


REPUBLIC OF KENYA



Enhancing Accountability




**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 07 AUG 2024 **DAY:** Afternoon

TABLED BY: Deputy leader of Majority Party

CLERK-AT THE-TABLE: Benson Inzote

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OF KENYA
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REPORT

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – WAJIR WEST
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



20 MAR 2024



WAJIR WEST CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORT 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 West Constituency
National Government Constituency Development Fund (NGCDF)
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1. ACRONYMS AND ABBREVIATIONS

AIA	Appropriation in Aid
AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management Committee
C/BK	Cashbook
CDF	Constituency Development Fund
IPSAS	International Public Sector Accounting
NGCDF	National Government Constituency Development Fund
NGCDFB	National Government Constituency Development Fund Board
NGCDFC	National Government Constituency Development Fund Committee
PFM	Public Finance Management
PMC	Project Management Committee
PSASB	Public Sector Accounting Standards Board

2. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

The mandate of the Fund as derived from sec (3) of NGCDF 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 west constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mohamed Osmail
2.	Sub-County Accountant	Sammy Malova
3.	Chairman NGCDFC	Ibrahim Abdullahi
4.	Member NGCDFC	Abdikarim Dagane

(d) Fiduciary Oversight Arrangements

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

(e) Wajir West Constituency NGCDF Headquarters

P.O. BOX 23-70202 Griftu
NGCDF Wajir West Offices
Along Wajir -Griftu Road

(f) Wajir West Constituency NGCDF Contacts:

Telephone: (+254) 0721-827370
E-mail: cdfwajirwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Wajir West Constituency NGCDF Bankers

Equity Bank, Wajir branch
Account No. 1030283821047
P.O. Box 154 -70200 Wajir, Wajir County, Kenya.

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(h) Independent Auditors

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

(i) Principal Legal Adviser

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

3. NGCDF CHAIRMAN'S REPORT



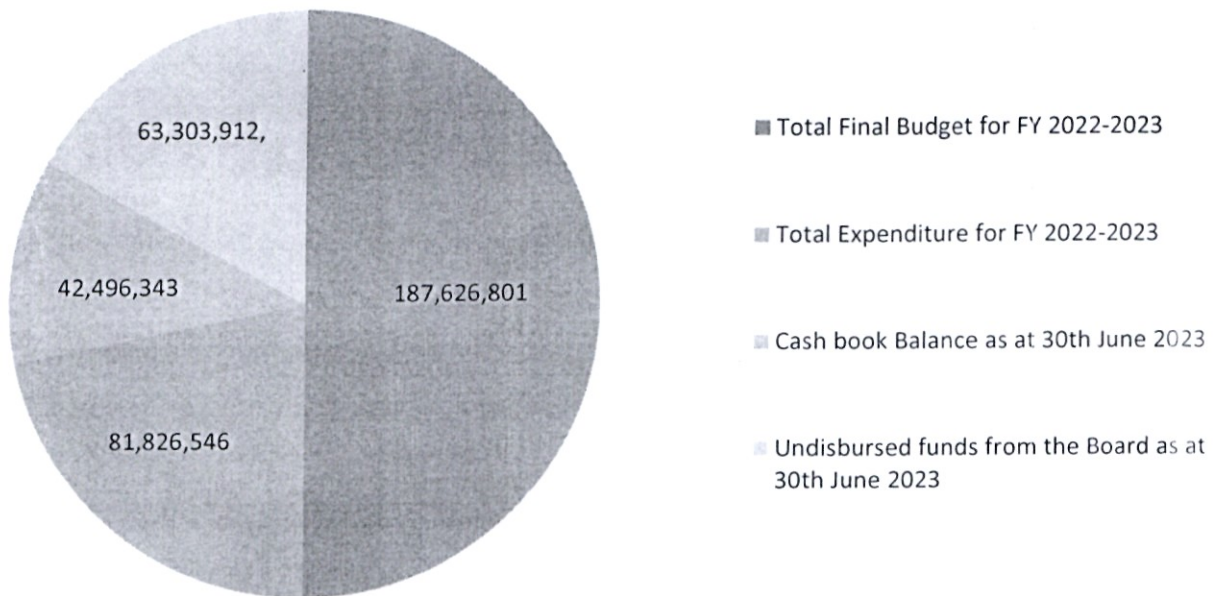
Mr. Ibrahim Abdullahi, Chairperson, Wajir West Constituency NGCDF

The National Government Constituencies Development Fund (NGCDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NGCDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National government functions at the local level and particularly those that provide basic needs like education, social welfare, security and education bursaries.

During the Financial year under review, National Government Constituency Development Fund Wajir West Constituency was allocated a total of one hundred and thirty-eight million shillings. From the summary of appropriation statement, the overall budget performance stood at 43.6%. The absorption of funds on development expenditure was at 44% which is very low.

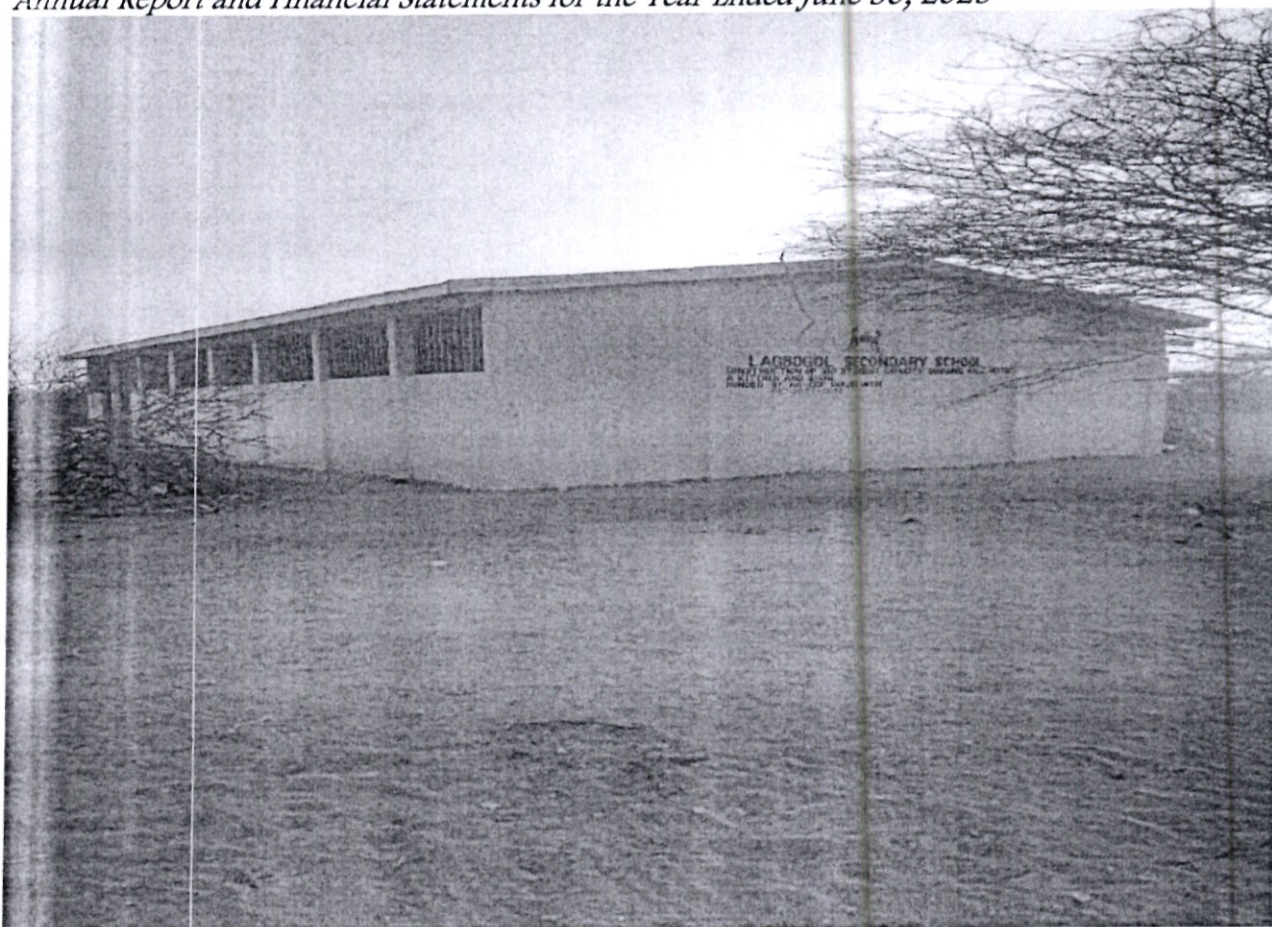
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WAJIR WEST CONSTITUENCY NGCDF BUDGET UTILIZATION FOR FY 2022/2023



