


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

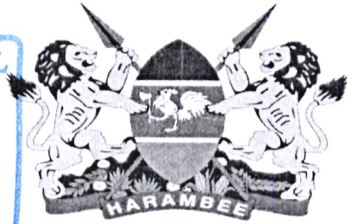
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUDALANGI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUDALANGI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Boaz Omondi Odeyo
2.	Sub-County Accountant	Stanley O. Agoi
3.	Chairman NGCDFC	John A. Omumi
4.	Member NGCDFC	Jactone Onyango

(d) Fiduciary Oversight Arrangements

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BUDALANGI CONSTITUENCY

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(f) NGCDF BUDALANGI Constituency Contacts

Telephone: (254) 721438301
E-mail: budalangi@NGCDF.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF BUDALANGI Constituency Bankers

National Bank of Kenya (specify the constituency account banker details)
National Bank of Kenya
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.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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

As NG-CDFC we have achieved an 88.9% budget absorption rate as indicated in the appropriation Account.

Key achievements for the Budalangi NG-CDF

- By providing funds directly to each constituency for fighting poverty, NG-CDF assists in ironing out regional imbalances due to patronage.
- In the education sector, NG-CDF funding of infrastructure in schools has assisted in increasing student enrolment and provided conducive learning environments, and the NG-CDF bursary has helped retain students from low income families in schools.

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 NG-CDF.

Implementation challenges and recommended way forward

- Late disbursement of funds, lead to rise in project costs due to factors like inflation due to time value of money and also the public do not get the value of the funds in time, a good case is in late bursary awards, to remedy this, funds should be released by 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 the devolved functions.

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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- I. Most projects could not be initiated due to delayed funds and subsequent delayed formation of PMCS.

With the challenges experienced during financial year 2017/2018, we were able to attain 88.9% absorption rate within the FY 2018/2019.

Sign.....

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUDALANGI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY 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.

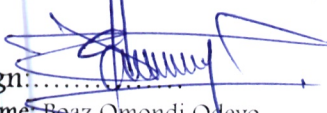
The Accounting Officer in charge of the NGCDF-BUDALANGI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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.

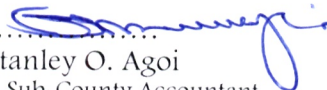
The Accounting Officer in charge of the NGCDF-BUDALANGI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-BUDALANGI Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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 entity 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 entity'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

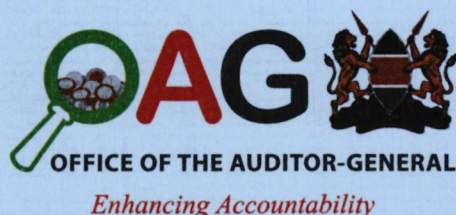
The NGCDF-BUDALANGI Constituency financial statements were approved and signed by the Accounting Officer on 27/7/20 2020

Sign: 
Name: Beaz Omondi Odeyo
Position: Fund Account Manager

Sign: 
Name: Stanley O. Agoi
Position: Sub-County Accountant
ICPAK Member Number: 12757

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BUDALANGI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Budalangi Constituency set out on pages 9 to 28, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund - Budalangi Constituency as at 30 June, 2019, 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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 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

Budget Control and Performance

The National Assembly approved an allocation of Kshs.124,744,179 to Budalangi NG-CDF for appropriation in the year under review. However, the summary statement of appropriation: recurrent and development combined indicates that the National Government Constituencies Development Fund Board had only disbursed Kshs.119,911,925 to the Fund resulting to an underfunding of receipts by Kshs.4,832,254.

In addition, during the year under review, the Fund spent Kshs.110,836,097 against a budgeted amount of Kshs.124,744,179, resulting in under-absorption of the budget of Kshs.13,908,082 representing 11.15%.

Consequently, the Fund may have failed to implement projects and programmes amounting to Kshs.13,908,082, denying the constituents the much needed services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Weak Implementation of Environmental Projects

Included in other grants and other payments of Kshs.54,079,223 as shown under Note 5 to the financial statements is an expenditure on environmental activities totaling to Kshs.1,736,206 that involved tree planting across the constituency. However, physical verification conducted on the project revealed that most of the planted trees had dried up leaving about 5% of the trees surviving.

