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THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WAJIR NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2023

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
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**WAJIR NORTH CONSTITUENCY
ANNUAL NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND**

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023**

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

***Wajir North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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***Wajir North Constituency
National Government Constituencies Development Fund (NGCDF)
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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

II. 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 2022. 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;

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- 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 Wajir North 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)

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Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mohamed Jattani
2.	Sub-County Accountant	Rashid Ahmed
3.	Chairman NGCDFC	Ali Salat Sheikh
4.	Member NGCDFC	Habiba Abdilatif

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Wajir North 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.

(d) Wajir North Constituency NGCDF Headquarters

P.O. Box 197 - 60300
MOYALE
Bute sub-county-opposite DCC-residence

(e) Wajir North Constituency NGCDF Contacts

Telephone: (254) 729466330
E-mail: cdfwajirnorth.ngcdf.go.ke
Website: www.ngcdf.go.ke

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(f) Wajir North Constituency NGCDF Bankers

Bank Name: KCB
Branch: Wajir Branch
Account Name: Wajir North NG – CDF
Account Number: 1312860464

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

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III. NG-CDFC Chairman's Report



**MR ALI MOHAMED SALAT, CHAIRPERSON
WAJIR NORTH CONSTITUENCY NG-CDF**

Wajir North NG-CDF has in the financial year 2022/23 received a disbursement of Kshs 93,000,000 This s part of the financial Years allocation of Kshs 158,832745. There were unutilized funds of Kshs 18,641683 and undisbursed fund of Kshs 16,788,879 thus making total budget of Kshs 194,263,307

Out of the Kshs 93,000,000 received the constituency spent Kshs 55,774,200. This indicates translates to a favourable absorption rate of over 28% despite operating with a unique environmental context of the prolonged electioneering period and the constituency bankers closing down.

Below we present a graphical presentation of the annual allocation and actual amounts spent in FY 2022/23

Table of funds allocation.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
I.	Office administration	9,529,965	6
II.	Monitoring and evaluation	4,365,000	3
III.	Bursary	55,591,461	41
IV.	Primary projects	41,800,000	14
V.	Secondary school projects	5,000,000	11
VI.	Security projects	29,800,000	2
VII.	Emergency reserve	7,636,190	6
VIII.	Sports activities	1,010,130	2
IX.	Environmental projects	100,000	2
X.	COC	1,000,000	1
XI.	Others- strategic plan	3,000,000	4
12.	NGCDF Office	0	3
13.	Tertiary projects	0	5
	TOTAL	158,832,746	100

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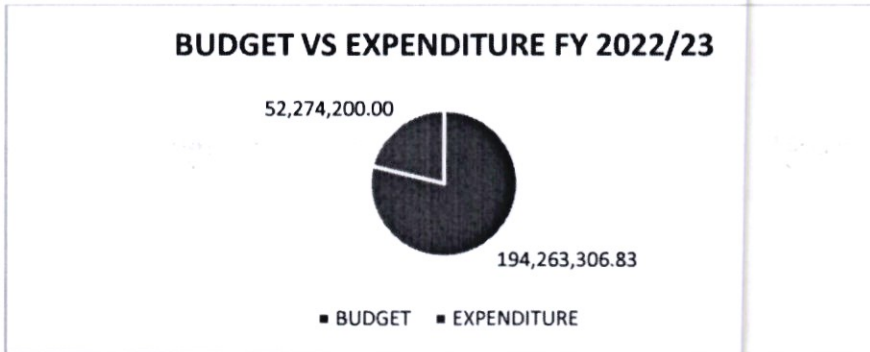
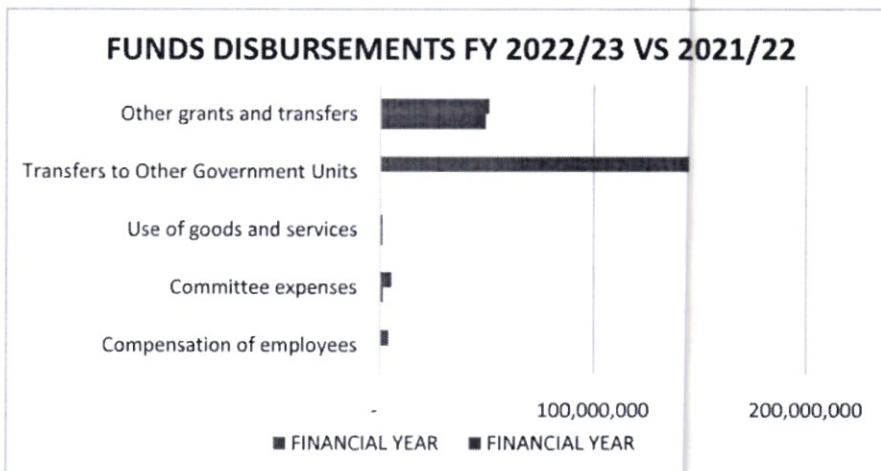


Table of funds utilization

ITEM	AMOUNT SPENT
Compensation of employees	0
Committee Expenses	1,366,200
Use of goods and services	1,343,540
Transfers to Other Government Units	3,500,000
Other grants and transfers	49,659,000
Acquisition of Assets	0
Oversight committee expenses	0
Other payments	0
TOTAL PAYMENTS	55,868,740



Achievement During the year

Key Achievements:

NGCDFC Wajir North managed to issue bursaries amounting Kshs.49,659,000 to 3,235 needy students within the constituency and this has impacted on the community as follows

- 1.increase in percentage of transition from high school to tertiary institution from 35% to 50%
- 2.This has also relieved the community who were struggling with drought and famine after the loss of livestock hence improving economic status of the constituents.



