	
<b>Amounts due to other Government entities</b>				
<b>7.0 Primary Schools Projects</b>				
Namwitsula primary school	1No. Classroom & Desk	1,425,000		
Tingolo Primary School				
Eluche Primary School	2No. Classrooms	2,000,000	2,000,000	
Elukhari Primary School	Purchase of Desks	425,000		
<b>8.0 Secondary Schools Projects</b>				
Buhuyi Sec School			3,000,000	
St. Peter's Mungabo Sec Sch	Completion of Science Laboratory	539,720	1,200,000	
Bumutiru Sec Sch	Completion of Dining Hall	298,650	100,000	
Kingandole Secondary School	Purchase of bus	3,000,000	2,000,000	
Elukhari Sec School				
Simuli Sec School	Fencing of 3 acres land	1,000,000		
Ikonzo Sec School		250,000		

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Lugulu Sec School	Administration Block	3,000,000	3,000,000	
<b>9.0 Tertiary institutions Projects</b>				
Benga TTI	Building of Student Hostels	12,000,000	4,000,000	
	Building of Storey Building	17,000,000	3,500,000	
KMTC PMC				
<b>Amounts due to other grants and other transfers</b>				
<b>3.0 Emergency</b>				
3.1 Primary Schools		4,191,040	6,278,834	
<b>4.0 Bursary and Social Security</b>				
4.1 Secondary Schools		14,489,301	18,000,000	
4.2 Tertiary Institutions		13,537,980	7,259,232	
4.3 Social Security				
4.4 Special Needs				
<b>5.0 Sports</b>				
<b>6.0 Environment</b>		2,741,778	2,747,300	
Bumala A.C Sec Sch			800,000	
Butula Boys High School			800,000	
Busiada Girl's Sec Sch			800,000	
St. Augustine Butunyi Primary School		200,000	200,000	
NGCDF Office		147,300	147,300	
<b>10.0 Security Projects</b>				
Butula Police Station		614,183		
Burinda Chief Camp	Building Hall and offices	9,774,484	500,000	
Bumala Police Station	Offices and cells	4,426,568		
<b>Acquisition of assets</b>				
11.1 Motor Vehicles			6,500,000	
11.3 Purchase of furniture and equipment		136,005		



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Others (specify)				
Butula NGCDF Office				
RIA		1,250,000		
GIS			5,000,000	
Butula Resources Centre			6,500,000	
Strategic Plan		5,500,000		
Funds pending approval		2,235,270	2,235,270	
		131,000		
<b>Grand Total</b>		<b>104,676,552</b>	<b>90,013,039</b>	

**Butula Constituency**  
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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	250,000			250,000
Buildings and structures	4,200,654			4,200,654
Transport equipment	22,570,520	6,500,000		29,070,520
Office equipment, furniture and fittings	472,388	863,995		1,336,383
ICT Equipment, Software and Other ICT Assets	1,698,129			1,698,129
Other Machinery and Equipment	0			
Heritage and cultural assets	0			
Intangible assets	0			
<b>Total</b>	<b>29,191,691</b>	<b>7,363,995</b>		<b>36,555,686</b>



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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Bumala A.C Mixed Sec	NBK	1,242,036,877,902	1,863	1,863
Bumala A.C Mixed Sec	NBK	2,137,679,300	989,902	
Nyalwanda Dispensary	NBK	1,245,076,687,700	263	263
Bujumba Girls Sec	NBK	1,243,076,668,900	380	380
Bujumba Boys Sec	NBK	1,242,036,500,601	14,219	14,219
Busire Primary Sch	NBK	1,022,225,479,400	810	810
Ikonzo Mixed Sec	NBK	1,242,037,592,702	350	350
Butula Water	NBK	1,001,114,560,800	40	40
Butula Roads	NBK	1,021,038,985,800	2,420	2,420
Butula Sports PMC	NBK	1,071,216,963,300	23,830	598,430
Butula ICT Hubs PMC	NBK	1,071,216,963,800	1,159,697	4,677,027
Butula Rural Electrification Project	NBK	1,022,227,040,800	6,742,860	
Musibiriri Primary School	NBK	1,022,221,694,100	3,025	35,025
Esibembe AC Girls Secondary School	NBK	1,022,225,737,200	2,150	2,150
Simuli Mixed Secondary School	NBK	1,022,225,730,800	2,275	2,275
Burinda Chiefs Camp	NBK	1,060,221,767,400	8,295	5,089,695
Butula Police Station	NBK	1,022,225,737,500	49,087	562,476
KMTC Butula Campus	NBK	1,022,226,003,300	12,832,535	20,426,550
Butula DCC Residence	NBK	1,022,226,364,300	2,060,044	111,027
Bulwani AC Secondary School	NBK	1,022,222,037,900	623	111,118
Bukhalalire Chiefs Office	NBK	1,060,221,549,500	2,211	9,411

