

REPUBLIC OF KENYA



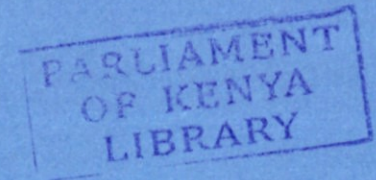
*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS TABLED

DATE: **13 AUG 2024** *Tuesday*

TABLED BY: *Hon. Naomi Wajir MP*  
*Deputy Majority Whip*

CLERK-AT-THE-TABLE: *Akshibubo*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



OFFICE OF THE AUDITOR GENERAL  
NORTH EASTERN REGIONAL OFFICE  
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**WAJIR SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

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

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**1. Acronyms and Abbreviations**

*Provide a list of all applicable acronyms and abbreviation e.g.*

<b>NGCDF</b>	-	National Government Constituency Development Fund
<b>PFM</b>	-	Public Finance Management
<b>IPSAS</b>	-	International Public Sector Accounting Standards
<b>PMC</b>	-	Project Management Committee
<b>FY</b>	-	Financial Year
<b>NGCDFB</b>	-	National Government Constituencies Development Fund Board
<b>A.I.E</b>	-	Authority to incur Expenditure

## **2. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund, represents NG-CDF.

### **Mandate**

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

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

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

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

The Wajir South 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)

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

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**Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Shafee Hassan Odhowa
2.	Sub-County Accountant	Winston Kalemba
3.	Chairman NGCDFC	Yussuf Abdi Abdullahi
4.	Member NGCDFC	Adan Duale Kadid

**(c) Fiduciary Oversight Arrangements**

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

**(d) Wajir South Constituency NGCDF Headquarters**

P.O. Box 90-70201  
Wajir South NG-CDF Offices  
Opposite Habaswein Community Library  
Habaswein, KENYA

**(e) Wajir South Constituency NGCDF Contacts**

Telephone: (254) 729224379  
E-mail: [cdfwajirsouth@ngcdf.go.ke](mailto:cdfwajirsouth@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)



**(f) Wajir South Constituency NGCDF Bankers**

First Community Bank

Wajir branch

P.o Box 67-70200

Wajir , kenya

National Bank of Kenya

Wajir branch

P.o Box 67-70200

Wajir , kenya

**(g) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(h) Principal Legal Adviser**

The Attorney General

State Law Office

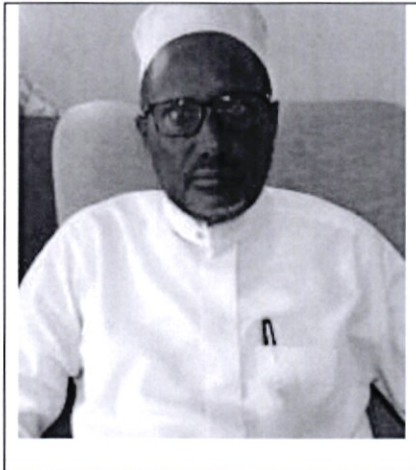
Harambee Avenue

P.O. Box 40112

City Square 00200

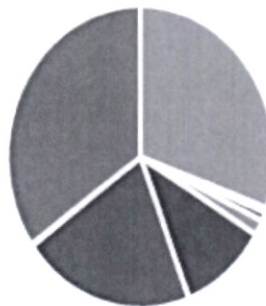
Nairobi, Kenya

**3. NG-CDFC Chairman’s Report**



Wajir South Constituency proposed projects of a total of Ksh158, 832, 745 in the financial year 2022-2023. The amount is up ksh 21,743,866.00 from the F/Y 2021-2022. This resulted from the NGCDF Act 2022 being amended to include the number of wards. Ksh 70,832,745.00 and Ksh 12,088,879 for the F/Y 2020/2021 were not received, which decelerated the implementation of projects in financial year. The Board's overall receipts came to Ksh 88,000,000, or 52%, of the estimated budget of Ksh 170,921,624.

**Receipts and Payment**



- RECEIPTS
- PAYMENTS
- Committee expenses
- Transfers to Other Government Units
- Acquisition of Assets
- Transfers from NGCDF Board
- Compensation of employees
- Use of goods and services
- Other grants and transfers
- TOTAL PAYMENTS

### **Constituency Sector Priorities FY 2022/2023**

Due to years of ongoing droughts that caused livestock to die and left many families in poverty, Wajir South NGCDF committee concentrated on disbursing bursaries during the FY 2022–2023. A significant portion of the population depends on livestock as a source of revenue for paying school expenses. The committee to keep pupils in school gave bursary programs. The committee also distributed 90% of a total budget of Kshs57,600, 000 to a variety of entities both inside and outside the nation.

### **Funds Absorption**

It is noteworthy that the Committee committed to accelerating the release of monies received from the NGCDF Board during the FY 2022–2023. According to the terms of the NGCDF Act, 2015 modified 2022, and the demands of the Annual Performance Contract, these funds were disbursed to the designated projects. As of June 30, 2023, when the financial year 2022–2023 came to an end, the aggregate funds usage and absorption rate was 64%. Due to variables beyond of our control, such as the general election and committee formation, a 100% absorption rate was not achieved. These elements had an impact on proposal development, which led to delays in Board funding. Additionally, the Board has not yet disclosed Ksh 12,088,879 for the financial year 2020–2021.

### **Achievements FY 2022/2023**

NGCDF Committee Bursary outlay exceeded Ksh 57M on the day. The Constituency's overall literacy levels have been impacted by the continuous support for the education system, which has enhanced access to education, improved transition, enrolment, retention, and completion rates. On crucial concerns to enhance reporting problems and other connected problems with project execution.

### **Development Planning**

Beneficiaries and communities alike continue to show interest in the Constituency Development Funds. This has resulted in the receipt of numerous proposals from groups representing numerous Sectors. The Committee is creating its five-year strategic plan, which is a formalized road map outlining where the Constituency is going in project identification, implementation, and management over the next five years taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030, and related County Integrated Development Plans. This is being done to ensure focus and speed up Constituency development. The NGCDF Committee is certain that the strategic plan will assist the Constituency in identifying priorities, directing energy and resources, enhancing operations, and ensuring that the Committee, its staff, and other stakeholders are working toward a common purpose and outcomes.

### **Challenges during the Period under Review**

The Committee has identified a number of problems in project implementation and management during the FY 2022–2023 notwithstanding the aforesaid remarkable performance and goals. Among them are:

- 1) Project management committees' poor record-keeping;
- 2) Some project management committees' disregard for rules and laws governing public procurement.
- 3) A delay in submitting the necessary returns for money spent.
- 4) A small number of technical officers are required to offer the necessary technical guidance in project management and implementation.