Korondile Mixed Day and Boarding Primary School is located in Korondileward. The chain link fence was of great importance to the schools and the community as it has helped to prevent the pupils from leaking out of schools and also prevented the school from intruders. This project depicts the commitment of Wajir NorthNGCDF in increasing structural development within the Constituency.

Emerging issues:

Emerging issues include:

1. High demand for bursary due to severe drought in the area which led to death of livestock rendering the communities extremely desperate for Bursary.
2. High cost of building materials due making the cost of building a classroom higher and hence less number are allocated funds in the Financial Year
3. Collapse of FCB Bank
4. Severe drought that perished live stocks which normally the source of livelihood

Challenges:

- **Late release of funds:**

The committee experienced difficulties in project implementation due to late release of funds to the constituencies.

- **Staff concerns**

The line ministry officials i.e. works officer are few hence timely responses to technical issues takes time. Equally the staffs recruited through political influence at the constituencies do not have the necessary skills required say, procurement, Works officers, Accounts assistants and ICT

- **Insecurity**

There has been frequent inter-clan clashes in most parts of the constituency, for instance, Masalale north, sakuno, Elboruido and milsadedsetlemnts. This has made implantation of NG-CDF projects difficult in relation to monitoring and nevaluation of projects within the constituency.

- **Geographical problems, distance, poor road network and vastness**

Wajir North Constituency has impassable roads thereby making movement difficult especially during rainy seasons. This made implementation of projects to delay.

- **Collapse of First Community Bank**

Wajir North NG-CDF was puzzled only to find that FCB could not operate as is required and this eventually resulted in the collapse of the Bank .As result of this the constituency and the NGCDFC could access and transact any business and the funds were withheld in the Bank and virtually paralysing the operations of the constituency.

Recommendations

- The board should try to release funds in time for ease of implementation.
- More technical staff to be employed so that the work may be done within the set deadlines.



.....
**Name: Ali Salat Sheikh
CHAIRMAN NGCDF COMMITTEE**

IV. Statement of Performance against Predetermined Objectives for FY2022/23

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 Wajir North Constituency 2023-2027 plan are to:

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access to quality education through improvement to 100%	Increased enrolment in primary schools and improved transition to secondary schools and	- number of usable physical infrastructure build in primary, secondary,	In FY 22/23 -we have increased Bursary allocation to ksh,55,591,461 and paid 49,659,000

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	transition, affordability and availability of quality education	tertiary institutions	and tertiary institutions. - number of bursary beneficiaries at all levels	3,235 needy students both in sec and tertiary institutions benefited from bursary.
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices	The board has disbursed ksh29,800,000, to security and implementation of 8 projects is underway.
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds	We have planned and Budgeted 1,010,130 to create awareness among the 100 youth on the establishment of youth groups and allow ease of access to devolved funds
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Number of Emergency cases solved.	There were several cases of emergency that occurred in the year 2022/2023. Funds have been disbursed and

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				plans to renovate classrooms roofs swept by storms are underway.
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We planned capacity building programmes for 11 NGCDFC'S and 50 PMC's -we organise regular projects monitoring field visits for every month
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipments Employee satisfaction and availability of reports	We purchase working tools and equipments to make work easy and of quality

V. Statement of Governance

Introduction

The NGCDF Regulation 2016 on appointment of NGCDFC members states.

1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

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(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Wajir North, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency

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Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of October.

In Wajir North constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	DonRaldOkech	chairman
2	Jattani Mohamed Ibrahim	Secretary
3	Abukar Hassan Mahat	Member
4	Yarrow Hussein abille	Member

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Wajir North Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Ali Mohamed Salat	Male Adult Representative	Korondile
2.	SulekaKulow	Female Youth Representative	Buna
3.	Habiba Abdilatif Abdullahi	Female Adult Representative	Buna
4.	Adanur Hassan Hussein	Male Youth Representative	Wajir North

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Suleiman Gosar	Physical	Malkagufu

Nominee of the constituency Office

S/N	Name	Category	Ward
1	IsninaBisharAlaso	Nominee of constituency office Female	Batalu
2	Noor Ali Omar	Nominee of constituency office Male	Gurar

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Adan Issack Ali	Male	Danaba

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position –Ali Mohamed Salat
2. Secretary position –Habiba Abdilatif

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 276 16-12-22 on 16/12/2022

The new committee held its first meeting on 05/01/2023.

Sno.	Name	Position
1	Ali Mohamed Salat	Chair person
2	Habiba Abdilatif	Secretary
3	Adanur Hassan	Member
4	SulekaKulow	Member
5	Noor Ali Omar	Member
6	Suleiman Kowsar	Member
7	IsninaBisharAlasow	Member
8	Issack Adan Ali	Member

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9	Jattani Mohamed Ibrahim	Member
10	Charles Jelgo	DCC

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Wajir North the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.

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- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in the Month of March 2023 in government guest house in Garissa. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Wajir North

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC Wajir North held 12 meetings through the year for the current committee as illustrated as follows;

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Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC COMMITTEE MEMBERS	05/ 01/ 23	20/ 01/ 23	01/ 02/ 23	16/ 02/ 23	02/ 03/ 23	22/ 03/ 23	4/0 4/2 3	20/ 04/ 23	05/ 05/ 23	25/ 05/ 23	07/ 06/ 23	21/ 06/ 23
1	Ali Mohamed salat- Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Habiba abidlatiffSecret ary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Suleiman gosar-PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Noor Ali- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Andanur Hussein- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Adan isack Ali- Copted member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Sulekhakullov -member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Isninabisha- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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9	Mohamed Jattani-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Chaleslengo-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Westlands adhered to the above ethical issues.