Key Achievements

The Wajir West National Government Constituency Development Fund has undertaken some key projects during the financial year under review. The major beneficiary as usual was the education sector. In the primary schools, eight new classrooms and two door toilets were constructed in four primary schools at a cost of 6.6 million Kenya shillings. In addition, five primary schools whose roofs were blown off by strong winds destroying sections of classrooms were renovated from the emergency reserve at a cost of 5.3 million. In the secondary schools, 100 student capacity dining hall complete with a kitchen and store was constructed at Lagbogol Secondary School at a cost of 3million. In Garsekhoftu Secondary School, 80 bed capacity dormitory was constructed for the growing enrolment in the school at a cost of 3million. In Hudhile Secondary school, laboratory equipment was purchased at a cost of 1.5million for 80 student capacity modern science laboratory constructed during the last financial year. Bursary was the single largest beneficiary during the year under review. This was necessitated by the drought that wiped out the local livelihoods. For instance, 1,661 needy and poor students in various Tertiary institutions and 4,039 needy and poor students in secondary schools benefitted from the bursary disbursement of 51 million disbursed during the period. To boost security in the constituency perennially affected by intercountry clan clashes, anti-stock police units at Baragothey and Elkali received modern kitchen with store at a total cost of 3.6million. Police staff houses were constructed in two police stations namely Baragothey and Lolkuta North along the border of Wajir West and Isiolo North constituencies. Additionally, police houses at Lagbogol police were renovated at a cost of 1.2million.



Lagbogol Secondary School is situated in Lagbogol location, Hadado/ Adhibohol ward. It has a student population of 568. This 100 student capacity dining hall at the school funded during the FY 2021-2022 will make sure that student eating spaces are inspirational and promote interaction between students.



This Kitchen and store at Waso Girls Secondary School has been fully funded by Wajir West Constituency NGCDF during the FY 2021-2022 to enhance the government's policy of 100% transition by providing low cost day schools for girls.

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This Modern Science Laboratory at Waso Girls Secondary school was funded by Wajir West Constituency NGCDF during the FY 2022-2023. The school has enrolment of about 245 girls.



These two classrooms at Busbus Primary school funded by Wajir West constituency NGCDF during the FY 2021-2022 has provided reprieve to 90 pupils who had no classrooms and were studying under trees.

Emerging Issues, Challenges and way forward

The main emerging issues during the year under review were a devastating drought and cash flow problem at the Fund Banker, First Community Bank. The drought led to loss of human lives and livelihoods. More than 70% of the livestock which is the main stay of the people in the constituency was lost to the drought. The cash flow challenges at First Community Bank meant that projects could not be implemented because funds in the account could not be accessed. The run up to the 2022 general elections and the transition period thereafter, slowed the implementation of projects.

Finally, the release of funds by the NGCDF Board was erratic and unreliable. This slowed down the wheels of development to the constituents. Fifty-seven million out of one hundred and thirty-eight million was received in good time. This constituted 40% of the budget and that is why the absorption of funds stood at 45%. Thirty million was released during the sunset days of the financial year and more than fifty-one million was not released as at 30th June 2023.

In conclusion, let me take this opportunity to sincerely register my appreciation to all those who have worked relentlessly in the entire financial statements' preparation process. In particular, I would thank the Fund Account Manager, Wajir West who has taken a lead role in the process and the support provided by the Sub-County Treasury, Wajir West.



Ibrahim Abdullahi
CHAIRMAN NGCDF COMMITTEE

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**4. STATEMENT OF PERFORMANCE AGAINST PREDETRMINED OBJECTIVES FOR FY
2022/2023**

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 West Constituency NGCDF 2018-2022 plan are to:

- a) To improve access, affordability and availability of quality education
- b) To harness talent and empower youth
- 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 NGCDF programmes
- g) To promote performance management and smooth running of the NGCDF 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, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms in various primary schools in the constituency	No. of classrooms ('0) rehabilitated/renovated	27
			No. of classrooms constructed	16
		Expansion of schools through rehabilitation/ renovation/construction of classrooms in various secondary schools in the constituency	No. of classrooms ('0) rehabilitated/renovated	0
			No. of classrooms constructed	0

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		Purchase and supply of desks ('0')	No. of desks provided ('0')	0
		Purchase and supply of double decker beds	No. of double decker beds	0
		Construction of staff houses in primary schools	No. of schools benefited	4
		Construction of laboratories in secondary schools in the constituency	No. of laboratories constructed	2
		Rehabilitation/ Renovation/Construction of toilet blocks in both primary and secondary schools	No. of toilet blocks constructed	5
		Provision of bursary to needy and bright secondary school/tertiary institutions' students	Amount of funds disbursed (Kshs. millions)	21
		Rehabilitation/ Renovation/Construction of Administration Blocks	No. constructed/renovated	0
		Provision of water harvesting structures to schools	No. of institutions benefited with water tanks	3
Youth and Sports	To empower the youth and harness their talent	Creating awareness among the youth on the establishment of youth groups, and accessing devolved funds	No. of forums held	0
		Funding of youth sporting initiatives	No. of sporting initiatives supported	0
Environment	To promote environmental sustainability	Organizing tree planting days	No. of tree seedlings planted	0
Security	To enhance security in the constituency	Rehabilitation/ Renovation/Construction of chief's offices	No. of chief's offices constructed	1
		Construction/rehabilitation of Police Stations/AP Offices and police/AP houses	No. of AP camps constructed	2
			No. of police/AP housing units	3
			No. of police stations rehabilitated	2
		No. of police stations fenced	0	

5. STATEMENT OF GOVERNANCE

Appointment of NGCDFC Members

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency 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.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act).

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.

To facilitate this, the selection panel had invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in Mosques, public offices notice boards and other public areas in the constituency.

Out of the total 25 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Wajir West Constituency Office as per section 43 of the NG-CDF Act, 2015.