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Bulwani Primary School	NBK	1,022,222,013,400	663	663
St. Catherine SP for M.H	NBK	4,236,501,800	6,928	9,348
Butula NGCDF Office	NBK	1,071,211,914,100	32,197	32,197
Madola Secondary School	NBK	1,022,212,425,201	3,630	275
Bwaliro Primary School	NBK	1,022,036,810,300	49,176	1,900
Butula Boys Primary School	NBK	1,022,222,084,600	771	2,700
St. Augustine Butunyi Primary School	NBK	1,022,036,621,600	6,990	201,000
Butula Boys Secondary School	NBK	1,022,054,617,801	96,550	
Buhuyi Sec School	NBK	1,022,036,617,900	1,361,362	
St. Joseph Bumutiru Sec School	NBK	1,022,226,410,800	518,675	
Kalalani Pri School	NBK	1,022,230,369,700	59,020	
Kingandole Secondary School	NBK	1,242,036,643,702	498,408	
St. Peters Mungabo Sec School	NBK	1,022,226,722,700	58,590	
Butula Constituency Sports	NBK	1,071,216,963,300	23,830	
H/M Bishop Longino Atundo Pri School	NBK	1,022,036,974,900	25	
Bwaliro Girls Sec School	NBK	1,022,226,015,701	66,139	
Busibi ECDE Center	NBK	4,238,113,900	1,546	
Tingolo Pri School	NBK	1,022,237,185,000	56,349	
Elukhari Secondary School	NBK	1,022,232,951,900	38,349	
Lugulu Pri School	NBK	1,022,036,824,901	1,275	

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Masendebale Pri School	NBK	1,022,234,832,900	96,562	
Bishop Nicholas Stam Sikoma Mixed High School	NBK	1,022,234,832,900	965,786	
Khunyangu Primary School	NBK	1,047,087,295,600	77,993	
Magombe Pri School	NBK	1,022,232,802,300	45	
Kingandole Pri School	NBK	1,022,232,840,500	31,216	
Namwitsula Pri School	NBK	4,276,630,200	305,698	
Mauko DEB Pri School	NBK	1,022,226,881,400	86,208	
Burinda Primary	KCB	1,161,038,329	3,150	3,150
Madola Secondary	KCB	1,176,167,235	7,970	7,970
Busiada Girls Sec	KCB	1,119,914,752	2,527,374	3,001,906
Esibembe Primary	KCB	1,148,418,482	2,223	2,223
St. Joseph Ogongo	KCB	1,147,599,009	1,045	61,045
Khunyangu Primary School	KCB	1,266,622,136	5,575	5,575
Igula Primary School	KCB	1,267,110,244	975	975
Sikura Primary School	KCB	1,148,827,633	1,525	1,525
Elukhari Secondary School	KCB	1,266,243,216	1,004,269	1,525,811
Buriya Secondary School	KCB	1,267,405,740	305,395	305,395
Sirandala Primary School	KCB	1,267,414,227	617,842	3,304,061
Siribo Primary School	KCB	1,266,701,362	7024	32,824
Bumala AC Secondary School	KCB	1,267,772,085	2,410,719	1,018,705