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7000 per meeting and all other members an allowance of ksh.5000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Wajir North contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out

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their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Wajir North has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

Wajir North 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 Wajir North NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges that had arisen from the effects of Covid- 19 that had 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 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. Wajir North 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. Wajir North 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-

Wajir North 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 interest

5. Community Engagements-

Wajir North NGCDF engage local contractors and suppliers when necessary. We have budgeted funds for sports where tournaments will be held within the constituency and the region.

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.

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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.

Wajir North NG CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


.....
Name: Mohamed Jattani
Fund Account Manager.

VII. 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-Wajir North 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, 2023. 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-Wajir North 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, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Wajir North 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.

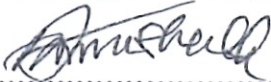
The Accounting Officer in charge of the NGCDF Wajir North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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

**Wajir North Constituency
National Government Constituencies Development Fund (NGCDF)
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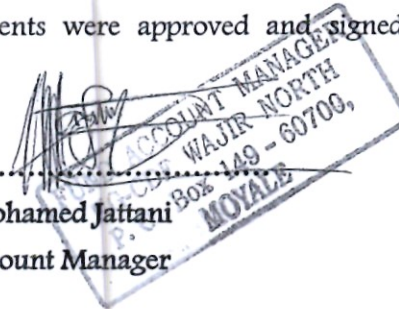
prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-Wajir North Constituency financial statements were approved and signed by the Accounting Officer on 30/09/2023 2023.



.....
Name: Ali Salat Sheikh
Chairman – NGCDF Committee

.....
Name: Mohamed Jattani
Fund Account Manager

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 - WAJIR NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir North Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the

Report of the Auditor-General on National Government Constituencies Development Fund - Wajir North Constituency for the year ended 30 June, 2023

statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 the National Government Constituencies Development Fund - Wajir North Constituency as at 30 June, 2023 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 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Compensation of Employees Amount

The statement of receipts and payments reflects a Nil amount in respect of compensation of employees as disclosed in Note 4 to the financial statements. However, review of records revealed that Kshs.4,181,482 was paid in respect of compensation of employees in the financial year 2021/2022 and an amount of Kshs.4,135,920 was disbursed through Authority to Incur Expenditure (AIE) for the financial year 2022/2023. However, payroll and personnel files documents containing employment contracts, job descriptions and staff exits notices were not provided for audit.

In the circumstances, the accuracy and completeness of compensation of employees Nil balance could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects an amount of Kshs.49,659,000 in respect of other grants and transfers which as disclosed in Note 8 to the financial statements, includes an amount of Kshs.22,536,000 disbursed to tertiary institutions. However, review of bursary records revealed that bursary amounting to Kshs.5,527,000 was not supported by acknowledgement letters and copies of receipts from the beneficiary institutions.

In the circumstances, the accuracy and completeness of the bursary disbursements of Kshs.5,527,000 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.63,046,601 as disclosed in Note 12A to the financial statements. However, review of the bank reconciliation statements revealed a cash book balance of Kshs.63,039,601 resulting to an unreconciled variance of Kshs.7,000.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.63,046,601 could not be confirmed.

4. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustments balance of Kshs.7,273,658 as disclosed in Note 16 to the financial statements. However, the adjustments were not supported by approved journal vouchers.

In the circumstances, the accuracy and completeness of prior year adjustments balance of Kshs.7,273,658 could not be confirmed.

5. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflect Project Management Committee (PMC) Nil bank accounts balance (2022 - Kshs.2,463,201). However, cash books and bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC Nil bank balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflect final receipts budget and actual on comparable basis of Kshs.201,536,965 and Kshs.118,915,341 respectively resulting to an under-funding of Kshs.82,621,624 or 41% of the budget. However, the Fund spent a balance of Kshs.55,868,740 against actual receipts of Kshs.118,915,341 resulting to an under-utilization of Kshs.63,046,601 or 53% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources that remained unresolved as at 30 June, 2023. However, Management has not provided explanation for the delay in resolving the issues and failure to implement recommendations.

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 matter 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

Delay in Implementation of Projects

During the year under review, the Fund's Committee allocated a total of Kshs.108,112,350 for the implementation of forty-seven (47) projects. This includes twenty-seven (27) projects with budget allocation of Kshs.27,002,220 for the financial year 2021/2022. Physical inspection carried out on 9 March, 2023, revealed that only two (2) out of the forty-seven (47) projects scheduled for implementation were completed. However, forty-five (45) projects with a budget amount of Kshs.104,612,350 were not implemented.

In the circumstances, value for money was not obtained from the projects not implemented.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Report of the Auditor-General on National Government Constituencies Development Fund - Wajir North Constituency for the year ended 30 June, 2023

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 the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 overall 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 Management.
- Conclude on the appropriateness of 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2024

Wajir North Constituency
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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
RECEIPTS			
Transfers from NGCDF Board	1	93,000,000	170,088,879
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		93,000,000	170,088,879
PAYMENTS			
Compensation of employees	4	-	4,181,482
Committee expenses	5	1,366,200	5,525,000
Use of goods and services	6	1,343,540	1,253,808
Transfers to Other Government Units	7	3,500,000	145,205,893
Other grants and transfers	8	49,659,000	51,339,277
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
TOTAL PAYMENTS		55,868,740	207,505,460
SURPLUS/DEFICIT		37,131,260	(37,416,581)

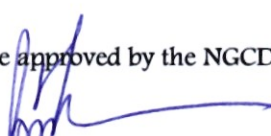
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 30/09/2023 and signed by:



Fund Account Manager

Name: Mohamed Jattani





National Sub-County
Accountant
Name: Rashid Ahmed
ICPAK M/No:

30/09/2023


Chairman NG-CDF Committee

Name: Ali Salat Sheikh

Wajir North Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	63,046,601	18,641,683
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		63,046,601	18,641,683
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		63,046,601	18,641,683
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL ASSETS		63,046,601	18,641,683
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	18,641,683	56,058,264
Prior year adjustments	16	7,273,658	-
Surplus/Deficit for the year		37,131,260	(37,416,581)
NET FINANCIAL POSITION		63,046,601	18,641,683