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Nominees of the Selection Panel

NO	NAME	CATEGORY	WARD
1.	Abdikarim Dagane Abdille	Male (Adult)	Hadado/ Athibohol
2.	Ibrahim Abdullahi Ahmed	Male (Youth)	Arbajahan
3.	Kaha Mohamed Bulle	Female (Adult)	Arbajahan
4.	Muntaz Abdi Mohamed	Female (Youth)	Wagalla/ Ganyure

Nominee of the Body Representing Person with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT (Visual/hearing/mental/albinism/ambulatory/hands impairment) etc.	REMARKS (Pertinent comments), including necessity/justification to attend meeting in company of aid.
1.	Fatuma Ali Ibrahim	Wajir County Disability Network	Left Hand and left leg impairment.	

Nominees from the Wajir West Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Ibrahim Osman Madey	Male	Businessman	Wagalla/ Ganyure
2.	Anab Mohamed Abdow	Female	Social Worker	Ademsajida

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

NO	NAME	CATEGORY	WARD
1.	Adan Abdikadir Olow	Male	Arbajahan

The current members of the Wajir West NGCDFC were on 16th December 2022 vide Gazette Notice No. 15568 contained Vol. CXXIV- No. 276. The terms of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new committee. The first NGCDFC meeting was held on 28th December 2022 where the Chairman and Secretary were elected. The following were elected:

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1. Chairperson to the committee -Mr. Ibrahim Abdullahi of ID No. 30485404
2. Secretary to the committee – Mr. Abdikarim Dagane of ID No. 13256187

Removal of NGCDFC Members

The removal of a member of NGCDFC is guided by Section 43(13) of the Act which 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 West the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles of NGCDFC Members

The roles and functions of the NGCDFC are elaborated in regulation 11 (1) of the NGCDF Regulations 2016. The main functions include:

- ❖ build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- ❖ consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ❖ ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- ❖ consult with relevant government departments to ensure that cost estimates for projects are realistic;
- ❖ subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- ❖ monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

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- ❖ ensure formation of Project Management Committees, opening of project accounts, project implementation and closure of projects;
- ❖ Ensure that the principles of public finance as provided for under Chapter twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund.
- ❖ 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;
- ❖ collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- ❖ receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;

Induction of NGCDFC Members

The NGCDFC are taken through an induction program after taking over office on their roles, responsibilities and functions. Thereafter, they are given continuous training by the Board to improve their efficiency and effectiveness. There is a budgetary provision on capacity building which is utilized to train NGCDFCs, PMCs and NGCDFC Staff. Wajir West NGCDFC were taken through a comprehensive induction course organized by the NGCDF Board on 28th April to 2nd May 2022. During this training, the Wajir West NGCDFC were taken through critical areas such as public finance, project planning, procurement compliance and performance management.

Meetings and Remuneration of NGCDFC Members

The NGCDFC shall meet at least six (6) times in a year but shall not hold more than twenty-four (24) meetings in the same financial year in accordance with section 43 (11) of the NGCDF Act 2015. The NGCDFC members and the NGCDFC Chairman are entitled to a sitting allowance of five thousand shillings and seven thousand shillings per sitting respectively. The current members of the Wajir West NGCDFC have held eighteen meetings during the financial year under review and they were paid a total of Kenya Shillings eight hundred and forty-six thousand. In order to streamline the operations of the NGCDFC, reduce the sitting time for the full committee and enhance the smooth running of NGCDFC operations, there are various sub committees constituted namely: education/ bursary committee; finance/ Administration committee; complaints committee and project implementation committee. The terms of reference of these committees were set in a full committee meeting.

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The Wajir West NGCDFC held eighteen meeting on various dates as follows:

NO	DATE OF MEETINGS	NO OF NGCDFC MEMBERS WHO ATTENDED
1.	10 th January 2023	9
2.	10 th February 2023	9
3.	11 th February 2023	9
4.	12 th February 2023	9
5.	13 th February 2023	9
6.	14 th February 2023	9
7.	15 th February 2023	9
8.	16 th February 2023	9
9.	17 th February 2023	9
10.	18 th February 2023	9
11.	19 th February 2023	9
12.	20 th February 2023	9
13.	20 th March 2023	9
14.	29 th March 2023	9
15.	4 th May 2023	9
16.	20 th May 2023	9
17.	17 th June 2023	9
18.	24 th June 2023	9

Conflict of Interest, Ethics and Conduct of NGCDFC

The NGCDFCs are required to provide evidence of compliance with Chapter Six of the Constitution on Leadership and Integrity. Non-compliance translates to rejection of the person to be a member of the NGCDFC. Each member of Wajir West NGCDFC was vetted through Chapter six before appointment. They are also trained on other statutes including the Leadership and Integrity Act 2012 and the Public Officer Ethics Act 2003. They are also guided by the code of conduct of the NGCDF Board. There were no case of misconduct and conflict of interest from Wajir West NGCDFC during the period under review.

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 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

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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 Wajir West NGCDFC 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 and evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

6. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Wajir West Constituency NGCDF 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 Constituents with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Wajir West Constituency NGCDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Wajir West Constituency 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 marginalized groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; Wajir West Constituency 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.

On macro levels FY 2022/2023 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Global warming and climate change have negatively affected the constituency economy due to their adverse effects on productive sectors. There is need to enhance capacity for environmental planning to mitigate against global warming and adaptation to climatic changes. Wajir West Constituency NGCDFC allocates 2% of its total budget towards afforestation and mitigation against the impacts of environmental degradation. Areas where we have invested in include rain water harvesting at schools.

Through the establishment of seven new police posts and expansion of two others, Wajir west constituency NGCDF has helped in the sensitization of the community on drug and substance abuse. Officers deployed to these stations, arrests people involved in the illegal trade of illicit brews and other narcotic drugs. With the help of elders and religious leaders, the youth are sensitized on the impacts of these drugs.

3. Employee welfare

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

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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 west Constituency NGCDF is committed to fair and ethical market practices.

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 practices 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 honoring 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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Wajir West Constituency

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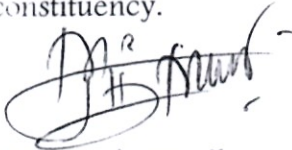
Public participation is the process that directly engages the concerned stakeholders in decision-making and considers public input in making that decision.

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

Public Awareness

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

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



Mohamed Osmail
Fund Account Manager.

*Wajir West Constituency
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7. 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 the National Government Constituency Development Fund (NGCDF) shall prepare financial statements in respect of that NGCDF. Section 81(3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of Wajir West constituency NGCDF 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 Wajir West constituency NGCDF 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 Wajir West constituency NGCDF 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.

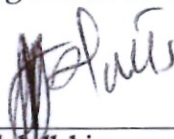
The Accounting Officer in charge of the Wajir West constituency NGCDF confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial

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statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF Wajir West constituency financial statements were approved and signed by the Accounting Officer on 28th July 2023.