In the circumstances, value for money was not obtained from Kshs.1,736,206 incurred on this activity.

2. Delayed Project Implementation

Included in the transfers to other government entities expenditure of Kshs.33,838,000 under Note 4 to the financial statements is an amount Kshs.15,000,000 disbursed equally to three (3) secondary schools (Ruambwa Secondary, Sisenye Mixed Secondary School and ACK Musoma Secondary School) during the year.

However, a physical verification conducted on the three projects as at the time of audit on 30 June, 2020, revealed that the works were yet to commence. Further, review of the project management committee bank account statements revealed that the accounts had a total of Kshs.24,246,975 which remained unutilized as at 30 June, 2020 as detailed below:

School	Project	Unutilized Amount (Kshs.)
Ruambwa Secondary School	Ongoing construction of a storey building comprising of 16 classrooms and administration block	5,749,395
Sisenye Mixed Secondary School	Ongoing construction of a storey building comprising of 16 classrooms and administration block	8,748,790
ACK Musoma Secondary School	Ongoing construction of a storey building comprising of 16 classrooms and administration block	9,748,790
	Total	24,246,975

Consequently, the Management may have contravened Section 149(1b) of the Public Finance Management Act, 2012 which requires an Accounting Officer to ensure that the resources are used in a way that is effective, efficient, economical and transparent.

3. Payment for Incomplete and Substandard Works

Included in the balance of transfers to other government entities of Kshs.33,838,000 under Note 4 to the financial statements is an expenditure of Kshs.2,415,000 on construction of a model storey latrine at ACK Musoma Secondary School. However, a review of the project records revealed that the contractor was given notice for defaulting in delivery of the project, site abandonment and non-conformity to BOQs specifications.

Further, the bank statement for the PMC's account and the Bills of Quantities were not availed for audit verification.

In the circumstances, it was not possible to ascertain whether the project resources were applied in an effective, efficient, economical and transparent manner in line with Section 149(1b) of the Public Finance Management Act, 2012.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit so as 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the management's use of the going concern 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 as a going concern or 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 control 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

14 September, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BUDALANGI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	104,208,621	43,707,172
TOTAL RECEIPTS		104,208,621	43,707,172
PAYMENTS			
Compensation of employees	2	2,035,940	840,826
Use of goods and services	3	15,847,589	6,749,380
Transfers to Other Government Units	4	33,838,000	2,000,000
Other grants and transfers	5	54,079,223	25,707,002
Acquisition of Assets	6	5,035,345	230,000
TOTAL PAYMENTS		110,836,097	35,527,208
SURPLUS/DEFICIT		(6,627,476)	8,179,964

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 27/7 2020 and signed by:

Sign:.....

Name: Boaz Omondi Odeyo

Position: Fund Account Manager

Sign:.....

Name: Stanley O. Agoi

Position: Sub-County Accountant

ICPAK Member Number:12757

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BUDALANGI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	9,075,828	15,703,304
TOTAL FINANCIAL ASSETS		9,075,828	15,703,304
REPRESENTED BY			
Fund balance b/fwd. 1st July...	8	15,703,304	7,523,340
Surplus/Deficit for the year		(6,627,476)	8,179,964
NET LIABILITIES		9,075,828	15,703,304

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 27/2/20 2020 and signed by:

Sign: 

Name: Boaz Omondi Odeyo

Position: Fund Account Manager

Sign: 