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30/09/2023 and signed by:

Fund Account Manager

Name: Mohamed Jattani

National Sub-County
Accountant

Name: Rashid Ahmed
ICPAK M/No:

Chairman NG-CDF Committee

Name: Ali Salat Sheikh

**Wajir North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

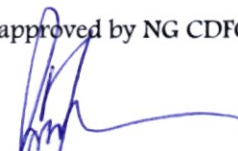
XI. Statement Of Cash Flows for The Year Ended 30th June 2023

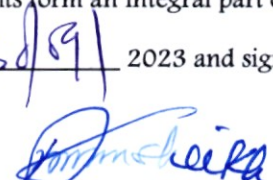
	Note	2022-2023 Kshs	2021-2022 Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	93,000,000	170,088,879
Other Receipts	3	-	-
		93,000,000	170,088,879
Payments for operating activities			
Compensation of Employees	4	-	4,181,482
Committee expenses	5	1,366,200	5,525,000
Use of goods and services	6	1,343,540	1,253,808
Transfers to Other Government Units	7	3,500,000	145,205,893
Other grants and transfers	8	49,659,000	51,339,277
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
		55,868,740	207,505,460
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	7,273,658	-
Net Adjustments		7,273,658	-
Net cash flow from operating activities		44,404,918	(37,416,581)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		44,404,918	(37,416,581)
Cash and cash equivalent at BEGINNING of the year	12	18,641,683	56,058,264
Cash and cash equivalent at END of the year		63,046,601	18,641,683

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30/9/2023 and signed by:


Fund Account Manager
Name: Mohamed Jattani



National Sub-County
Accountant
Name: Rashid Ahmed
ICPAK M/No:


Chairman NG-CDF Committee
Name: Ali Salat Sheikh

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XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	158,832,745	25,915,341	16,788,879	201,536,965	118,915,341	82,621,624	59%
Proceeds from Sale of Assets				-	-	-	-
Other Receipts				-	-	-	-
TOTAL RECEIPTS	158,832,745	25,915,341	16,788,879	201,536,965	118,915,341	82,621,624	59%
PAYMENTS							
Compensation of Employees	5,638,375	1,404,185		7,042,560	-	7,042,560	0%
Committee expenses	3,098,000	1,235,233		4,333,233	1,366,200	2,967,033	32%
Use of goods and services	5,158,590	1,610,387		6,768,977	1,343,540	5,425,437	20%
Transfers to Other Government Units	46,800,000	6,441,918	15,460,002	68,701,921	3,500,000	65,201,921	5%
Other grants and transfers	94,137,780	15,223,617	1,328,877	110,690,274	49,659,000	61,031,274	45%
Acquisition of Assets				-	-	-	-
Oversight Committee Expenses	1,000,000			1,000,000	-	1,000,000	0%
Other Payments	3,000,000			3,000,000	-	3,000,000	0%
Unallocated Funds				-	-	-	-
TOTAL	158,832,745	25,915,341	16,788,879	201,536,965	55,868,740	145,668,225	28%

Explanatory Notes.

(a) Transfer to other government units disbursement less than 90% since there was delay in release of funds by the Board due to Electioneering period

(b) Employee salaries is at 0% since the constituency had not employed NG-CDF staff


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(c) Other grants and transfer at 45% utilization since funds received were allocated to bursary to support needy students

(d) Strategic plan under other payments is at 0% since strategic plan has not been implemented

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	145,668,225
Less undisbursed funds receivable from the Board as at 30th June 2023	82,621,624
	63,046,601
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2022/2023	63,046,601

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:


 Fund Account Manager

Name: Mohamed Jattani


 National Sub-County Accountant

Name: David Ogeta
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: Ali Salat Sheikh



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XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,638,375	1,404,185		7,042,560	-	7,042,560	0%
1.2 Committee allowances	1,848,000	1,605,033		3,453,033	1,000,000	2,453,033	29%
1.3 Use of goods and services	2,043,590	154,192		2,197,782	594,540	1,603,242	27%
Total	9,529,965	3,163,410	-	12,693,374	1,594,540	11,098,834	13%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,340,000	1,090,000		2,430,000	325,000	2,105,000	13%
2.2 Committee allowances	1,250,000	(369,800)		880,200	366,200	514,000	42%
2.3 Use of goods and services	1,775,000	366,195		2,141,195	424,000	1,717,195	20%
Total	4,365,000	1,086,395	-	5,451,395	1,115,200	4,336,195	20%
3.0 Emergency							
	7,636,190			7,636,190		7,636,190	0%
3.1 Primary Schools							

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
						-	
3.2 Secondary schools				-		-	
3.3 Tertiary institutions				-		-	
3.4 Security projects			-	-		-	
3.5 Unutilised		402,287		402,287		402,287	0%
Total	7,636,190	402,287	-	8,038,477	-	8,038,477	0%
4.0 Bursary and Social Security				-			
4.1 Secondary Schools	21,444,604	2,747,672	28,577	24,220,853	27,123,000	(2,902,147)	112%
4.2 Tertiary Institutions	34,146,857	-		34,146,857	22,536,000	11,610,857	66%
4.3 Social Security				-		-	
4.4 Special Needs				-		-	
Reversed Bursary Cheques		4,773,658		4,773,658		4,773,658	0%
Total	55,591,461	7,521,330	28,577	63,141,368	49,659,000	13,482,368	79%
5.0 Sports				-		-	