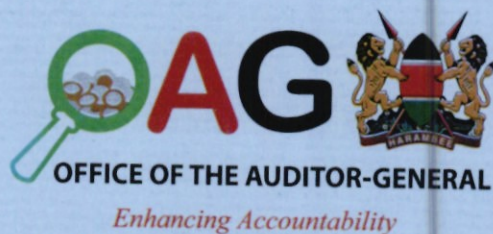
Ibrahim Abdullahi
Chairman- NGCDF Committee



Mohammed Osmail
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR WEST 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, risk management environment and 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 West Constituency set out on pages 1 to 31, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the 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 West 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 Transfers to Other Government Units

The statement of receipts and payments as disclosed in Note 5 to the financial statements reflects transfers to other Government units amount of Kshs.13,828,570 which constitute amounts of Kshs.6,648,910 and Kshs.7,179,660 transferred to primary and secondary schools respectively. However, the respective projects and expenditure incurred were not reflected in the project implementation status report as at 30 June, 2023.

In the circumstances, the accuracy and completeness of the transfers to other Government units amount of Kshs.13,828,570 could not be confirmed.

2. Unsupported Project Management Committee Balances

Note 9.2 and Annex 3 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.8,696. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.8,696 could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.61,175,335 and as disclosed in Note 6 to the financial statements which includes bursary payments amounting to Kshs.30,000,000 and Kshs.21,085,939 disbursed to secondary schools and tertiary institutions respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.51,085,939 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 West Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.187,626,801 and Kshs.81,826,546 respectively, resulting to an under-funding of Kshs.105,800,255 or 56% of the budget. However, the Fund spent Kshs.81,826,546 against actual receipts of the same amount which would appear that the budget was prepared after the expenditure was incurred.

The under-funding 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

Unresolved Prior Year Matters

In the audit report of the previous year, various issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report of Effectiveness of Internal Controls, Risk Management and Governance. However, Management did not resolve the issues or provide an explanation for the failure to resolve the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Remittance of Statutory Deductions

During the year under review, deductions amounting to Kshs.137,000, Kshs.149,116 and Kshs.178,854 in respect of the National Hospital Insurance Fund, National Social Security Fund and Pay As You Earn respectively were made from employees' salaries. However, deductions amounting to Kshs.82,000, Kshs.51,600 and Kshs.105,614 in respect of the National Hospital Insurance Fund, National Social Security Fund and Pay As You Earn respectively were not remitted to the respective entities within the statutory timelines. This was contrary to Section 19(4) of the Employment Act, 2007 which provides that an employer who deducts an amount of money from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement court order or arbitration as the case may be.

In the circumstances, Management was in breach of the law.

2. Financial Statements Signed by Unqualified Accountant

Review of the financial statements revealed that they were signed by the Sub-County Accountant but the Institute of Certified Public Accountants of Kenya (ICPAK) number was not included. Management confirmed that the Accountant was not a registered member of the Institute. This was contrary to the requirement by the Public Sector Accounting Standards Board that financial statements should be signed by a Certified Public Accountant of Kenya member.

In the circumstances, the financial statements were not in compliance with the Public Sector Accounting Standards Board requirements and the Management was, in breach of the law.

3. Delay in Implementation of Projects

During the year under review, the Fund had a budget of Kshs.103,399,295 for implementation of fifty-six (56) projects. Review of the Projects Implementation Status, budget execution by sectors and projects and project inspection carried out in March, 2024 revealed that only forty-six (46) projects with a budget of Kshs.73,219,295 were not implemented.

Failure and delay in implementation of planned projects negatively impact on service delivery to the public.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of 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 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 which 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 Fund's policies and procedures may deteriorate.

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

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

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


18 June, 2024

9. Statement of Receipts and Payments for The Year Ended 30th June 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Total Receipts		87,000,000	170,088,879
Payments			
Compensation of Employees	2	4,250,932	4,699,414
Committee expenses	3	1,042,941	2,402,200
Use Of Goods and Services	4	1,528,768	5,703,940
Transfers To Other Government Units	5	13,828,570	107,410,575
Other Grants and Transfers	6	61,175,335	68,099,891
Total Payments		81,826,546	188,316,020
Surplus/(Deficit)		5,173,454	(18,227,141)

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

The constituency financial statements were approved on 28th July 2023 and signed by:



Fund Account Manager
Mohamed Osmail



National Sub-County
Accountant
Sammy Malova



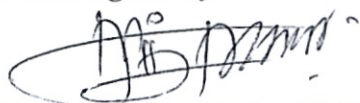
Chairman NGCDF Committee
Ibrahim Abdullahi

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

10. Statement of Assets and Liabilities as at 30th June, 2023.

	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	7	42,496,343	37,322,889
Cash Balances (Cash at Hand)		-	-
Total Cash and Cash Equivalents		42,496,343	37,322,889
Accounts Receivable			
Total Financial Assets		42,496,343	37,322,889
Financial Liabilities			
Accounts Payable (Deposits)			
Total Financial Liabilities		-	-
Net Financial Assets		42,496,343	37,322,889
Represented By			
Fund Balance B/Fwd	8	37,322,889	55,550,030
Surplus/ Deficit for the Year		5,173,454	(18,227,141)
Net Financial Position		42,496,343	37,322,889

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The constituency financial statements were approved on 28th July 2023 and signed by:



Fund Account Manager
Mohamed Osmail



National Sub-County
Accountant
Sammy Malova



Chairman NGCDF Committee
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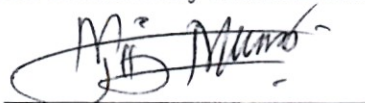
*Wajir West Constituency
National Government Constituency Development Fund (NGCDF)
Annual Report and Financial Statements for the Year Ended June 30, 2023*

11. Statement of Cash flows for The Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Total Receipts		87,000,000	170,088,879
Payments			
Compensation of Employees	2	4,250,932	4,699,414
Committee Expenses	3	1,042,941	2,402,200
Use Of Goods and Services	4	1,528,768	5,703,940
Transfers To Other Government Units	5	13,828,570	107,410,575
Other Grants and Transfers	6	61,175,335	68,099,891
Total Payments		81,826,546	188,316,020
Total Receipts Less Total Payments		5,173,454	(18,227,141)
Adjusted For:			
Net Cash Flow from Operating Activities		5,173,454	(18,227,141)
Cash flow From Investing Activities			
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		5,173,454	(18,227,141)
Cash & Cash Equivalent At Start of The Year	8	37,322,889	55,550,030
Cash & Cash Equivalent At End of The Year	7	42,496,343	37,322,889

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

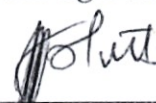
The constituency financial statements were approved on **28th July 2023** and signed by:



Fund Account Manager
Mohamed Osmail



National Sub-County
Accountant
Sammy Malova



Chairman NGCDF Committee
Ibrahim Abdullahi

*Wajir West Constituency
National Government Constituency Development Fund (NGCDF)
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12. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b		c= a+b	D	e=c-d	f=d/c %
RECEIPTS	2022/2023	Opening Balance (C/BK) and AIA	Previous Years Outstanding Disbursements	2022/2023	30/06/2023		
Transfers from NG-CDF Board	138,215,033	37,322,889	12,088,879	187,626,801	81,826,546	105,800,255	43.6%
TOTAL	138,215,033	37,322,889	12,088,879	187,626,801	81,826,546	105,800,255	43.6%
PAYMENTS							
Compensation of Employees	6,113,059	2,229,536		8,342,595	4,250,932	4,091,663	51.0%
Committee expenses	2,267,941	727,628	488,879	3,484,448	1,042,941	2,441,507	29.9%
Use of goods and services	3,317,843	1,012,533		4,330,376	1,528,768	2,801,608	35.3%
Transfers to Other Government Units	47,380,000	23,419,295	11,600,000	82,399,295	13,828,570	68,570,725	16.8%
Other grants and transfers	75,936,190	9,933,897		85,870,087	61,175,335	24,694,752	71.2%
Oversight Committee expenses	1,000,000			1,000,000		1,000,000	0%
Other Payments	2,200,000			2,200,000		2,200,000	0%
TOTAL	138,215,033	37,322,889	12,088,879	187,626,801	81,826,546	105,800,255	43.6%

From the summary of appropriation statement, the overall budget performance stood at 43.6%. The low absorption of funds is explained as follows:

- i. **Compensation of employees** -the absorption was below 90% because funding from the NGCDF Board delayed leading to low utilization of funds. As a matter of fact, more than sixty-three million shillings (34%) of the allocated funds had not been received from the board as at the end of the financial year 2022/2023.