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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
Ekanjala Primary School	Sidian Bank	1,032,030,000,155	55,751	55,751
Butula Primary Schools	Sidian Bank	1,032,150,018,130	397,187	397,187
Siunga Primary School	Sidian Bank	1,032,030,000,165	3,830	3,830
Butula Secondarys School projects	Sidian Bank	1,032,150,018,120	147	1,044,127
Benga TTI	Equity Bank	780,278,975,310	293,763	14,275,340
Butula Security Projects	Equity Bank	780,277,313,379	7,737	
<b>TOTAL</b>			<b>34,058,786</b>	<b>56,941,011</b>



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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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p><b>Inaccuracies in Summary Statement of Appropriation</b></p> <p>The summary statement of appropriation - recurrent and development combined reflects proceeds from sale of assets amount of Kshs.146,000 under budget utilization difference. However, the balance is not reflected under final budget or actual. Further, the statement reflects budget utilization difference under total payments totalling to Kshs.90,013,039 instead of a total of Kshs.89,813,039 resulting to an unreconciled variance amounting to Kshs.200,000.</p> <p>Consequently, the accuracy, completeness and validity of summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2020</p>	<p>The under-utilization of budgeted funds resulted to delays of disbursement of fund from NG-CDF Board and Kshs 146,000 was sale of tender documents reconcile in books and unreconciled variance amount of kshs 200,000 was unfunded project.</p>	Resolved	30 <sup>th</sup> June, 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	could not be confirmed.			
	<b>Lack of Land Title Deed</b>  As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.35,806,131. The balance includes security projects totalling to Kshs.18,800,000, out of which an amount of Kshs.10,000,000 was spent towards the construction of Burinda Chief's camp. However, land ownership documents were not provided.	The land ownership and title deed is available	Resolved	30 <sup>th</sup> June, 2021
	Consequently, the accuracy, completeness and validity of the expenditure totalling to Kshs.10,000,000 for the year ended 30 June, 2020 could not be confirmed.			
	<b>Budgetary Control and Performance</b>	The under-utilization of budgeted funds resulted to delays of disbursement of fund from NG-CDF Board and Under-absorption of funds is due to receipt of fund towards the	Resolved	30 <sup>th</sup> June, 2021

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	<p>comparable basis totalling to Kshs.219,329,769 and Kshs.149,962,045 respectively, resulting to an under-funding amounting to Kshs.69,994,733 or 32% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.219,329,769 and Kshs.129,516,730 respectively, resulting to an under expenditure amounting to Kshs.89,813,039 or 41% of the budget.</p> <p>The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>end of closure of financial year which has been expent in the subsequent year.</p>		
4.	<p><b>Delay in Project Implementation</b></p> <p>Review of records for the forty-seven (47) projects budgeted to be implemented at a total cost of Kshs.137,367,724 during the year under review revealed that twelve (12) projects with a total cost of Kshs.37,647,300 had not started, thirty-one (31) of the projects at Kshs.88,073,124 were still on going and</p>	<p>Most projects have been implemented and handed over</p>	<p>Resolved</p>	<p>30<sup>th</sup> June, 2021</p>



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	four (4) of the projects at Kshs.8,500,000 had been completed.  In the circumstances, I am unable to confirm whether the public obtained value for money for the expenditure totalling to Kshs.88,073,124 on the ongoing and Kshs.37,647,300 on projects not started for the year ended 30 June, 2020.			
5.	<b>Unsatisfactory Implementation of Projects</b>  As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects transfers to other Government Units totalling to Kshs.66,600,000. The balance includes transfers to secondary and primary schools totalling to Kshs.10,750,000. However, review of the project documents, monitoring and evaluation reports by the Chief of Works and physical verification during the audit, revealed significant instances of incomplete and sub-standard works as detailed in <b>Appendix I</b> .	The Public works gave instructions for corrections hence rectified	Resolved	30 <sup>th</sup> June, 2021



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Consequently, I am unable to confirm whether the public obtained value for money from the expenditure totalling to Kshs.10,750,000 incurred on the projects.			