5) Infrastructure construction and enhancements are desperately needed for many schools.

To minimize the risks, the committee:

1. Scaled up its capacity building programmes for NGCDF Committee.
2. Project Management Committees and staff on various aspects of NGCDF projects management.
3. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees monitoring and evaluation.

Hon. Mohamed Adow, a member of the National Assembly, the NGCDF Committee, the employees of the NG-CDFC, the Project Management Committees, the Sub County Accountant, the Sub County Engineer, and other stakeholders are all gratefully appreciated for their participation. Without them, we would be unable to fulfill the people of Wajir South Constituency's request.

**RECOMMENDATIONS:**

Almost majority of the populace is aware about NGCDF. The public should be made more aware of the purposes for which the NGCDF budget is used, nevertheless. To prevent concerns about the initiatives, substantial public engagement should be conducted. Since they are familiar with the students who most need the bursary, local committees should be included in the bursary vetting process. The NGCDF committee should hire personnel in accordance with the NGCDF staff criteria, and they should have their capacity increased along with the committee's.



**Yussuf Abdi Abdullahi**  
**CHAIRMAN NGCDF COMMITTEE**

#### 4. Statement of Performance against Predetermined Objectives for FY2022/23

##### Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Wajir South Constituency 2023-2027 plan* are to:

***(Enumerate all the objectives of the constituency as per the Strategic Plan)***

##### 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:

No	Program	Objective	Outcome	Indicators	Performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms/laboratories/staff houses/fencing in various primary and secondary schools in the constituency	Number of Physical school structure in various school around the constituency	So far 112 Number of classrooms constructed against 220 projected in strategic plan 2018-2022
2	Youth and Sports	To harness talent and empower youth	Funding of youth sporting initiatives	Number of Tournaments held	Talent identification
4	Environment	To promote environmental sustainability in the constituency	Purchase of tree seedlings and their planting/Organizing tree planting days	Numbers trees in various public institution	A forestation and environmental conservancy
5	Security	To enhance security in the constituency	Construction/renovation of offices/houses for chiefs and Ass. Chiefs, police, Administration offices	Number of office & houses	Increased offices by 6
6	Tracking of results	To improve tracking of implementation NG-CDF programmes	Monitoring and Capacity Building of NG-CDFC's and PMC's/ Organizing regular projects monitoring field visits	Number of Routine monitoring & capacity Building exercise undertaken	Decreased number of PMCs/projects audit related issue

## **5. Statement of Governance**

### **Process of Appointment**

Section 43 of the National Government Constituency Development Fund Committee Act 2015 amended 2022 states that, there is established a National Government Constituency Development Fund Committee for every constituency.

The seven persons shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The Board to the National Assembly for approval shall submit the names of the persons selected before appointment and gazette by the Board. The term 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 Constituency Committee in the manner provided for in the Act, or the Board may approve as. Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency by the Board. The quorum of the Constituency Committee shall be one-half of the total membership.

### **Appointment process of Wajir South NG-CDF Committee**

The selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicised in public offices notice boards and other public areas in the constituency.

Out of the total 20 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Wajir South Constituency Office as per section 43 of the NG-CDF Act, 2015

### **NOMINEES OF THE SELECTION PANEL**

NO	NAME	CATERGORY	WARD
1	Yussuf Abdi Abdullahi	Man(Adult)	Habaswein
2	Adan Duale Kadid	Man(Youth)	Burder
3	<u>Dakan Salat Muhumed</u>	Woman(Adult)	Dadajabula
4	Binta Haret Hassan	Woman(Youth)	Ibrahim Ure

**NOMINEE OF BODY REPRESENTING PERSON WITH DISABILITY**

NO	NAME	NATURE OF DISABILITY	NOMINATING ORGANIZATION	REMARKS
1	Abdiwahab Muhumed Dahir	Physical	Diff Disable Youth Group	Able to attend meetings without an aid

**NOMINEES OF THE CONSTITUENCY OFFICE**

NO	NAME	CATEGORY	OCCUPATION	WARD
1	Ali dahir Abdullahi	Male	Businessman	Banane
2	Nadhifa Muhumed Adan	Female	Unemployed	Ibrahim ure

The NG-CDFC members were gazetted on 16th December 2022. The members had their inaugural meeting on 15th December 2022. The members went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position - Mr. Yussuf Abdi Abdullahi
2. Secretary position - Adan Duale Kadid

During its first meeting, the Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittees are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The following were appointed to the different committees

- i. Bursary committee
  1. Khalif Sirat Sheikh - Member
  2. Dakan Abdullahi - Member
  3. Nadhifa Muhumed - Member

- ii. Complaints resolution committee
  1. Ali Dahir Abdullahi - Member
  2. Abdiwahab Muhumed - Member
  3. Adan Duale Kadid - Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

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

**Removal of NGCDFC Members,**

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 practices; (f) causing disharmony within the committee; (g) physical or mental infirmity. A decision to remove a member shall be 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. A vacancy arising as a result of the removal of a member under

subsection shall be filled in the manner set and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

**Roles and Functions of the Committee**

- i. Capacity builds Project Management Committees.
- ii. Consider all project proposals from all wards.
- iii. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
- iv. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
- v. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
- vi. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;
- vii. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- viii. Ensure labelling of projects as per guidelines issued by the Board;
- ix. Recruit staff as per Section 45 of the Act.

**Induction and Training of Members.**

In consultation with the NGCDF Board and the performance contract signed for the F/Y 2022/2023, the Board came up with a comprehensive training program, which covered various topics of importance in the daily management of the funds at the constituency level.

In the financial year 2022/2023 the NG-CDF Board organized training of NG-CDFC members. NG-CDFC members for Wajir South constituency were among the committee members trained on 25<sup>th</sup> May 2022 at Garissa. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF wajir South.



### Number of Meetings Held & Members Remuneration

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. The SRC and board circular remunerate the members as per the issued guidelines. Chairperson ksh 7,000 per sitting and members' ksh 5,000 per sitting.