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Constituency Sports Tournament	1,010,130			1,010,130		1,010,130	0%
Total	1,010,130			1,010,130		1,010,130	0%
6.0 Environment							
Malaba Primary School	100,000			100,000		100,000	0%
Total	100,000	-	-	100,000	-	100,000	0%
7.0 Primary Schools Projects							
Korondile Primary School	5,000,000			5,000,000		5,000,000	0%
Buna Primary School	5,000,000			5,000,000		5,000,000	0%
Danaba Primary School	5,000,000			5,000,000		5,000,000	0%
Batalu Primary School	5,000,000			5,000,000		5,000,000	0%
Malkagufu Primary School	5,000,000			5,000,000		5,000,000	0%
Ajawa Primary School	5,000,000			5,000,000		5,000,000	0%
Ajawa Primary School	5,900,000			5,900,000		5,900,000	0%
Nyatta Primary School	5,900,000			5,900,000		5,900,000	0%
Ololdine Primary							0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
		2,250		2,250		2,250	
Idhoroble Primary		219,834		219,834		219,834	0%
Nyata Primary		219,834		219,834		219,834	0%
Harade Primary		-	219,834	219,834		219,834	0%
Ololdine Primary			219,834	219,834		219,834	0%
Godoma NEP Primary			219,834	219,834		219,834	0%
Ololdine Primary			400,000	400,000		400,000	0%
Harade Primary			400,000	400,000		400,000	0%
Adodojole Primary			400,000	400,000		400,000	0%
Ogorji Primary			500,000	500,000		500,000	0%
Garkilo Primary			500,000	500,000		500,000	0%
Gurar Primary			500,000	500,000		500,000	0%
Malaba Primary			500,500	500,500		500,500	0%
Surayu Primary			900,000	900,000		900,000	0%
Nyata Primary							0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
			900,000	900,000		900,000	
Beramo Primary			1,500,000	1,500,000		1,500,000	0%
Gurar Primary			1,500,000	1,500,000		1,500,000	0%
Waititi Primary			1,500,000	1,500,000		1,500,000	0%
Garkilo Primary			1,500,000	1,500,000		1,500,000	0%
Batalu Primary			1,500,000	1,500,000		1,500,000	0%
Beramo Primary			2,300,000	2,300,000		2,300,000	0%
Olbonu Primary School		1,800,000		1,800,000	1,800,000	-	
Korondile Primary School		1,700,000		1,700,000	1,700,000	-	
Korondile Primary School(Reversed)		2,500,000		2,500,000		2,500,000	
Total	41,800,000	6,441,918	15,460,002	63,701,921	3,500,000	60,201,921	5%
8.0 Secondary Schools Projects						-	
Gurar Secondary School	5,000,000			5,000,000		5,000,000	0%
Total	5,000,000	-	-	5,000,000	-	5,000,000	0%
9.0 Tertiary institutions							

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c - d)	% of Utilization (f=d/c %)
		Opening Balance (C/BK) and AIA	Previous years Outstanding Disbursements				
Projects	Kshs		Kshs	Kshs	Kshs	Kshs	
10.0 Security Projects							
Elboruidho Police Station	5,900,000			5,900,000		5,900,000	0%
Sakuno Police Station	5,900,000			5,900,000		5,900,000	0%
Sakuno Police Station	3,000,000			3,000,000		3,000,000	0%
Nyatta Police station	3,000,000			3,000,000		3,000,000	0%
Tuluroba Police Station	3,000,000			3,000,000		3,000,000	0%
Elboruidho Police Station	3,000,000			3,000,000		3,000,000	0%
Batalu Police Station	3,000,000			3,000,000		3,000,000	0%
Qaranri Police Station	3,000,000			3,000,000		3,000,000	0%
Korondile DCCs office		300,000		300,000		300,000	0%
Korondile DCCs house				1,300,300		1,300,300	0%
Wajir North Subcounty		2,000,000		2,000,000		2,000,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
office- bute							
Walensu Tutu chiefs office		2,500,000	-	2,500,000		2,500,000	0%
Ajawa Chiefs office		2,500,000		2,500,000		2,500,000	0%
Total	29,800,000	7,300,000	1,300,300	38,400,300	-	38,400,300	0%
11.0 Acquisition of assets				-		-	
	-						
	-		-	-	-	-	
	-		-	-	-	-	
	-		-	-			
Total	-		-	-		-	
12.0 Oversight Committee Expenses (itemize)				-		-	
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	50,000			50,000		50,000	0%
Hire of Training Facilities and Equipment	50,000			50,000		50,000	0%
Hire of Transport	350,000			350,000		350,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
COC allowances	100,000			100,000		100,000	0%
Accommodation - Domestic Travel	50,000		-	50,000	-	50,000	0%
Daily Subsistence Allowance	400,000		-	400,000	-	400,000	0%
Total	1,000,000		-	1,000,000		1,000,000	0%
13.0 Other payments							
Wajir North NG-CDFC Strategic Plan	3,000,000			3,000,000		3,000,000	0%
Total	3,000,000	-	-	3,000,000	-	3,000,000	0%
14.0 unallocated fund							
Unapproved projects	-	-	-	-	-	-	
AIA	-	-	-	-	-	-	
PMC savings	-	-	-	-	-	-	
Total	158,832,745	25,915,341	16,788,879	201,536,965	55,868,740	145,668,225	28%

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

XIV. 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-Wajir North 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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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 10 June 2022 for the period 1st July 2022 to 30th June 2023 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.

Significant Accounting Policies Continued

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 2023.

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.