Wajir West Constituency

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Annual Report and Financial Statements for the Year Ended June 30, 2023

- ii. **Use of goods and services** – the absorption was below 90% because funding from the NGCDF Board delayed leading to low utilization of funds. As a matter of fact, more than sixty-three million shillings (34%) of the allocated funds had not been received from the board as at the end of the financial year 2022/2023.
- iii. **Transfer to other government units** -the absorption was 90% because funding from the NGCDF Board delayed hence a delay in procurement and utilization of funds.
- iv. **Other grants and transfers** -the absorption was 90% because funding from the NGCDF Board delayed hence a delay in procurement and utilization of funds.
- v. **Other payments** -the absorption was below 90% because funding from the NGCDF Board delayed hence a delay in procurement and utilization of funds.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	105,800,255
Less undisbursed funds receivable from the Board as at 30 th June 2023	63,303,912
	42,496,343
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2022/2023	42,496,343

The constituency financial statements were approved on 28th July 2023 and signed by:



Fund Account Manager

Mohamed Osmail



National Sub-County Accountant

Sammy Malova



Chairman NGCDF Committee

Ibrahim Abdullahi

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13. Budget Execution by Sectors and Projects for The Year Ended 30th June 2023.

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
	2022/2023	Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Employees Salaries	4,677,816	779,536		5,457,352	4,250,932	1,206,420
1.2 Committee Expenses	1,247,941	552,854	488,879	2,289,674	965,941	1,323,733
1.3 Goods and Services	919,000			919,000	484,298	434,702
1.4 Gratuity	1,435,243	1,450,000		2,885,243		2,885,243
sub-total	8,280,000	2,782,390	488,879	11,551,269	5,701,171	5,850,098
2.0 Monitoring, Evaluation and Capacity Building						
2.1 Goods and Services	1,392,843	967,333		2,360,176	644,470	1,715,706
2.2 Committee Expenses	1,020,000	174,774		1,194,774	77,000	1,117,774
2.3 NG-CDFC / PMC Capacity building	1,006,000	45,200		1,051,200	400,000	651,200
sub-total	3,418,843	1,187,307	-	4,606,150	1,121,470	3,484,680
3.0 Emergency						
3.1 Al-Hagar Primary School	1,199,850			1,199,850	1,199,850	

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
3.2 Doble Primary School	799,910			799,910	799,910	
3.3 Jira Primary School	1,199,888			1,199,888	1,199,888	
3.4 Kalkacha West Primary School	900,000			900,000	900,000	
3.5 Wagalla Primary School	1,199,900			1,199,900	1,199,900	
3.6 Unutilized	2,336,642	33,568		2,370,210		2,370,210
sub-total	7,636,190	33,568	-	7,669,758	5,299,548	2,370,210
4.0 Bursary						
4.1 Bursary for Secondary	30,000,000			30,000,000	30,000,000	0
4.2 Bursary for Tertiary	25,000,000	329		25,000,329	21,085,939	3,914,390
sub-total	55,000,000	329	-	55,000,329	51,085,939	3,914,390
5.0 Sports						
5.1 Regional Sports Tournament	600,000			600,000		600,000
5.2 Constituency Sports Tournament	1,000,000			1,000,000		1,000,000
sub-total	1,600,000	-	-	1,600,000	-	1,600,000
6.0 Environment						

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/HK) and ALA	Previous Years' Outstanding Disbursements			
6.1 Baragothy Police Station	600,000			600,000		600,000
sub-total	600,000	-	-	600,000	-	600,000
7.0 Primary Schools						
7.01 Adan Awale Primary School	600,000			600,000		600,000
7.02 Adhibohol Primary School	2,100,000			2,100,000		2,100,000
7.03 Arbajahan Primary School	2,100,000			2,100,000		2,100,000
7.04 Barmil Primary School		1,200,000		1,200,000		1,200,000
7.05 Biliq Primary School	2,100,000	800,000		2,900,000		2,900,000
7.06 Boa Primary School	900,000	40,000		940,000		940,000
7.07 Bojiyare Primary School	1,050,000			1,050,000		1,050,000
7.08 Bulla Forest Primary School	2,100,000			2,100,000		2,100,000
7.09 Busbus Primary school		1,600,000		1,600,000	1,509,900	90,100
7.10 Garabhanshinie Primary school		800,000		800,000		800,000
7.11 Garsekhoffu Primary School	1,300,000		1,200,000	2,500,000		2,500,000
7.12 Garweine Primary School	600,000			600,000		600,000
7.13 Gothcy Primary School			1,600,000	1,600,000		1,600,000
7.14 Guticha Primary School	2,100,000			2,100,000		2,100,000