During the financial year 2022/2023 the NG-CDFC Wajir South held ten meetings and One subcommittee meetings and the attendance was as follows

S/NO.	NG-CDF COMMITTEE MEMBERS	DEC 15 <sup>th</sup> 2022	JAN 9 <sup>th</sup> 2022	JAN 30 <sup>th</sup> 2023	FEB 28 <sup>th</sup> 2023	MAR 28 <sup>th</sup> 2023	MAR 29 <sup>th</sup> 2023	MAR 30 <sup>th</sup> 2023	APR 4 <sup>th</sup> 2023	May 15 <sup>th</sup> 2023	JUNE 19 <sup>th</sup> 2023
1	Yussuf Abdi Abdullahi- <b>chairman</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Adan Duale Kaddi - <b>Secretary</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Nadhifa Muhumed - <b>member</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dakan Abdullahi - <b>Member.</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Abdiwahab M. Dahir - <b>member</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Ali Dahir Abdullahi <b>member</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Khalif Sirat Sheikh - <b>member</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Binta Haret Hassan - <b>member</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Shafee Hassan odhow - <b>FAM</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Samuel Mutisa- <b>ACC</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Ethics & conduct

Members of NG-CDFC are required to observe the following ethical issues

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

During the financial year 2022/2023 members of NG-CDFC Wajir South adhered to the above ethical issues.

### **Disclose Policy On Conflict of Interest**

At the start of every meeting and having the agendas of the meeting circulated before, the members sign the conflict of interest disclosure. This will prevent the member to discuss the agenda or made any contribution towards it.

### **Risk management**

Risk management has been integrated in the constituency operations through the following; training of the NG-CDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NG-CDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

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

## **6. Environmental and Sustainability Reporting**

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

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

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

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

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 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**

- Wajir South Constituency NGCDF allocates part of its budget towards afforestation and mitigation towards environmental degradation.
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

## **3. Employee welfare**

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

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

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

#### **4. Market place practices-**

Wajir South NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure.

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

#### **5. Community Engagements-**

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

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

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

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

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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, public awareness campaigns, and holding community meetings.

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



.....  
**Name: Shafee Hassan Odhwa**  
**Fund Account Manager.**

## **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 a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Wajir South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Wajir South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Wajir South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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


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

**Approval of the financial statements**

The NGCDF- Wajir South Constituency financial statements were approved and signed by the Accounting Officer on 21<sup>st</sup> September 2023.



**Name: Yussuf Abdi Ali**  
**Chairman – NGCDF Committee**



**Name: Shafee Hassan Odhwa**  
**Fund Account Manager**



# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WAJIR SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Wajir South Constituency set out on pages 1 to 37,

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*Report of the Auditor-General on National Government Constituencies Development Fund - Wajir South Constituency  
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which comprises 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Wajir South Constituency as at 30 June, 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Lack of Land Ownership and Valuation Documents**

Annex 2 of the financial statements reflects fixed assets historical cost balance of Kshs.13,806,640 as at 30 June, 2023. Included in the balance is historical cost of the Fund's office buildings and structures of Kshs.9,200,000. However, the Management did not disclose the cost of land on which the office buildings sits. In addition, ownership documents for the land were not provided for audit review.

In the circumstances, the accuracy and ownership of fixed assets balance of Kshs.13,806,640 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Wajir South 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 amount of Kshs.232,589,681 and Kshs.149,668,056 respectively, resulting to an under- funding of Kshs.82,921,625 or 36% of the budget. Similarly, the Fund spent Kshs.100,293,801 against actual receipts of Kshs.149,668,056 resulting to under-utilization of Kshs.49,374,256 or 33 % of the receipts.

The under-funding and under-utilization affected implementation of the planned activities and may have negatively impacted 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 which, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unutilized Project**

The statement of receipts and payments reflects transfer to other government units of Kshs.30,592,500 as disclosed in Note 5 to the financial statements. Included in the balance is an expenditure of Kshs.2,375,000 on construction of fifty (50) bed dormitory block and two (2) door pit latrine at Leheley Girls Secondary School. The project was handed over to the school after completion on 10 June, 2022. However, physical inspection of the project carried out on 15 March, 2024 revealed that the project was not in use which was attributed to poor ventilation. Further, Management did not provide an explanation on why adequate measures were not put in place during the design stage of the project to allow proper ventilation considering the climatic conditions of the area.

In the circumstances, value for money on expenditure of Kshs.2,375,000 incurred on the construction of a dormitory could not be confirmed.

#### **2. Project Implementation Status**

During the year under review, the Fund had a budget of Kshs.135,514,500 for the implementation of sixty (60) projects. Review of the Projects Implementation Status report and physical inspection revealed that only forty-two (42) projects with a budget of Kshs.104,157,000 were not implemented.

In the circumstances, the delay in implementation of projects denied the residents the expected services.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls 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 controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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

  
 FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**21 May, 2024**


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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	88,000,000	170,088,879
<b>Total Receipts</b>		<b>88,000,000</b>	<b>170,088,879</b>
<b>Payments</b>			
Compensation Of Employees	2	1,393,724	3,030,844
Committee expenses	3	2,795,200	3,456,200
Use Of Goods and Services	4	4,555,377	3,307,665
Transfers To Other Government Units	5	30,592,500	80,150,000
Other Grants and Transfers	6	60,457,000	67,650,260
Acquisition Of Assets	7	500,000	1,900,000
<b>Total Payments</b>		<b>100,293,801</b>	<b>159,494,969</b>
<b>Surplus/ (Deficit)</b>		<b>(12,293,801)</b>	<b>10,593,910</b>

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


The Constituency financial statements were approved by the NGCDFC on 21<sup>st</sup> September 2023 and signed by:

  
Fund Account Manager

Name: Shafee Hassan Odhwa

  
National Sub-County  
Accountant

Name: Winston M. Kalemba  
ICPAK M/No: 11155

  
Chairman NG-CDF  
Committee

Name: Yussuf Abdi Abdullahi

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	8A	49,374,255	61,668,056
Cash Balances (Cash at Hand)	8B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>49,374,255</b>	<b>61,668,056</b>
<b>Accounts Receivable</b>			
Outstanding Imprests			
<b>Total Financial Assets</b>		<b>49,374,254.55</b>	<b>61,668,056</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention		-	-
Gratuity		-	-
<b>Total Financial Liabilities</b>		-	-
<b>Net Financial Assets</b>		<b>49,374,255</b>	<b>61,668,056</b>
<b>Represented By</b>			
Fund Balance B/Fwd	9	61,668,056	51,074,146
Prior Year Adjustments	-		
Surplus/Deficit for The Year		<b>(12,293,801)</b>	<b>10,593,910</b>
<b>Net Financial Position</b>		<b>49,374,255</b>	<b>61,668,056</b>

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

The Constituency financial statements were approved by the NGCDFC on 21<sup>st</sup> September 2023 and signed by:



**Fund Account Manager**

Name: Shafee Hassan Odhwa



**National Sub-County  
Accountant**

Name: Winston M. Kalemba  
ICPAK M/No: 11155



**Chairman NG-CDF  
Committee**

Name: Yussuf Abdi Abdullahi



## 11. Statement of Cash Flows for the Year Ended 30th June 2023

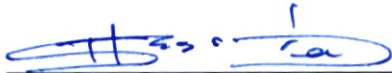
	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	88,000,000	170,088,879
<b>Total Receipts</b>		<b>88,000,000</b>	<b>170,088,879</b>
<b>Payments</b>			
Compensation Of Employees	2	1,393,724	3,030,844
Committee Expenses	3	2,795,200	3,456,200
Use Of Goods and Services	4	4,555,377	3,307,665
Transfers To Other Government Units	5	30,592,500	80,150,000
Other Grants and Transfers	6	60,457,000	67,650,260
<b>Total Payments</b>		<b>99,793,801</b>	<b>157,594,969</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:			
Prior Year Adjustments		-	-
Decrease/(Increase) In Accounts Receivable		-	-
Increase/(Decrease) In Accounts Payable		-	-
<b>Net Cash Flow from Operating Activities</b>		<b>(11,793,801)</b>	<b>12,493,910</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets		-	-
Acquisition Of Assets	7	(500,000)	(1,900,000)
<b>Net Cash Flows from Investing Activities</b>		<b>(500,000)</b>	<b>(1,900,000)</b>
Net Increase In Cash And Cash Equivalent		(12,293,801)	10,593,910
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>8</b>	<b>61,668,056</b>	<b>51,074,146</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>8</b>	<b>49,374,255</b>	<b>61,668,056</b>

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

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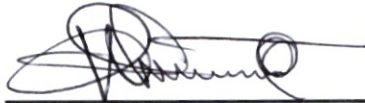
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The Constituency financial statements were approved by the NGCDFC on 21<sup>st</sup> September 2023 and signed by:



**Fund Account Manager**

**Name: Shafee Hassan Odhowa**



**National Sub-County  
Accountant**

**Name: Winston M. Kalemba  
ICPAK M/No: 11155**



**Chairman NG-CDF  
Committee**

**Name: Yussuf Abdi Abdullahi**

*Wajir South Constituency  
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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 %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2021-2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	158,832,745	61,668,057	12,088,879	232,589,681	149,668,056	82,921,625	64
<b>Totals</b>	<b>158,832,745</b>	<b>61,668,057</b>	<b>12,088,879</b>	<b>232,589,681</b>	<b>149,668,056</b>	<b>82,921,625</b>	<b>64</b>
<b>Payments</b>							
Compensation Of Employees	4,749,443	1,803,367	1,157,172	7,709,982	1,393,724	6,316,258	18
Committee Expenses	3,088,000	721,800		3,809,800	2,795,200	1,014,600	73
Use Of Goods and Services	6,402,557	3,723,047		10,125,604	4,555,377	5,570,227	45
Transfers To Other Government Units	51,800,000	47,740,000	8,335,000	107,875,000	30,592,500	77,282,500	28
Other Grants and Transfers	88,704,745	7,679,843	2,596,707	98,981,295	60,457,000	38,524,295	61
Acquisition of Assets	500,000			500,000	500,000	-	100
Oversight Committee Expenses	1,588,000			1,588,000		1,588,000	
Other Payments	2,000,000			2,000,000		2,000,000	
Funds Pending Approval**							
<b>Totals</b>	<b>158,832,745</b>	<b>61,668,057</b>	<b>12,088,879</b>	<b>232,589,681</b>	<b>100,293,801</b>	<b>132,295,880</b>	<b>43</b>

*\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

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**Explanatory Notes.**

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]  
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

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

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	132,295,880
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	82,921,625
	<b>49,374,255</b>
Increase/(decrease) Accounts payable	
(Decrease)/Increase Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>49,374,255</b>

The Constituency financial statements were approved by NG CDFC on 21st September 2023 and signed by



**Fund Account Manager**

**Name: Shafee Hassan Odhowa**



**National Sub-County Accountant**

**Name: Winston M. Kalemba  
ICPAK M/No: 11155**



**Chairman NG-CDF Committee**

**Name: Yussuf Abdi Abdullahi**

*Wajir South Constituency  
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**13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,749,443	1,803,367	1,157,172	7,709,982	1,393,724	6,316,258	
1.2 Committee allowances	1,888,000	259,800		2,147,800	1,665,200	482,600.27	
1.3 Use of goods and services	2,838,557	2,401,708		5,240,265	4,095,378	1,144,887	
<b>Total</b>	<b>9,476,000</b>	<b>4,464,874</b>	<b>1,157,172</b>	<b>15,098,047</b>	<b>7,154,301</b>	<b>7,943,745</b>	
<b>2.0 Monitoring and evaluation</b>						-	
2.1 Capacity building	2,414,000			2,414,000		2,414,000	
2.2 Committee allowances	1,200,000	462,000		1,662,000	1,130,000	532,000.00	
2.3 Use of goods and services	1,150,000	1,321,339		2,471,339	460,000	2,011,339	
<b>Total</b>	<b>4,764,000</b>	<b>1,783,339</b>	<b>-</b>	<b>6,547,339</b>	<b>1,590,000</b>	<b>4,957,339</b>	
<b>3.0 Emergency</b>							
3.1 Primary Schools	5,250,000	3,300,000	52,207	8,602,207	3,300,000	5,302,207	
3.2 Secondary schools	2,300,000			2,300,000		2,300,000	
3.4 Security projects		540,000	-	540,000	540,000	-	
3.5 Unutilised	86,190	130,843		217,033	100,000	117,033	
<b>Total</b>	<b>7,636,190</b>	<b>3,970,843</b>	<b>52,207</b>	<b>11,659,240</b>	<b>3,940,000</b>	<b>7,719,240</b>	

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<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	21,368,555			21,368,555	19,952,000	1,416,555	
4.2 Tertiary Institutions	36,300,000			36,300,000	36,300,000	-	
4.3 Social Security				-		-	
4.4 Special Needs				-	-		
<b>Total</b>	<b>57,668,555</b>	-	-	<b>57,668,555</b>	<b>56,252,000</b>	<b>1,416,555</b>	
<b>5.0 Sports</b>				-		-	
5.1 Regional Sports Activities	600,000			600,000		600,000	
5.2 Constituency Sports Activities	1,900,000	14,000		1,914,000		1,914,000	
<b>Total</b>	<b>2,500,000</b>	14,000		<b>2,514,000</b>		<b>2,514,000</b>	
<b>7.0 Primary Schools Projects</b>							
Sarif Primary School	2,000,000			2,000,000		2,000,000	
Dadajabula Primary School	4,000,000			4,000,000		4,000,000	
Siriba Primary School	2,000,000			2,000,000		2,000,000	
Sukela Primary School	2,000,000			2,000,000		2,000,000	
Ohiyo Primary School	1,300,000			1,300,000		1,300,000	
Kursin Primary School	2,000,000			2,000,000		2,000,000	
Alioismail Primary School	1,000,000			1,000,000		1,000,000	
Aqalar Primary School	2,000,000			2,000,000		2,000,000	
Ajof Primary School	2,000,000			2,000,000		2,000,000	
Tesorie Primary School	2,000,000			2,000,000		2,000,000	
Ildalata Primary School	2,000,000			2,000,000		2,000,000	