Name: Stanley O. Agoi

Position: Sub-County Accountant

ICPAK Member Number: 12757

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUDALANGI CONSTITUENCY**


Reports and Financial Statements

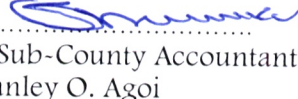
For the year ended June 30, 2019

VII. STATEMENT OF CASHFLOW

Receipts for operating income		2018-2019	2017-2018
Transfers from CDF Board	1	104,208,621	43,707,172
		104,208,621	43,707,172
Payments for operating expenses			
Compensation of Employees	2	2,035,940	840,826
Use of goods and services	3	15,847,589	6,749,380
Transfers to Other Government Units	4	33,838,000	2,000,000
Other grants and transfers	5	54,079,223	25,707,002
		105,800,752	35,297,208
Net cash flow from operating activities		(1,592,131)	8,409,964
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	5,035,345	230,000
Net cash flows from Investing Activities		(5,035,345)	(230,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,627,476)	8,179,964
Cash and cash equivalent at BEGINNING of the year	7	15,703,304	7,523,340
Cash and cash equivalent at END of the year		9,075,828	15,703,304

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 27/7/2020 and signed by:

Sign: 
Position: Fund Account Manager
Name: Boaz Omondi Odeyo

Sign: 
Position: Sub-County Accountant
Name: Stanley O. Agoi
ICPAK Member Number: 12757

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	15,703,304	124,744,179	119,911,925	4,832,255	96%
TOTAL RECEIPTS	109,040,876	15,703,304	124,744,179	119,911,925	4,832,255	96%
PAYMENTS						
Compensation of Employees	2,241,044	-	2,241,044	2,035,940	205,104	91%
Use of goods and services	12,144,285	3,703,304	15,847,589	15,847,589	-	100%
Transfers to Other Government Units	44,154,918		44,154,918	33,838,000	10,316,918	77%
Other grants and transfers	42,100,628	12,000,000	54,100,628	54,079,223	21,405	100%
Acquisition of Assets	8,400,000	-	8,400,000	5,035,345	3,364,655	60%
TOTAL	109,040,876	15,703,304	124,744,179	110,836,097	13,908,083	89%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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


- i. There being a late disbursement of the AIE there was a time constraint given the legal procedures that have to be followed in the proper implementation of projects.
- ii. The late formation of the CDFC also affected the immediate employment of the CDFC staff and as such, the staffs were absorbed in February 2019.
- iii. The 5% utilization of transfer to other government units was due to the late formation of PMCs to coordinate the implementation of projects due to the late disbursement of funds from the board.


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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- iv. *The underutilization of the Acquisition of assets was brought about by the limited time frame that could not allow the completion of the legal procurement procedures necessary to acquire an asset.*
- v. *The adjustments were due to additional reallocations of Ksh. 11,000,000 from the board for proposals yet to be approved by the board.*
- vi. *There was 0% utilization of other payment was due to delayed disbursement of funds from the board which led to the stall.*

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-BUDALANGI Constituency financial statements were approved on 27/7/2020 and signed by:


Sign:
Name: Boaz Omondi Odeyo
Position: Fund Account Manager


Sign:
Name: Stanley O. Agoi
Position: Sub-County Accountant
ICPAK Member Number: 12757

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,241,044		2,241,044	2,035,940	205,104
1.2 Committee allowances	2,000,000	3,570,120	5,570,120	5,570,120	0
1.3 Use of goods and services	480,969		480,969	480,969	0
2.0 Monitoring and evaluation					
2.2 Committee allowances	933,509	5,158,991	6,092,500	6,092,500	0
2.3 Use of goods and services	300,000		300,000	240,000	60,000
3.0 Emergency					
3.1 Primary Schools	2,238,993		2,238,993	2,238,993	
3.2 Secondary schools	3,500,000	4,793,376	8,293,376	7,967,970	325,46
4.0 Bursary and Social Security					
4.1 Primary Schools	26,719,031		26,719,031	26,719,031	
4.2 Secondary Schools	11,500,000		11,500,000	11,500,000	
5.0 Sports					
5.1	1,736,206	2,180,817	3,917,023	3,917,023	0
6.0 Environment					
6.1	1,736,206		1,736,206	1,736,206	0
7.0 Primary Schools Projects					
7.1	23,154,918		23,154,918	17,500,000	5,654,918
8.0 Secondary Schools Projects					
8.1	21,000,000		21,000,000	16,338,000	4,662,000
11.0 Acquisition of assets					
11.1 Motor Vehicles	8,000,000		8,000,000	5,035,345	2,964,655
12.0 Others					
12.1 Strategic Plan	3,500,000		3,500,000	3,464,000	36,000
	109,040,876	15,703,304	124,744,179	110,836,097	13,908,083

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

IX. 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 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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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 public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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 the Central Bank of Kenya and 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 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. 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 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 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.