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
Normal Allocation	Kshs	Kshs
AIE NO. B 005108		33,000,000
AIE NO. B 030184		44,000,000
AIE NO. B 030428		22,000,000
AIE NO. B 006370		5,000,000
AIE NO. B 042761		12,000,000
AIE NO. B 047007		18,000,000
AIE NO. B 041083		12,000,000
AIE NO. B 047450		24,088,879
B205929	57,000,000	
B207708	16,000,000	
B207945	15,000,000	
B206216	5,000,000	
TOTAL	93,000,000	170,088,879

2. Proceeds From Sale of Assets

	2022/23	2021/2022
	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	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	-	4,052,282
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	129,200
Total	-	4,181,482

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	357,200	2,909,800
Other committee expenses	1,009,000	2,615,200
Total	1,366,200	5,525,000

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6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	475,000	378,000
Communication, supplies and services	-	-
Domestic travel and subsistence	449,000	-
Printing, advertising and information supplies & services	-	65,808
Rentals of produced assets	-	-
Training expenses	325,000	810,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank Charges	95,540	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	1,343,540	1,253,808

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	3,500,000	98,045,893
Transfers To Secondary Schools (See Attached List)	-	47,160,000
Transfers To Tertiary Institutions (See Attached List)	-	
Total	3,500,000	145,205,893

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,123,000	6,609,000
Bursary – tertiary institutions (see attached list)	22,536,000	12,482,317
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	3,000,000
Security projects (see attached list)	-	21,000,000
Sports projects (see attached list)	-	-
Environment projects (see attached list)	-	1,458,040
Emergency projects (see attached list)	-	6,789,920
Roads projects (see attached list)	-	-
Total	49,659,000	51,339,277

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
TOTAL	-	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023 Kshs	2021-2022 Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Wajir North CDF Kenya Commercial Bank, A/C no.1312860464</i>	35,701,220	18,641,683
FIRST COMMUNITY BANK	27,345,381	-
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	63,046,601	18,641,683
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)- Cash Book Balance Overcast-Feb 2022	-	-
Total	-	-

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1 st July 2022)	(1 st July 2022)
	Kshs	Kshs
Bank accounts	18,641,683	56,058,264
Cash in hand	-	-
Imprest	-	-
Total	18,641,683	56,058,264
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	18,641,683	56,058,264

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance**BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	18,641,683	7,273,658	25,915,341
Cash in hand	-	-	-
Accounts Payables	-	-	(-)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	18,641,683	7,273,658	25,915,341

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	7,042,560	1,404,185
Committee expense	2,967,033	
Use of goods and services	5,425,437	1,400,000
Amounts due to other Government entities (see attached list)	65,201,921	1,445,620
Amounts due to other grants and other transfers (see attached list)	61,031,274	19,401,921
Acquisition of assets	-	11,778,836
Oversight Committee Expenses	1,000,000	-
Other Payments Strategic Plan		-
Funds pending approval	3,000,000	-
Total	145,668,225	35,430,562

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)		2,463,201
Total		2,463,201

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

		Kshs	Kshs	
	Brief description	2022/2023	2021/2022	comment
1.0 Administration and Recurrent				
1.1 Compensation of employees	Employee Salaries	7,042,560	1,404,185	Ongoing
1.2 Committee allowances	Committee allowances	2,453,033	1,605,033	Ongoing
1.3 Use of goods and services	Committee use of goods & services	1,603,242	154,192	Ongoing
Total		11,098,834	3,163,410	
2.0 Monitoring and evaluation		-		Ongoing
2.1 Capacity building	Training expenses	2,105,000	1,090,000	Ongoing
2.2 Committee allowances	Committee allowances	514,000	(369,800)	Ongoing
2.3 Use of goods and services	Committee use of goods & services	1,717,195	366,195	
Total		4,336,195	1,086,395	
3.0 Emergency				Ongoing
	to cater for unforeseen circumstances	7,636,190		
3.1 Primary Schools		-		
3.2 Secondary schools		-		
3.3 Tertiary institutions		-		
3.4 Security projects				Ongoing

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		Kshs	Kshs	
	Brief description	2022/2023	2021/2022	comment
		-		
3.5 Unutilised		402,287	402,287	
Total		8,038,477	402,287	
4.0 Bursary and Social Security				Ongoing
4.1 Secondary Schools	Bursary for the needy	(2,902,147)	6,276,249	
4.2 Tertiary Institutions	Bursary for the needy	11,610,857		
4.3 Social Security		-		
4.4 Special Needs				
Reversed Bursary Cheques		4,773,658		
Total		13,482,368	6,276,249	
5.0 Sports				ongoing
Constituency Sports Tournament	Sports tournament facilitation	1,010,130		
Total		1,010,130		
6.0 Environment				ongoing
Malaba Primary School	Environmental activities	100,000		Implementation delayed following Collapse of First community bank
Total		100,000		
7.0 Primary Schools Projects				

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	Brief description	Kshs	Kshs	comment
		2022/2023	2021/2022	
Korondile Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following Collapse of First community bank
Buna Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following collapse of First community bank
Danaba Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following collapsed of First community bank
Batalu Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following Collapse of First community bank
Malkagufu Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following Collapse of First community bank
Ajawa Primary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following Collapse of First community bank
Ajawa Primary School	Drilling and equipping of school bore hole upto to 1 st phase	5,900,000		Implementation delayed following Collapse of First community bank