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Quli Primary School	2,000,000			2,000,000		2,000,000	
Alidumali Primary School	2,500,000			2,500,000		2,500,000	
Bojiyare Primary School	1,300,000			1,300,000		1,300,000	
Matawarsesa Primary School	1,300,000			1,300,000		1,300,000	
Biyamathow Primary School	4,000,000			4,000,000		4,000,000	
Diff oldam Primary School		1,000,000		1,000,000	950,000	50,000	
Bilimarado Primary School		1,300,000		1,300,000	1,235,000	65,000	
Daresalam Primary School(Leheley Bali)		1,300,000		1,300,000		1,300,000	
Labiaryar Primary School		1,300,000		1,300,000		1,300,000	
Abaghalul Primary School		1,000,000		1,000,000	950,000	50,000	
Aktalehel Primary School		1,500,000		1,500,000	1,425,000	75,000	
Ibrahim Ure Primary School		1,200,000		1,200,000		1,200,000	
Hambalash Primary School		1,000,000		1,000,000		1,000,000	
Elado Primary School		1,500,000		1,500,000	1,425,000	75,000	
Luqungoroya Primary School		1,300,000		1,300,000		1,300,000	
Tahsila Primary School		1,300,000		1,300,000		1,300,000	
Welari Primary School		1,800,000		1,800,000	1,800,000	-	
Gumajerin Primary School		150,000		150,000	150,000	-	
Midnimo Primary School		1,300,000		1,300,000		1,300,000	
Madhahbaqay Primary School		2,000,000		2,000,000		2,000,000	
Biyamathow Primary School		1,200,000		1,200,000	1,200,000	-	
Iskadeg Primary School							

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		1,300,000		1,300,000		1,300,000	
Dulgub Primary School		1,300,000		1,300,000	1,235,000	65,000	
Sabena Primary School		1,300,000		1,300,000	1,235,000	65,000	
Banane Shantatal Primary school		1,000,000		1,000,000		1,000,000	
Dahabley Primary School			1,000,000	1,000,000		1,000,000	
Jilalow Primary School		15,000	65,000	80,000		80,000	
Madina Primary School			65,000	65,000		65,000	
Kulaley Primary School		50,000	75,000	125,000		125,000	
Machesa Primary School			65,000.00	65,000		65,000	
Shoma Geri Primary School		65,000		65,000	65,000	-	
Shabeel Duula Primary School			65,000	65,000		65,000	
Abore Primary School			65,000	65,000		65,000	
Abaqmadobe Primary School		2,500	67,500	70,000		70,000	
Fini Primary Schools			50,000	50,000		50,000	
Habaswein Primary School			100,000	100,000		100,000	
<b>Total</b>	<b>33,400,000</b>	25,182,500	<b>1,617,500</b>	<b>60,200,000</b>	<b>11,670,000</b>	<b>48,530,000</b>	
<b>8.0 Secondary Schools Projects</b>						-	
Diff Secondary School	5,000,000			5,000,000		5,000,000	
Habaswein Boys Secondary School	3,000,000			3,000,000		3,000,000	
Ibrahim Ure Secondary School		2,600,000		2,600,000	2,400,000	200,000	
Leheley Girls Secondary School		200,000		200,000	200,000	-	
Leheley Girls Secondary School		2,500,000		2,500,000	2,375,000	125,000	



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Leheley Girls Secondary School		250,000		250,000		250,000	
Laghbogol South Secondary School		2,600,000		2,600,000		2,600,000	
Sarif Secondary School		2,600,000		2,600,000	2,400,000	200,000	
Habaswein Mixed Secondary School		200,000		200,000	190,000	10,000	
Burder Mixed Secondary School		100,000		100,000		100,000	
Abakore Mixed Day Secondary School		250,000		250,000		250,000	
Inshaallah High School		200,000		200,000		200,000	
Abakore Mixed day secondary school		600,000		600,000	200,000	400,000	
Burder Mixed Secondary School		200,000		200,000		200,000	
Habaswein Boys Secondary School		125,000		125,000	125,000	-	
sabuli mixed secondary School		200,000		200,000		200,000	
Abakore mixed Day secondary		200,000		200,000		200,000	
Habaswein mixed Day secondary		200,000		200,000		200,000	
Leheley Girls Secondary School		1,082,500	67,500	1,150,000	1,082,500	67,500	
Abakore Mixed day secondary school		3,500,000		3,500,000	3,500,000	-	
Leheley Girls Secondary School		200,000		200,000		200,000	
Diff Secondary School			4,000,000	4,000,000		4,000,000	
Inshaallah High School			200,000	200,000		200,000	
Abakore Mixed Day Secondary School			50,000	50,000		50,000	
Snr Chief Ogle Girls Secondary School			2,300,000	2,300,000	2,300,000	-	
Snr Chief Ogle Girls Secondary School			100,000	100,000		100,000	

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Inshaallah High School		3,900,000		3,900,000	3,700,000	200,000	
<b>Total</b>	<b>8,000,000</b>	21,707,500	<b>6,717,500</b>	<b>36,425,000</b>	<b>18,472,500</b>	<b>17,952,500</b>	
<b>9.0 Tertiary institutions Projects</b>				-		-	
Wajir South Technical & Vocational College	3,600,000			3,600,000		3,600,000	
Wajir South Technical & Vocational College	6,800,000			6,800,000		6,800,000	
Wajir South Technical & Vocational College		400,000		400,000		400,000	
Diff Sub-county Education Office		450,000		450,000	450,000	-	
<b>Total</b>	<b>10,400,000</b>	<b>850,000</b>	<b>-</b>	<b>11,250,000</b>	<b>450,000</b>	<b>10,800,000</b>	
<b>10.0 Security Projects</b>				-		-	
Abakore Police station	3,600,000			3,600,000		3,600,000	
Abakore Police station	5,000,000			5,000,000		5,000,000	
Ibrahim Ure Police station	1,600,000			1,600,000		1,600,000	
Ibrahim Ure Police station	6,000,000			6,000,000		6,000,000	
Habaswein Deputy County Commissioner	500,000			500,000		500,000	
Sabuli Deputy County Commissioner resident	4,200,000			4,200,000		4,200,000	
Habaswein Police Station		2,000,000		2,000,000		2,000,000	
Diff Deputy County Commissioner Residency		100,000		100,000		100,000	
Dagahley Police Station		250,000		250,000		250,000	
Dadajbula Police Station		250,000		250,000		250,000	
Diff Deputy County Commissioner Office		100,000		100,000		100,000	
Diff Deputy County							