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
7.15 Hadado Primary school	600,000	2,400,000		3,000,000	2,269,910	730,090
7.16 Isakiah Primary School	1,050,000	40,700		1,090,700		1,090,700
7.17 Kalkacha West Primary School			1,100,000	1,100,000		1,100,000
7.18 Kanjara Primary School	1,200,000			1,200,000		1,200,000
7.19 Kara Primary School	600,000	1,500,000		2,100,000		2,100,000
7.20 Koricha Primary School	480,000	2,400,000		2,880,000	2,269,700	610,300
7.21 Kubcysurur Primary School	1,500,000			1,500,000		1,500,000
7.22 Lagbogol Primary School	900,000			900,000		900,000
7.23 Lagdima Primary School		1,200,000		1,200,000		1,200,000
7.24 Lanqot Primary School	1,500,000	10,000		1,510,000		1,510,000
7.25 LMD Primary School	2,000,000			2,000,000		2,000,000
7.26 Lolkuta North Primary School	900,000		800,000	1,700,000		1,700,000
7.27 Madina Primary School	1,050,000			1,050,000		1,050,000
7.28 Makaror Primary School	600,000			600,000		600,000
7.29 Matho Primary School	1,050,000			1,050,000		1,050,000
7.30 Maumau Primary School	1,050,000		1,600,000	2,650,000		2,650,000
7.31 Omar Diqile Primary School	1,050,000			1,050,000		1,050,000
7.32 Shandarua Primary School	600,000			600,000		600,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
	2022/2023	Opening Balance (C/BQ and AIA)	Previous Years' Outstanding Disbursements			
7.33 Showli Primary School	600,000			600,000		600,000
7.34 Waberi Girls Primary School		1,610,000		1,610,000		1,610,000
7.35 Wagalla Primary School	600,000			600,000		600,000
7.36 Waso Girls Primary School		1,400,000		1,400,000	599,400	800,600
7.37 Welgaras Primary School	1,050,000			1,050,000		1,050,000
7.38 Weylahir Primary School	1,050,000			1,050,000		1,050,000
sub-total	34,380,000	15,000,700	6,300,000	55,680,700	6,648,910	49,031,790
8.0 Secondary Schools						
8.01 Ademsajida Mixed Day Secondary School			800,000	800,000		800,000
8.02 Arbajahan Secondary School	1,500,000	500,000	1,300,000	3,300,000		3,300,000
8.03 Garsekhoftu Secondary School	2,100,000	3,000,000	800,000	5,900,000	2,839,940	3,060,060
8.04 Griftu Secondary School			800,000	800,000		800,000
8.05 Hon Khalif Girls Secondary School	800,000		800,000	1,600,000		1,600,000
8.06 Hudhile Mixed Day Secondary school	3,600,000			3,600,000	1,499,900	2,100,100
8.07 Lagbogol Secondary School		3,000,000		3,000,000	2,839,820	160,180
8.08 Makaror Mixed Day Secondary School		108,595		108,595		108,595
8.09 Wagalla Memorial Secondary School			800,000	800,000		800,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2022/2023	Actual on comparable basis	Budget utilization difference
	2022/2023	Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements		30/06/2023	
8.10 Wajir Girls Secondary School		10,000		10,000		10,000
8.11 Waso Girls Secondary School	5,000,000	1,800,000		6,800,000		6,800,000
sub-total	13,000,000	8,418,595	5,300,000	26,718,595	7,179,660	19,538,935
9.0 Security Projects						
9.1 Arbajahan ACC Residence		1,200,000		1,200,000		1,200,000
9.2 Baragothey Police Station- Anti-stock Theft	1,800,000			1,800,000	1,799,920	80
9.3 Elkali Police Station- Anti-stock Theft	1,800,000			1,800,000	1,799,978	22
9.4 Griftu Police Station	1,500,000	3,000,000		4,500,000		4,500,000
9.5 Hadado Police Station	2,000,000			2,000,000		2,000,000
9.6 Lagbogol Police Station	4,000,000	1,200,000		5,200,000	1,189,950	4,010,050
9.7 Lolkuta North Police Camp		4,500,000		4,500,000		4,500,000
sub-total	11,100,000	9,900,000	-	21,000,000	4,789,848	16,210,152
10.0 Constituency Oversight Committee						
10.1 Goods and Services	500,000			500,000		500,000
10.2 Committee Expenses	400,000			400,000		400,000
10.3 COC Capacity building	100,000			100,000		100,000

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Programme / Sub-Programme	Original Budget 2022/2023	Adjustments	Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/BF) and AIA			
		Previous Years' Outstanding Disbursements			
sub-total	1,000,000	-	1,000,000	-	1,000,000
11.0 Other Payments					
11.1 Strategic Plan	2,200,000		2,200,000		2,200,000
sub-total	2,200,000	-	2,200,000	-	2,200,000
Total	138,215,033	37,322,889	187,626,801	81,826,546	105,800,255

NB: This statement is a disclosure statement indicating the utilization in the same format at the entity's budgets which are programme based. This document is completed to enable consolidation by the National Treasury.

14. Significant Accounting Policies

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

1. Statement of compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Wajir West 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 recognizes all receipts from the various sources when the event occurs, and the related cash has actually been received by the entity.

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

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

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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 (A-I-A) 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 recognized 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the entity.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

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9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by parliament on June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are the unutilized funds. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the

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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

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

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15. Notes to The Financial Statement

1. Transfers from NGCDF Board

Description		2022/2023	2021/2022
AIE NO.		Kshs	Kshs
NGCDF BOARD			
B105325	1		33,000,000
B105583	2		44,000,000
B105958	3		22,000,000
B128735	4		5,000,000
B163897	5		12,000,000
B154241	6		12,000,000
B154459	7		18,000,000
B155512	8		24,088,879
B206237	1	28,000,000	
B206218	2	5,000,000	
B205635	3	12,000,000	
B205932	4	12,000,000	
B207711	5	15,000,000	
B207947	6	15,000,000	
TOTAL		87,000,000	170,088,879

2. Compensation of Employees

	2022/2023	2021/2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,176,374	4,603,414
Employer Contributions Compulsory national social security schemes	74,558	96,000
Total	4,250,932	4,699,414

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3. Committee Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Sitting allowance	846,000	824,000
Other Committee expenses	196,941	1,578,200
Total	1,042,941	2,402,200

4. Use of Goods and services

	2022/2023	2021/2022
	Kshs	Kshs
Communication, supplies and services	55,250	154,450
Domestic travel and subsistence	605,000	476,050
Rentals of produced assets	225,000	435,000
Training expenses	400,000	2,954,800
Office and general supplies and services	-	1,125,690
Fuel , oil & lubricants	174,470	541,350
Bank Charges	19,048	16,600
Routine maintenance- other assets	50,000	-
Total	1,528,768	5,703,940

5. Transfer to Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	6,648,910	71,038,365
Transfers To Secondary Schools (See Attached List)	7,179,660	36,372,210
Total	13,828,570	107,410,575

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6. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,000,000	10,999,671
Bursary – tertiary institutions (see attached list)	21,085,939	28,567,000
Security projects (see attached list)	4,789,848	20,575,380
Emergency projects (see attached list)	5,299,548	7,957,840
Total	61,175,335	68,099,891

7. Cash Book Bank Balance

Name of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
7A: Bank Accounts (Cash Book Bank Balance)		
First Community Bank Wajir Branch A/c No. 80001203, KES	22,762,533	37,322,889
Equity Bank Wajir Branch A/c No. 1030283821047, KES	19,733,810	-
Total	42,496,343	37,322,889
7 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

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8. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	37,322,889	55,550,030
Total	37,322,889	55,550,030

9. Other Important Disclosures

9.1: Unutilized Fund (See Annex 1)

	2022/2023	2021/2022
	Kshs	Kshs
Compensation of employees	4,091,663	2379592
Committee expense	2,441,507	-
Use of goods and services	2,801,608	2,177,157
Amounts due to other Government entities (see attached list)	68,570,725	34,825,720
Amounts due to other grants and other transfers (see attached list)	24,694,752	10,029,299
Oversight Committee Expenses	1,000,000	-
Other Payments (specify)	2,200,000	-
Total	105,800,255	49,411,768

9.2: PMC account balances (See Annex 3)

	2022/2023	2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	8,696	72,863
Total	8,696	72,863

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**16. ANNEXES
Annexes: 1 Unutilized Funds**