SIGNIFICANT ACCOUNTING POLICIES (CONT)

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 2019.

14. Errors

Material prior period errors shall be 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 have been corrected in the summary of asset register under annexure IV explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
Normal Allocation	AIE NO. A 557726		5,500,000
	AIE NO. A 896807		37,905,172
	AIE NO. A 659070		302,000
	AIE NO. B 005334	43,405,172	-
	AIE NO. B 006266	15,000,000	-
	AIE NO. B 606302	10,000,000	-
	AIE NO. B 042655	6,803,448	-
	AIE NO. B 047082	29,000,000	-
TOTAL		104,208,620	43,707,172

2. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,853,156	756,826
Employer contribution to NSSF	182,784	84,000
TOTAL	2,035,940	840,826

3. USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
Utilities, supplies and services	407,709	1,088,000
Communication, supplies and services		250,000
Domestic travel and subsistence		300,000
Printing, advertising and information supplies & services	148,480	241,580
Training expenses		400,000
Hospitality supplies and services	122,000	300,000
Other committee expenses	5,570,120	
Committee allowance	6,092,500	2,703,200
Specialized materials and services		600,000
Office and general supplies and services		405,500
Other operating expenses	3,464,000	276,100
Bank Service Commission and Charges	42,779	
Routine maintenance – other assets		185,000
TOTAL	15,847,588	6,749,380

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to Primary schools	17,500,000	2,000,000
Transfers to Secondary schools	16,338,000	
TOTAL	33,838,000	2,000,000

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Bursary –Secondary	25,600,344	16,100,690
Bursary –Tertiary	11,083,000	6,673,000
Electricity	8,000,000	
Sports	3,917,023	
Environment	1,736,206	
Emergency Projects	3,742,650	2,933,312
TOTAL	54,079,223	25,707,002

6. ACQUISITION OF ASSETS

Non-Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Vehicles	5,035,345	-
Purchase of computers, printers and another IT equipment's		230,000
TOTAL	5,035,345	230,000

7. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>National Bank of Kenya, 01021037100000</i>	9,075,828	7,523,340
Total	9,075,828	7,523,340

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BALANCES BROUGHT FORWARD

		2018-2019	2017-2018
		Kshs	Kshs
	Bank accounts	9,075,828	7,523,339
	TOTAL	9,075,828	7,523,339

9. OTHER IMPORTANT DISCLOSURES

9.1 PENDING STAFF PAYABLES (See Annex 1)

	Kshs	Kshs
Unionisable employees	381,255.36	158,856.4
	381,255.36	158,856.40

9.2 UNUTILIZED FUND (See Annex 2)

	Kshs	Kshs
Use of goods and services	3,703,304	-
Amounts due to other grants and other transfers	12,000,000	12,405
Acquisition of assets	0	3,364,655
	15,703,304	3,377,060

9.3 PMC account balances (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	0	0
	28,530,388	0

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

XI. ANNEXURES

ANNEX 1- ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Sub-Total						
Others (specify)						
1. Sharon Akhenda Omoga		67,718.88		0	67,718.88	
2. Otengo Bonface Dauwa		55,814.88		0	55,814.88	
3. Bethwel Mango		40,101.60		0	40,101.60	
4. Vincent Abwoga		40,101.60		0	40,101.60	
5. Vincent Juma Lubalo		40,101.60		0	40,101.60	
6. Margrate Agungu Abungu		36,976.80		0	36,976.80	
7. Dennis Ojiambo		33,480.00		0	33,480.00	
8. John Okomba Odongo		33,480.00		0	33,480.00	
9. Sylvester Ochieng		33,480.00		0	33,480.00	
Sub-Total		381,255.36			381,255.36	
Grand Total						

The above mentioned staff members got into a contract with NG-CDF Budalangi On 2nd February 2018 that is the base for calculation of the period that the office is liable to pay gratuity to the staff. The Staff Gross pay and Basic Pay for the staff members is tabulated below.