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Commissioner office		265,000		265,000	265,000	-
Sabuli Police Station		100,000		100,000		100,000
Leheley Police Unit		500,000		500,000		500,000
Diff Police Unit		130,000		130,000		130,000
Habaswein Deputy County Commissioner			479,500	479,500		479,500
Habaswein Police Unit			2,000,000	2,000,000		2,000,000
Ibrahim ure Chief Office			65,000	65,000		65,000
<b>Total</b>	<b>20,900,000</b>	<b>3,695,000</b>	<b>2,544,500</b>	<b>27,139,500</b>	<b>265,000</b>	<b>26,874,500</b>
<b>11.0 Acquisition of assets</b>						
Wajir South NG-CDF Office	500,000			500,000	500,000	-
<b>Total</b>	<b>500,000</b>		<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
<b>12.0 Oversight Committee Expense</b>						
Hire of Transport	420,000			420,000		420,000
Daily Subsistence Allowance	350,000		-	350,000	-	350,000
Other Committee Expenses	818,000		-	818,000	-	818,000
<b>Total</b>	<b>1,588,000</b>		<b>-</b>	<b>1,588,000</b>	<b>-</b>	<b>1,588,000</b>
<b>13.0 Other payments</b>						
<b>Strategic Plan</b>	<b>2,000,000</b>			<b>2,000,000</b>		<b>2,000,000</b>
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>

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<b>14.0 unallocated fund</b>							
Unapproved projects							-
AIA							-
PMC savings							
<b>Total</b>							-
	<b>158,832,745</b>		<b>12,088,879</b>	<b>232,589,681</b>	<b>100,293,801</b>	<b>132,295,880</b>	
<b>STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)</b>							
Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
		Opening Balance (C/Bk) and AIA	<b>Previous years Outstanding Disbursements</b>				
<b>PAYMENTS</b>							
Compensation of Employees	4,749,443	1,803,367	1,157,172	7,709,982	1,393,724	6,316,258	
Use of goods and services	3,088,000	721,800	-	3,809,800	2,795,200	1,014,600	
Transfers to Other Government Units	6,402,557	3,723,047	-	10,125,604	4,555,378	5,570,227	
Other grants and transfers	51,800,000	47,740,000	8,335,000	107,875,000	30,592,500	77,282,500	
Acquisition of Assets	88,704,745	7,679,843	2,596,707	98,981,295	60,457,000	38,524,295	-
Oversight Committee Expense	500,000	-	-	500,000	500,000	-	-
Other payments	1,588,000	-	-	1,588,000	-	1,588,000	
UNALLOCATED FUND	2,000,000	-	-	2,000,000	-	2,000,000	
<b>TOTAL</b>	<b>158,832,745</b>	<b>61,668,057</b>	<b>12,088,879</b>	<b>232,589,681</b>	<b>100,293,801</b>	<b>132,295,880</b>	

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

#### **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 (gratuity and retentions).

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

##### **2. Reporting Entity**

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

##### **3. Reporting Currency**

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

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

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

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

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

***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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



***Significant Accounting Policies continued***

**6. Cash and Cash Equivalent.**

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

***Significant Accounting Policies continued***

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

***Significant Accounting Policies continued***

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2023 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year

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

**12. Comparative Figures**

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

***Significant Accounting Policies Continued***

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO.B105324		33,000,000
AIE NO.B105620		10,000,000
AIE NO.B105405		34,000,000
AIE NO.B105957		22,000,000
AIE NO.B163896		12,000,000
AIE NO.B154240		12,000,000
AIE NO.B128734		5,000,000
AIE NO.B154457		18,000,000
AIE NO.B155511		24,088,879
AIE NO.B206283	5,000,000	
AIE NO.B206236	28,000,000	
AIE NO.B205634	12,000,000	
AIE NO.B205930	12,000,000	
AIE NO.B207709	16,000,000	
AIE NO.B207946	15,000,000	
<b>TOTAL</b>	<b>88,000,000</b>	<b>170,088,879</b>

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*Notes to the Financial Statements (Continued)*

**2. Compensation of Employees**

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,340,040	2,020,800
Gratuity to contractual employees	-	989,244
Employer Contributions Compulsory national social security schemes	53,684	20,800
<b>Total</b>	<b>1,393,724</b>	<b>3,030,844</b>

**3. Committee Expenses**

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	682,000	1,920,000
Other committee expenses	2,113,200	1,536,200
<b>Total</b>	<b>2,795,200</b>	<b>3,456,200</b>

**4. Use of Goods and services**

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	217,550	199,150
Communication, supplies and services	60,000	-
Domestic travel and subsistence	-	406,600
Rentals of produced assets	-	165,000
Training expenses	-	1,748,000
Hospitality supplies and services	100,000	-
Specialised materials and services	900,000	-
Office and general supplies and services	1,819,650	350,000
Fuel , oil & lubricants	-	68,706
Other operating expenses	-	350,000
Bank Charges	33,227	20,209
Routine maintenance- other assets	1,424,950	-
<b>Total</b>	<b>4,555,377</b>	<b>3,307,665</b>

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**Notes to The Financial Statements (Continued)**

**5. Transfer to Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	11,670,000	17,250,000
Transfers To Secondary Schools (See Attached List)	18,472,500	57,800,000
Transfers To Tertiary Institutions (See Attached List)	450,000	5,100,000
<b>Total</b>	<b>30,592,500</b>	<b>80,150,000</b>

**6. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,577,000	9,000,000
Bursary – tertiary institutions (see attached list)	37,675,000	15,000,000
Security projects (see attached list)	905,000	32,336,260
Sports projects (see attached list)	-	3,600,000
Environment projects (see attached list)	-	900,000
Emergency projects (see attached list)	3,300,000	6,814,000
<b>Total</b>	<b>60,457,000</b>	<b>67,650,260</b>

**7. Acquisition of Assets**

	2022-2023	2021-2022
	Kshs	Kshs
Construction of Buildings	500,000	1,900,000
<b>Total</b>	<b>500,000</b>	<b>1,900,000</b>