Name	Brief Description/Explanation	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Basic wages to contractual employees and gratuity	4,091,663	2,229,536	Delay in disbursement from the NGCDFB
Committee expense	Payment of committee expenses	2,196,507	1,216,507	Delay in disbursement from the NGCDFB
Use of goods & services	payment for goods and services	3,046,608	1,012,533	Delay in disbursement from the NGCDFB
Amounts due to other Government entities				
Adan Awale Primary School	Renovation of 2 classrooms	600,000		Delay in disbursement from the NGCDFB
Adhibohol Primary School	Construction of 2 classrooms	2,100,000		Delay in disbursement from the NGCDFB
Arbajahan Primary School	Construction of 2 classrooms	2,100,000		Delay in disbursement from the NGCDFB
Barnish Primary School	Construction of 2-roomed staff house	1,200,000	1,200,000	Delay in disbursement from the NGCDFB
Biliq Primary School	Construction of 3 classrooms	2,900,000	800,000	Delay in disbursement from the NGCDFB
Boa Primary School	Renovation of 3 classrooms	940,000	40,000	Delay in disbursement from the NGCDFB
Bojiyare Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Bulla Forest Primary School	Construction of 2 classrooms	2,100,000		Delay in disbursement from the NGCDFB
Busbus Primary school	Construction of 2 classrooms	90,100	1,600,000	Delay in disbursement from the NGCDFB
Garabhanshimle Primary school	Renovation of 2 classrooms	800,000	800,000	Delay in disbursement from the NGCDFB
Garsekhoftu Primary School	Construction of Administration block	2,500,000	1,200,000	Delay in disbursement from the NGCDFB
Garweine Primary School	Purchase of desks	600,000	1,600,000	Delay in disbursement from the NGCDFB
Gothey Primary School	Construction of 2 classrooms	1,600,000		Delay in disbursement from the NGCDFB
Guticha Primary School	Construction of 2 classrooms	2,100,000		Delay in disbursement from the NGCDFB
Iladado Primary school	Construction of 3 classrooms and of desks	750,090	2,400,000	Delay in disbursement from the NGCDFB
Isakiah Primary School	Construction of one classroom	1,090,700	40,700	Delay in disbursement from the NGCDFB

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Kalkacha West Primary School	Construction of 1 classroom and toilet	1,100,000	1,100,000	Delay in disbursement from the NGCDFB
Kanjara Primary School	Renovation of four classrooms	1,200,000		Delay in disbursement from the NGCDFB
Kara Primary School	Construction of Administration block	2,100,000	1,500,000	Delay in disbursement from the NGCDFB
Koricha Primary School	Construction of 3 classrooms and desks	610,300	2,400,000	Delay in disbursement from the NGCDFB
Kubeysturur Primary School	Construction of 2-roomed staff house	1,500,000		Delay in disbursement from the NGCDFB
Lagbogol Primary School	Renovation of 3 classrooms	900,000		Delay in disbursement from the NGCDFB
Lagdima Primary School	Construction of 2-roomed staff house	1,200,000	1,200,000	Delay in disbursement from the NGCDFB
Lanqot Primary School	Construction of 2-roomed staff house	1,510,000	10,000	Delay in disbursement from the NGCDFB
LMD Primary School	Construction of administration block	2,000,000		Delay in disbursement from the NGCDFB
Lolkuta North Primary School	Construction/ Renovation of classrooms	1,700,000	800,000	Delay in disbursement from the NGCDFB
Madina Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Makaror Primary School	Purchase of desks	600,000		Delay in disbursement from the NGCDFB
Matho Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Maumau Primary School	Construction of 3 classrooms	2,650,000	1,600,000	Delay in disbursement from the NGCDFB
Omar Diqile Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Shandarua Primary School	Purchase of desks	600,000		Delay in disbursement from the NGCDFB
Showli Primary School	Purchase of desks	600,000		Delay in disbursement from the NGCDFB
Waberi Girls Primary School	Construction of 2 classrooms	1,610,000	1,610,000	Delay in disbursement from the NGCDFB
Wagalla Primary School	Purchase of desks	600,000		Delay in disbursement from the NGCDFB
Waso Girls Primary School	Renovation of 3 classrooms.	800,600	1,400,000	Delay in disbursement from the NGCDFB
Welgaras Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Weylahir Primary School	Construction of 1 classroom	1,050,000		Delay in disbursement from the NGCDFB
Ademsajida Mixed Day Secondary School	Purchase of 10 Binocular Microscopes	800,000	800,000	Delay in disbursement from the NGCDFB

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Name	Item Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Arbajahan Secondary School	Purchase of 10 Binocular Microscopes, staff houses and piping of water	3,300,000	1,800,000	Delay in disbursement from the NGCDFB
Garsekhoffu Secondary School	Construction of 2 classrooms; dormitory and Purchase of 10 Binocular Microscopes.	3,060,060	3,800,000	Delay in disbursement from the NGCDFB
Griftu Secondary School	Purchase of 10 Binocular Microscopes	800,000	800,000	Delay in disbursement from the NGCDFB
Hon Khalif Girls Secondary School	Purchase of 10 Binocular Microscopes and renovation of staff house.	1,600,000	800,000	Delay in disbursement from the NGCDFB
Hudhile Mixed Day Secondary school	Construction of 2 classrooms	2,100,100		Delay in disbursement from the NGCDFB
Lagbogol Secondary School	Construction of dining hall	160,180	3,000,000	Delay in disbursement from the NGCDFB
Makaror Mixed Day Secondary School	Fencing of the school	108,595	108,595	Delay in disbursement from the NGCDFB
Wagalla Memorial Secondary School	Purchase of 10 Binocular Microscopes	800,000	800,000	Delay in disbursement from the NGCDFB
Wajir Girls Secondary School	Construction of a dormitory	10,000	10,000	Delay in disbursement from the NGCDFB
Waso Girls Secondary School	Construction of a science laboratory and Kitchen with store	6,800,000	1,800,000	Delay in disbursement from the NGCDFB
Sub-Total		68,570,725	35,019,295	
Amounts due to other grants and other transfers				
Arbajahan ACC Residence	Construction of 2 roomed staff house	1,200,000	1,200,000	Delay in disbursement from the NGCDFB
Baragothey Police Station - Anti-stock Theft	Construction of a kitchen with store	80		
Elkali Police Station - Anti-stock Theft	Construction of a kitchen with store	22		
Griftu Police Station	Construction of staff houses and renovation of administration block	4,500,000	3,000,000	Delay in disbursement from the NGCDFB
Hadado Police Station	Renovation of administration block	2,000,000		Delay in disbursement from the NGCDFB
Lagbogol Police Station	Construction of administration block	4,010,050	1,200,000	Delay in disbursement from the NGCDFB
Lolkuta North Police Camp	Construction of police staff houses	4,500,000	4,500,000	Delay in disbursement from the NGCDFB
Regional Sports Tournament	Conducting Regional sports tournament	600,000		Delay in disbursement from the NGCDFB

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Constituency Sports Tournament	Conducting constituency sports tournament	1,000,000		Delay in disbursement from the NGCDFB
Environment : Baragothey Police Station	Construction of 2 door toilets	600,000		Delay in disbursement from the NGCDFB
Bursary for Tertiary	Bursary for Tertiary institutions	3,914,390	329	
Emergency		2,370,210	33,568	Delay in disbursement from the NGCDFB
Sub-Total		24,694,752	9,933,897	
Oversight Committee Expenses(itemize)				
Goods and Services	Payment for goods and services	500,000		Delay in disbursement from the NGCDFB
Committee Expenses	Payment for committee expenses	400,000		Delay in disbursement from the NGCDFB
COC Capacity building	Capacity building of COC members	100,000		Delay in disbursement from the NGCDFB
Sub-Total		1,000,000	-	
Others (specify)				
Strategic Plan	Preparation of strategic plan	2,200,000		Delay in disbursement from the NGCDFB
Sub-Total		2,200,000	-	
Funds pending approval				
Grand Total		105,800,255	49,411,768	