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	Brief description	Kshs		comment
		2022/2023	2021/2022	
Nyatta Primary School	Drilling and equipping of school bore hole upto to 1 st phase	5,900,000		Implementation delayed following Collapse of First community bank
Ololdine Primary	Grants to PMC for development	2,250	2,250	Implementation delayed following Collapse of First community bank
Idhoroble Primary	Purchase of desks and lockers	219,834	219,834	Implementation delayed following Collapse of First community bank
Nyata Primary	Purchase of desks and lockers	219,834	219,834	Implementation delayed following Collapse of First community bank
Harade Primary	Purchase of desks and lockers	219,834	219,834	Implementation delayed following Collapse of First community bank
Ololdine Primary	Purchase of desks and lockers	219,834	219,834	Implementation delayed following Collapse of First community bank
Godoma NEP Primary	Purchase of desks and lockers	219,834	219,834	Implementation delayed following Collapse of First community bank
Ololdine Primary	Construction of pit latrine	400,000	400,000	Implementation delayed following Collapse of First community bank
Harade Primary	Construction of pit latrine	400,000	400,000	Implementation delayed following Collapse of First community bank
Adodojole Primary	Construction of pit latrine	400,000	400,000	Implementation delayed following Collapse of First community bank
Ogorji Primary	Construction of modern gate and Guard Hoiuse	500,000	500,000	Implementation delayed following Collapse of First community bank
Garkilo Primary	Construction of modern gate and Guard Hoiuse	500,000	500,000	Implementation delayed following Collapse of First community bank
Gurar Primary	Construction of modern gate and Guard Hoiuse	500,000	500,000	Implementation delayed following Collapse of First community bank
Malaba Primary	Construction of modern gate and Guard Hoiuse	500,500	500,500	Implementation delayed following Collapse of First community bank

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	Brief description	Kshs		comment
		2022/2023	2021/2022	
Surayu Primary	Renovation of 3 classrooms	900,000	900,000	Implementation delayed following Collapse of First community bank
Nyata Primary	Renovation of 3 classrooms	900,000	900,000	Implementation delayed following Collapse of First community bank
Beramo Primary	Renovation of 6 classrooms	1,500,000	1,500,000	Implementation delayed following Collapse of First community bank
Gurar Primary	Renovation of 6 classrooms	1,500,000	1,500,000	Implementation delayed following Collapse of First community bank
Waititi Primary	Renovation of 6 classrooms	1,500,000	1,500,000	Implementation delayed following Collapse of First community bank
Garkilo Primary	Renovation of 6 classrooms	1,500,000	1,500,000	Implementation delayed following Collapse of First community bank
Batalu Primary	Renovation of 6 classrooms	1,500,000	1,500,000	Implementation delayed following Collapse of First community bank
Beramo Primary	Grants to PMC for development	2,300,000	2,300,000	Implementation delayed following Collapse of First community bank
Reversed Korondile Primary School	Construction of school fence	2,500,000		
Total		60,201,921	15,901,921	
8.0 Secondary Schools Projects		-		
Gurar Secondary School	Construction to completion of 45 student Capacity Laboratory for Junior Secondary	5,000,000		Implementation delayed following Collapse of First community bank
Total		5,000,000		
9.0 Tertiary institutions Projects		-		

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		Kshs	Kshs	
	Brief description	2022/2023	2021/2022	comment
		-		
Total		-		
10.0 Security Projects		-		
Elboruidho Police Station	Drilling and equipping of school bore hole upto to 1st phase	5,900,000		Implementation delayed following Collapse of First community bank
Sakuno Police Station	Drilling and equipping of school bore hole upto to 1st phase	5,900,000		Implementation delayed following Collapse of First community bank
Sakuno Police Station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Nyatta Police station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Tuluroba Police Station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Elboruidho Police Station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Batalu Police Station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Qaranri Police Station	Construction to completion of three single roomed staff houses	3,000,000		Implementation delayed following Collapse of First community bank
Korondile DCCs office			300,000	Implementation delayed following Collapse of First community bank

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		Kshs	Kshs	
	Brief description	2022/2023	2021/2022	comment
		300,000		
	Korondile DCCs house	1,300,300	1,300,300	Implementation delayed following Collapse of First community bank
	Wajir North Subcounty office-bute	2,000,000	2,000,000	Implementation delayed following Collapse of First community bank
	Walensu Tutu chiefs office	2,500,000	2,500,000	Implementation delayed following Collapse of First community bank
	Ajawa Chiefs office	2,500,000	2,500,000	Implementation delayed following Collapse of First community bank
	Total	38,400,300	8,600,300	
	11.0 Acquisition of assets	-		
	Total	-		
	12.0 Oversight Committee Expenses (itemize)	-		
	Travel Costs (airlines, bus, railway, mileage allowances, etc.)	50,000		Implementation delayed following Collapse of First community bank
	Hire of Training Facilities and Equipment	50,000		Implementation delayed following Collapse of First community bank
	Hire of Transport	350,000		Implementation delayed following Collapse of First community bank
	COC allowances	100,000		Implementation delayed following Collapse of First community bank
	Accommodation - Domestic Travel	50,000		Implementation delayed following Collapse of First community bank
	Daily Subsistence Allowance	400,000		Implementation delayed following Collapse of First community bank

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	Brief description	Kshs 2022/2023	Kshs 2021/2022	comment
Total		1,000,000		
13.0 Other payments		-		
Wajir North NG- CDFC Strategic Plan	Development of constituency strategic plan	3,000,000		
Total		3,000,000		
14.0 unallocated fund				
Unapproved projects		-		
ALA		-		
PMC savings				
Total		145,668,225	35,430,562	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2021-2022			2022-2023
Land				
Buildings and structures	6,907,122			6,907,122
Transport equipment	3,400,000			3,400,000
Office equipment, furniture and fittings	761,000			761,000
ICT Equipment, Software and Other ICT Assets	274,000			274,000
Other Machinery and Equipment	150,000			150,000
Heritage and cultural assets				
Intangible assets				
Total	11,492,122			11,492,122

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Annex 5 –PMC Bank Balances As At 30th June 2023