No	NAME	ID NO	GROSS SALARY	NSSF	NHIF	PAYE	NET SALARY
1	SHARON AKHENDA OMOGA	31624281	21,000	2,160	750	965	18,204
2	OTENGO DAUWA BONFACE	20486610	17,000	2,040	600	374	15,004
3	BETHWEL MANGO	13671531	12,000	1,440	500	0	10,780
4	VINCENT JUMA LUBALO	23876554	12,000	1,440	600	0	10,780
5	VINCENT JUMA ABWOGA	10667369	12,000	1,440	500	0	10,780
6	MARGARET AJUMA AGUNGU	12685105	11,000	1,320	400	0	9,940
7	DENNIS OJIAMBO	22613193	10,000	1,200	400	0	9,000
8	JOHN OKOMBA ODONGO	4227945	10,000	1,200	400	0	9,000
9	SYLIVESTER OCHIENG	27519740	10,000	1,200	400	0	9,000
	TOTAL			13,440	4,550	1,339	102,488

The gratuity due to each of the employees is calculated as 31% of the monthly gross pay for each employee for a total of 17months (5 months in the FY 2017/2018 and 12 Months for FY 2018/19).

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY**

Reports and Financial Statements

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ANNEX 2– UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		205,104	0	
Use of goods & services		0	3,703,304	
Amounts due to other Government entities		10,316,918	0	
Sub-Total				
Amounts due to other grants and other transfers		21,405	12,000,000	
Sub-Total				
Sub-Total				
Acquisition of assets		3,364,655	0	
Sub-Total		-		
Grand Total		13,908,083	15,703,304	

ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Iyanga solar Panel PMC	KCB -Port Victoria	1253601143	1,580.00	
Iyanga Bubamba Boat Project	KCB- Port Victoria	1258785064	640.00	
ACK Musoma Toilet project PMC	KCB -Port Victoria	1254100091	534,338.00	
ACK Musoma secondary PMC	KCB -Port Victoria	1258519712	4,999,395.00	
Sisenye Mixed Secondary PMC	KCB- Port Victoria	1254026959	5,000,000	
Rwambwa Primary school Toilet Project PMC	KCB -Port Victoria	1258531224	498,975.00	
Busagwa Primary school PMC	KCB -Port Victoria	1258519917	2,198,975.00	
Sibuka Primary school PMC	KCB -Port Victoria	1258519860	1,998,975.00	
Bulemia Primary	KCB- Port Victoria	1258520257	998,975.00	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
school PMC				
Osieko primary PMC	KCB- Port Victoria	1258520184	1,800,000	
Kenya Gauze Primary school PMC	KCB- Port Victoria	1254099689	1,998,975.00	
Nabutswi Primary school	KCB- Port Victoria	1253996075	2,000,000.00	
Nanjomi Primary school PMC	KCB- Port Victoria	1258519844	1,498,975.00	
Rwambwa Secondary PMC	KCB- Port Victoria	1258531224	4,999,395.00	
Bunyala South river Chanelling PMC	KCB- Port Victoria	1253600961	1,190.00	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY**
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Transport equipment	4,600,000	5,035,345	-	9,635,345
Office equipment, furniture and fittings	434,410	-	-	434,410
ICT Equipment, Software and Other ICT Assets	1,369,750	0	-	1,369,750
Other Machinery and Equipment	4,106,069	-	-	4,106,069
Intangible assets	1,500	-	-	1,500
Total	10,511,729	-	-	15,547,074

NB: -The asset class balances have been adjusted to correct the errors in the fixed asset register.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

XII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
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	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	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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>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>				
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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BUDALANGI CONSTITUENCY
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For the year ended June 30, 2019**

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	