**8. Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>8A: Bank Accounts (Cash Book Bank Balance)</b>		
First Community Bank-Wajir Branch A/C no.00095310	21,917,156	61,668,056
National Bank of Kenya,-Wajir Branch A/C no. 5325533770	27,457,099	-
<b>Total</b>	<b>49,374,255</b>	<b>61,668,056</b>
<b>8B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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*Notes to the Financial Statement Continued*

**9. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	61,668,056	51,074,146
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	61,668,056	51,074,146

**10. Other Important Disclosure**

**10.1: Unutilized Fund (See Annex 1)**

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	6,316,258	2,960,539
Committee expense	1,014,199	-
Use of goods and services	5,570,628	4,444,847
Amounts due to other Government entities (see attached list)	66,482,500	56,075,000
Amounts due to other grants and other transfers (see attached list)	49,324,295	10,276,550
Acquisition of assets	-	-
Oversight Committee Expenses	1,588,000	-
Other Payments (specify)	2,000,000	-
Funds pending approval	-	-
<b>Total</b>	<b>132,295,880</b>	<b>73,756,935</b>

**10.2: PMC account balances (See Annex 3)**

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	10,397	6,502
<b>Total</b>	<b>10,397</b>	<b>6,502</b>

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**Annexes**

**Annex 1: Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
<b>Compensation of employees</b>				
staff salaries	Payment of staff Salaries	6,316,258		
<b>Use of goods &amp; services</b>				
Committee allowances	Payment of Committee Allowances	482,199		
Use of goods and services	Payment of office Expenses	1,145,288		
Capacity building	Capacity Building	2,414,000		
Committee allowances	Payment of Committee Allowances	532,000		
Use of goods and services	Payment of office Expenses	2,011,339		
<b>Sub-Total</b>		<b>12,901,085</b>		
<b>Amounts due to other Government entities</b>				
<b>Primary Schools Projects</b>				
Sarif Primary School	Five Classrooms renovation	2,000,000		
Dadajabula Primary School	Eight Classrooms Renovations	4,000,000		
Siriba Primary School	Construction of Two Classrooms	2,000,000		
Sukela Primary School	Construction of Two Classrooms	2,000,000		
Ohiyo Primary School	Construction of one Classroom & latrine	1,300,000		



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Kursin Primary School	Construction of Two Classrooms	2,000,000		
Alioismail Primary School	Construction of one Classroom	1,000,000		
Aqalar Primary School	Construction of Two Classrooms	2,000,000		
Ajof Primary School	Construction of Two Classrooms	2,000,000		
Tesorie Primary School	Construction of Two Classrooms	2,000,000		
Ildalata Primary School	Construction of Two Classrooms	2,000,000		
Quli Primary School	Construction of Two Classrooms	2,000,000		
Alidumali Primary School	Construction of Two Classrooms & toilet	2,500,000		
Bojiyare Primary School	Construction of one Classroom & latrine	1,300,000		
Matawarsesa Primary School	Construction of one Classroom & latrine	1,300,000		
Biyamathow Primary School	Construction of Chain-link fence	4,000,000		
Diff oldam Primary School	Construction of one Classroom	50,000		
Bililmarado Primary School	Construction of one Classroom & latrine	65,000		
Daresalam Primary School(Leheley Bali)	Construction of one Classroom & latrine	1,300,000		
Labiyaryar Primary School	Construction of one Classroom & latrine	1,300,000		
Abaghalul Primary School	Construction of one Classroom	50,000		
Aktalehel Primary School	Construction of staff Houses	75,000		

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Ibrahim Ure Primary School	Renovation of two classrooms	1,200,000		
Hambalash Primary School	Construction of one Classroom	1,000,000		
Elado Primary School	Construction of staff Houses	75,000		
Luqungoroya Primary School	Construction of one Classroom & latrine	1,300,000		
Tahsila Primary School	Construction of one Classroom & latrine	1,300,000		
Midnimo Primary School	Construction of one Classroom & latrine	1,300,000		
Madhahbaqay Primary School	Construction of Two Classrooms	2,000,000		
Iskadeq Primary School	Construction of one Classroom & latrine	1,300,000		
Dulgub Primary School	Construction of one Classroom & latrine	65,000		
Sabena Primary School	Construction of one Classroom & latrine	65,000		
Banane Shantara Primary school	Construction of one Classroom	1,000,000		
Dahabley Primary School	Construction of one Classroom & latrine	1,000,000		
Jilalow Primary School	Construction of one Classroom	80,000		
Madina Primary School	Construction of one Classroom & latrine	65,000		
Kulaley Primary School	Construction of Masonry tank	125,000		
Machesa Primary School	Construction of one Classroom & latrine	65,000		

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Shabeel Duula Primary School	Construction of one Classroom & latrine	65,000		
Abore Primary School	Construction of one Classroom & latrine	65,000		
Abaqmadobe Primary School	Construction of Masonry tank	70,000		
Fini Primary Schools	Construction of one Classroom	50,000		
Habaswein Primary School	Construction of Two Classrooms	100,000		
<b>Secondary schools projects</b>				
Diff Secondary School	Construction of Chain-link fence	5,000,000		
Habaswein Boys Secondary School	Renovation of a dormitory	3,000,000		
Ibrahim Ure Secondary School	Construction of Two Classrooms	200,000		
Leheley Girls Secondary School	Construction of a dormitory	125,000		
Leheley Girls Secondary School	Construction of Chain-link fence	250,000		
Laghbogol South Secondary School	Construction of Two Classrooms	2,600,000		
Sarif Secondary School	Construction of Two Classrooms	200,000		
Habaswein Mixed Secondary School	Construction of Masonry tank	10,000		
Burder Mixed Secondary School	Construction of Masonry tank	100,000		
Abakore Mixed Day Secondary School	Construction of Chain-link fence	250,000		
Inshaallah High School	Drilling of borehole	200,000		
Abakore Mixed day secondary school	Drilling of borehole	400,000		
Burder Mixed Secondary School	Construction of laboratory			

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		200,000		
sabuli mixed Secondary School	Construction of Masonry tank	200,000		
Abakore mixed Day secondary	Construction of Masonry tank	200,000		
Habaswein mixed Day secondary	Drilling of borehole	200,000		
Leheley Girls Secondary School	Construction of Masonry tank	67,500		
Abakore Mixed day secondary school	Drilling of borehole	200,000		
Diff Secondary School	Construction of Chain-link fence	4,000,000		
Inshaallah High School	Drilling of borehole	200,000		
Abakore Mixed Day Secondary School	Construction of one Classroom	50,000		
Snr Chief Ogle Girls Secondary School	Construction of Two Classrooms	100,000		
Inshaallah High School	Construction of masonry tank	200,000		
	<b>Sub-Total</b>	<b>66,482,500</b>		
<b>Amounts due to other grants and other transfers</b>				
<b>Emergency</b>				
Primary Schools		5,302,207		
Secondary schools		2,300,000		
Unutilised		117,033		
<b>Bursary and Social Security</b>				
Secondary Schools	Secondary school bursary	1,416,555		
<b>Sports</b>				