PMC NAME	ACCOUNT NUMBER	BANK	BALANCE AS AT 30/6/2023	BALANCE AS AT 30/6/2022
Bosicha Primary School	0130 263 993 619	First community Bank		532,772.00
DulummaAjawa PMC	0130262611371	First community Bank		881.00
Suraya Primary School	0130 261 913 305	First community Bank		1,040.00
Idho Roble Primary School	0130 278 047 700	First community Bank		99,650.00
Bute Primary School	0130264093091	First community Bank		200,233.00
Baramo Primary School	0130277458530	First community Bank		41,000.00
Basanija Primary School	0130264793011	First community Bank		105.00
Butehelu Primary School	0130278047712	First community Bank		2,985.00
Butehelu Primary School	0130279889274	First community Bank		520.00
Buna Primary School	0130262548445	First community Bank		103,049.85
Buna Primary School	0130272225653	First community Bank		1,972.22
Beramo Primary School	0130264224722	First community Bank		150,802.00
Beramo Primary School	0130190137870	First community Bank		1,142.80
Kuro Primary School	0130262567780	First community Bank		275.00
Kuro Primary School	0130262564981	First community Bank		99,755.00
Watiti Primary School	0130262600907	First community Bank		822.74
Watiti Primary School	0130266636887	First community Bank		107.00
Danaba Primary School	0130263987976	First community Bank		59,920.00
Danaba Primary School	0130264086540	First community Bank		2,390.00
Watiti Primary School	0130262619048	First community Bank		959.50
Dugo Primary School	0130278047703	First community Bank		250,040.00
Handaki Primary School	0130262569553	First community Bank		10,745.50
Chalalaga Primary School	0130278954780	First community Bank		114,932.65
Chalalaga Primary School	0130270255504	First community Bank		1,045.45
Karaduse Primary School	0130262581962	First community Bank		2,815.00
Karaduse Primary School	0130262548582	First community Bank		11,296.00

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PMC NAME	ACCOUNT NUMBER	BANK	BALANCE AS AT 30/6/2023	BALANCE AS AT 30/6/2022
Lesayu Primary School	0130277446444	First community Bank		200,000.00
Lesayu Primary School	0130270299238	First community Bank		18,770.00
Bosicho Primary School	0130264785146	First community Bank		29,185.00
Bosicho Primary School	0130262571073	First community Bank		11,752.00
Bute Secondary School	0130264850878	First community Bank		6,620.00
Rorondelle Sec School	0130262574314	First community Bank		10,464.50
Buna Sub-County Education	0130278768330	First community Bank		1,880.00
Danaba Mixed Day Sec Sch	0310298836447	First community Bank		1,236.80
Danaba Mixed Day Sec Sch	0310299481192	First community Bank		12,975.00
Bute Mixed Day Sec School	0310262150838	First community Bank		5,974.00
Bute Boys Sec School	0310272220509	First community Bank		5,280.50
Bute Boys Sec School	0310294476122	First community Bank		97,709.80
Bute Boys Sec School	0310299830038	First community Bank		288,795.40
Bute Boys Sec School	0310261966642	First community Bank		1,188.75
Korondille Sec School	0310298836447	First community Bank		1,236.80
Korondille Sec School	0122 4062300700	First community Bank		857.00
Daranle Mixed Day	0160290844844	First community Bank		49,890.00
Daranle Mixed Day	0160279819408	First community Bank		781.50
Daranle Mixed Day	1460162294376	First community Bank		460.75
Buna Boys Sec School	1460262239083	First community Bank		263,164.00
Buna Boys Sec School	1460262144314	First community Bank		527.00
				2,463,200.56

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Annex 6: 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:
Wajir North/2021/22/001	Stale cheques: The statement of financial position reflects cash and cash equivalents balance of Ksh 18, 641,683. Review of the bank Reconciliation statement for the month of June 2022 revealed that one of the reconciling items was payments in cash not yet recorded in the bank statements (unrepresented cheques) amount of Ksh 27,657,317 which included stales totalling to Ksh 4,775,658. However, the Cheques were not reversed in the cash book. In the circumstances, the accuracy of cash and Cash equivalents balance of Ksh 18, 641,683 could not be confirmed.	All stale cheques have been reversed in the cashbook	Resolved	
Wajir North/2021/22/002	Unsupported social security programme (NHIF) Funds: The statement of receipts and payments reflects other grants and transfers balance of Ksh 51, 339, 277 which was disclosed in note 7 to the financial statements, includes social security programme (NHIF) amount of Ksh 3,000,000 paid for members of the public within the constituency. However, the Management did not provide for Audit criteria used to select the beneficiaries and details of beneficiaries.	The process of selection was done though NHIF. Normally NHIF has list of needy cases. That have already been vetted. Detailed provided.	Not Resolved.	30/12/2023
Wajir North/2021/22/003	Unsupported PMC Bank Balances: Annex 5 of the financial statements reflects PMC bank balances relating to various schools totalling to Ksh 2,463,201 whose supporting certificates of bank were not provided for Audit.	Following collapse of First community bank we have not managed to get supporting certificate from the bank.	Not Resolved.	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
Wajir North/2021/22/004	Unresolved prior year Matters. Various audit issues: included in the report for the previous year remained unsolved as 30 th June 2022 as disclosed in the progress on follow-up of auditor recommendation section.	The issues are still unresolved. Management working on it.	Not Resolved	31/12/2023
Wajir North/2021/22/005	Irregularities in the procurement of projects for Primary Schools. The advertisement for a borehole and Road project worth ksh, 15,497,250 were done through the constituency instead of an open tender as required by section 96(1) and (2) of the public procurement and disposal act	Capacity building have been done and training of Pmc technical heads has been done to reduce procurement irregularities.	Resolved.	
Wajir North/2021/22/006	Fixed Assets-Lack of ownership document for Land . Annex 4 to the Financial statement on summary of fixed asset register reflects total asset value of ksh, 11,492,122. review of the asset register revealed that the funds office structure was build on land owned by the fund, however the management has not obtained ownership document for the land in form of title deeds or allotment letter as provisional ownership document. Further the land valuation had not been done and thus the market value could not be obtained.	The management is currently working with Ministry of Land and have applied for request of letter of allotment.	Not Resolved	31/12/2023

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