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Annex 2- Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land (Unregistered)	500,000			500,000
Buildings and structures	18,010,480			18,010,480
Office equipment, furniture and fittings	2,411,000			2,411,000
ICT equipment, software and other ICT assets	1,320,000			1,320,000
Total	22,241,480			22,241,480

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Annex 3. PMC Bank Balances as at 30th June 2023*

NO	PMC	Bank	Account Number	Bank Balance	Bank Balance
				30/6/2023	30/6/2022
1	Adan Awale Primary School	FCB	80010481	0	283
2	Ademsajida Primary School	FCB	80011325	0	743
3	Al-Hagar Primary School	FCB	80006437	0	2,513
4	Arbajahan Primary School	FCB	80005007	0	1,934
5	Arbajahan Secondary School	FCB	80006974	0	2,210
6	Baji Primary School	FCB	80010460	0	1,910
7	Bananey Primary School	FCB	170665	0	2,000
8	Baragothey Police Station PMC	FCB	17262401	0	1,000
9	Boa Primary School	FCB	16295601	0	1,000
10	Busbus Primary School	FCB	80004773	1,608	2,107
11	Dobley Primary School	FCB	80010450	0	1,355
12	Ganyurey Primary School	FCB	80006979	0	12,716
13	GarabHanshinle Primary	FCB	80009191	0	1,218
14	Garsekhoftu Secondary School	FCB	80011804	780	0
15	Garweine Primary School	FCB	80011351	0	1,333
16	Griftu Police Station PMC	FCB	80011311	0	1,473
17	Griftu Primary School	FCB	80011329	0	1,798
18	Griftu Secondary School	KCB	1133237312	0	0
19	GubadOnle Primary School	FCB	16856701	0	1,400
20	Hadado Police PMC	FCB	80011007	0	1,100
21	Hadado Primary School	FCB	80005020	1,077	1,117
22	Hudhile Mixed Sec School	Equity	1030284119668	1,000	0
23	Hudhile Primary School	FCB	80009161	0	2,600
24	Isakhia Primary School PMC	FCB	80011316	0	1,405
25	Jira Primary School	Equity	1030284215050	200	0
26	KalkachaWest Primary School	FCB	80006438	0	1,527
27	Kanjara Primary School	FCB	80005024	0	3,345
28	Korich Primary School PMC	FCB	17324801	1,200	0
29	Lagbogol Pry School	FCB	80006834	0	2,145

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30	Lagbogol Secondary School	FCB	80008150	1,357	0
31	Lag-dima Primary School	FCB	80005075	0	0
32	Lanqoot Primary School	FCB	80009193	0	1,163
33	LMD Primary School	FCB	80011204	0	340
34	Lolkuta North Police PMC	FCB	16200301	1400	0
35	Makaror Mixed Day Sec	FCB	80002427	0	5,492
36	Matho Primary School	FCB	80010499	0	765
37	Noor Goos Primary School	FCB	17230601	0	1,500
38	Showli Primary School PMC	FCB	80008403	0	1,418
39	Turbani Primary School	FCB	80009192	0	3,980
40	Waberi Girls Primary School	FCB	80006121	0	1,837
41	Wachir Primary School	FCB	80005021	0	1,000
42	Wagalla Chief's Office PMC	FCB	16917601	0	1,000
43	Wagalla Memorial Secondary	FCB	80002444	0	73
44	Waso Girls Primary School	KCB	1108267270	74	0
45	Waso Girls Secondary School	FCB	80011633	0	1,000
46	Welathi Primary School	FCB	80008459	0	1,563
47	WelGaras Primary School PMC	FCB	17107401	0	1,500
TOTAL				8,696	72,863

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Annex 4: Progress on Follow Up of Auditors 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 resolutions of the issues.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NERO/AUD/CDF/WJR/4/(12)	<p>1. Unconfirmed Ownership and Value of Fixed Assets</p> <p>The summary of Fixed Assets Register at Annex 2 in the financial statements reflects fixed assets with a total historical cost of Kshs. 22,241, 480. However, management did not provide evidence to confirm that assets whose value may have significantly changed over ten (10) years since acquisition were revalued. In addition, Management did not provide ownership documents for the land disclosed in the financial statements at historical cost of Kshs. 500,000.</p> <p>In the circumstances, the ownership of the land of Kshs. 500,000 and accuracy of the fixed assets balance of Kshs. 22,241,480 as at 30 June 2022 could not be confirmed.</p>	<p>The Financial statements have been prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS). The existing policy at the NGCDF Board is to carry assets at historical cost. There are no guidelines issued by the NGCDF Board on how assets should be revalued. Wajir West NGCDFC has an allotment letter which was issued by the County Council of Wajir in 2010 to show ownership of the property.</p>	<p>Partially Resolved. Revaluation of Fixed Assets not Resolved.</p>	
	<p>2. Budget Control and Performance</p> <p>The summary statement of appropriation reflects final receipt budget and actual on comparable basis of Kshs. 237,727,788 and Kshs. 188,316,020 respectively, resulting to an underfunding of Kshs. 49,411,768 or 21%.</p>	<p>As explained in the financial statements presented under the summary of the appropriation statement, page 4, paragraphs 1-4, the</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Similarly, the Fund spent an amount of Kshs. 188,316,020 against actual receipt of Kshs. 237,727,788 resulting in under absorption of Kshs. 49,411,768 or 21%.</p> <p>Failure to implement projects on time due to late disbursement of funds, may have negatively impacted on service delivery to the constituents.</p> <p>3. Non-disclosure of Institute of Certified Public Accountants of Kenya (ICPAK) member number</p> <p>Review of the Financial Statements prepared and prepared for audit revealed that the ICPAK member number of the Sub- County accountant who signed the financial statements is not indicated as required by The Financial Reporting Template for NGCDF (Revised June 2022).</p> <p>In the circumstances, the Management did not comply with the Public Sector Accounting Standards Board reporting template.</p> <p>4. Lack of Clerk of Works.</p> <p>During the year under review, Management did not engage a clerk of works and heavily relied on the</p>	<p>low absorption of funds is attributed to delay in disbursement of funds from the NGCDF Board. The funding from the Board was erratic, unpredictable and in small amounts throughout the financial year which hindered both the procurement and the implementation of projects.</p> <p>The Sub- County accountant who signed the financial statements has met the required qualifications to be a member of the Institute of Certified Public Accountants of Kenya (ICPAK), applied to ICPAK for membership and paid the requisite fees. We hope that he will be given a membership a number after the process is completed.</p> <p>The NGCDF Act, 2015 in Section 45 subsection I and</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	County Works Officer for supervision and inspection of its projects. This is contrary to Section 45 (1) of the National Government Constituencies Development Fund Act, 2015 which provides that the constituency committee may engage such staff as may be necessary for the execution of its functions including persons with knowledge in information and communication technology, construction and basic accounting.	subsection 2 provides for employment of staff to facilitate the work of the NG-CDFCs. The officer we had engaged as our clerk of works has left to pursue other interests. The management will endeavor to recruit a new clerk of works with the requisite qualifications during the current financial year.		



Mohamed Osmail
Fund Account Manager