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Regional Sports Activities	Regional Tournament	600,000		
Constituency Sports Activities	Constituency Tournament	1,914,000		
<b>Tertiary institutions Projects</b>				
Wajir South Technical & Vocational College	Purchase of Genset	3,600,000		
Wajir South Technical & Vocational College	Construction of Chain-link fence	6,800,000		
Wajir South Technical & Vocational College	Drilling of borehole	400,000		
<b>Security Projects</b>				
Abakore Police station	Construction of police houses	3,600,000		
Abakore Police station		5,000,000		
Ibrahim Ure Police station	Renovation of police houses	1,600,000		
Ibrahim Ure Police station	Construction of Chain-link fence	6,000,000		
Habaswein Deputy County Commissioner	Purchase of office furniture	500,000		
Sabuli Deputy County Commissioner resident	Construction of DCC resident	4,200,000		
Habaswein Police Station	Construction of office	2,000,000		
Diff Deputy County Commissioner Residency	Construction of perimeter fence	100,000		
Dagahley Police Station	Construction of Chain-link fence	250,000		
Dadajbula Police Station	Construction of Chain-link fence	250,000		
Diff Deputy County Commissioner Office	Construction of Masonry tank	100,000		
Sabuli Police Station	Construction of office	100,000		

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Leheley Police Unit	Drilling of borehole	500,000		
Diff Police Unit	Construction of office	130,000		
Habaswein Deputy County Commissioner	Purchase of office furniture	479,500		
Habaswein Police Unit	Construction of office	2,000,000		
Ibrahim ure Chief Office	Construction of chief office	65,000		
	<b>Sub-Total</b>	<b>49,324,295</b>		
<b>Oversight Committee Expense</b>				
Hire of Transport	Hire of Transport	420,000		
Daily Subsistence Allowance	Daily Subsistence Allowance	350,000		
Other Committee Expenses	Other Committee Expenses	818,000		
<b>Others (specify)</b>				
Strategic Plan	Strategic Plan	2,000,000		
	<b>Sub-Total</b>	<b>3,588,000</b>		
	<b>Grand Total</b>	<b>132,295,880</b>		

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**Annex 2: Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land				
Buildings and structures	8,700,000	500,000		9,200,000
Transport equipment				
Office equipment, furniture and fittings	1,748,670			1,748,670
ICT Equipment, Software and Other ICT Assets	1,304,470			1,304,470
Other Machinery and Equipment	1,553,500			1,553,500
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>13,306,640</b>			<b>13,806,640</b>

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**Annex 3: PMC Bank Balances As At 30<sup>th</sup> June 2023**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Gumarjerin Primary School PMC	Premier Bank	17074901	1,000	
Diff oldam Primary School PMC	Premier Bank	80010437	670	
Biyamathow Primary School PMC	Premier Bank	17403901	1,000	
Aktalehel Primary School PMC	Premier Bank	8000413401	1,000	
Abakore Mixed Day Secondary school	Premier Bank	8000931401	0	
Inshaallah Secondary School	Premier Bank	70001977	1,290	
Ibrahim Ure Secondary School PMC	Premier Bank	17227301	2,000	
Senior Chief Ogle Girls Pmc	Premier Bank	700009081	0	
Diff police Post PMC	Premier Bank	16627301	1,000	
Diff sub-county PMC	Premier Bank	16932101	1,400	
Diff DEO OFFICE PMC	Premier Bank	17315501	1,037	
Dadajabula Police Project Management committee	Premier Bank	0017053901		1,000
Diff Secondary School PMC	Premier Bank	8000554001		3,210
Burder Mixed Secondary School PMC	Premier Bank	8001154902		2,292
<b>Total</b>			<b>10,397</b>	<b>6,502</b>



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**Annex 4: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Budgetary Control and Performance	The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.233,251,905 and Kshs.221,163,025 respectively resulting to underfunding of Kshs.12,088,879 or 5% of the approved budget. Similarly, the Fund spent Kshs.159,494,969 against actual receipts of Kshs.221,163,025 resulting to an under expenditure of Kshs.61,668,056 or 28% of the actual amount received.	I. The NG-CDF committee can only utilized/account for monies received from National Government CDF Board. The NG-CDF Committee has not received an amount Kshs12,088,879 or 5% of the approved budget of financial year 2020-2021 from the NG-CDF board up to date II. The under expenditure of kshs73,756,936 or 32% of budget was occasioned by liquidity issues of the constituency banker (First Community Bank) that had challenges in clearing cheques, RTGS were not going through so disbursement to project management committees were	Resolved	

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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)
		affected. The committee decided to suspend implementation of the projects until bank liquidity challenges are over. The bank situation hasn't changed up-to-date		
2.0 Delay in Projects Implementation	During the year under review, the Fund had an approved budget of Kshs.233,251,905 as reflected in the summary statement of appropriation for implementation of one hundred and nine (109) worth of projects. Review of the Project Implementation Status together with projects inspections carried out revealed that eleven (11) projects with a budget of Kshs.23,679,500 were not implemented	Delayed Implementation of the projects was occasioned by liquidity challenges of the constituency banker (First Community Bank) that had challenges in clearing cheques, RTGS were not going through so disbursement to project management committees were affected. The committee decided to hold on implementation of the projects until bank liquidity challenges are over. The bank situation hasn't changed up-to-date	Resolved	
1. Failure to Disclose	Audit of the expenditure	The NG-CDF committee	Resolved	

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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)
Utilization of Emergency Reserve	revealed that Management did not report the emergency expenditure to the National Government Constituency Development Board within thirty (30) days of the occurrence of the emergency expenditure as required	in line with Section 20(2) of the National Government Constituencies Development Fund Regulations confirmed to have reported emergency occurrences to the NG-CDF Board. Emergency reports are not supported with payment vouchers rather they are being filed separately. Provided herewith copies of emergency reports to submitted to NG-CDF Board		
2. Failure to Revalue Assets	The Management did not provide evidence to confirm that assets whose value may have significantly changed overtime were revalued	I. The committee will engage with Government valuers in future to ascertain actual values of asset held by office	Resolved	

  
 Name Shafee Hassan Othowa  
 Fund Account Manager.

