

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
WAJIR NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE:

07 AUG 2019

wednesday

TABLED
BY:

Hon. Benjamin Wanjau
(Majority Party Whip)
Halima Ahmed

PARLIAMENT
OF KENYA
LIBRARY



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND WAJIR NORTH
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Table of Content

	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN.....	5
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.....	8
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	9
V. STATEMENT OF ASSETS AND LIABILITIES.....	10
VI. STATEMENT OF CASHFLOW.....	11
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	12
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	14
IX. NOTES TO THE FINANCIAL STATEMENTS.....	18

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF WAJIR NORTH day today management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Yusuf Daud Ahmed
3.	Sub-County Accountant	Rashid Ahmed
4.	Chairman NGCDFC	Yussuf Abdullahi Ali
5.	Member NGCDFC	Halima Abdullahi Adan

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF WAJIR NORTH Constituency Headquarters

P.O. Box 149060200

MOYALE, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF WAJIR NORTH Constituency Contacts

Telephone: (254) 0721164615

E0mail: yahmed@cdf.go.ke

Website: www.go.ke

(g) NGCDF WAJIR NORTH Constituency Bankers

1. KENYA COMMERCIAL BANK
P.O. Box 149-60200
Moyale, Kenya
2. FIRST COMMUNITY BANK (specify the constituency account banker details)
P.O. BOX 425-70100
WAJIR
...

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

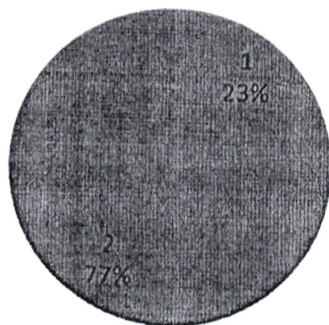
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY**

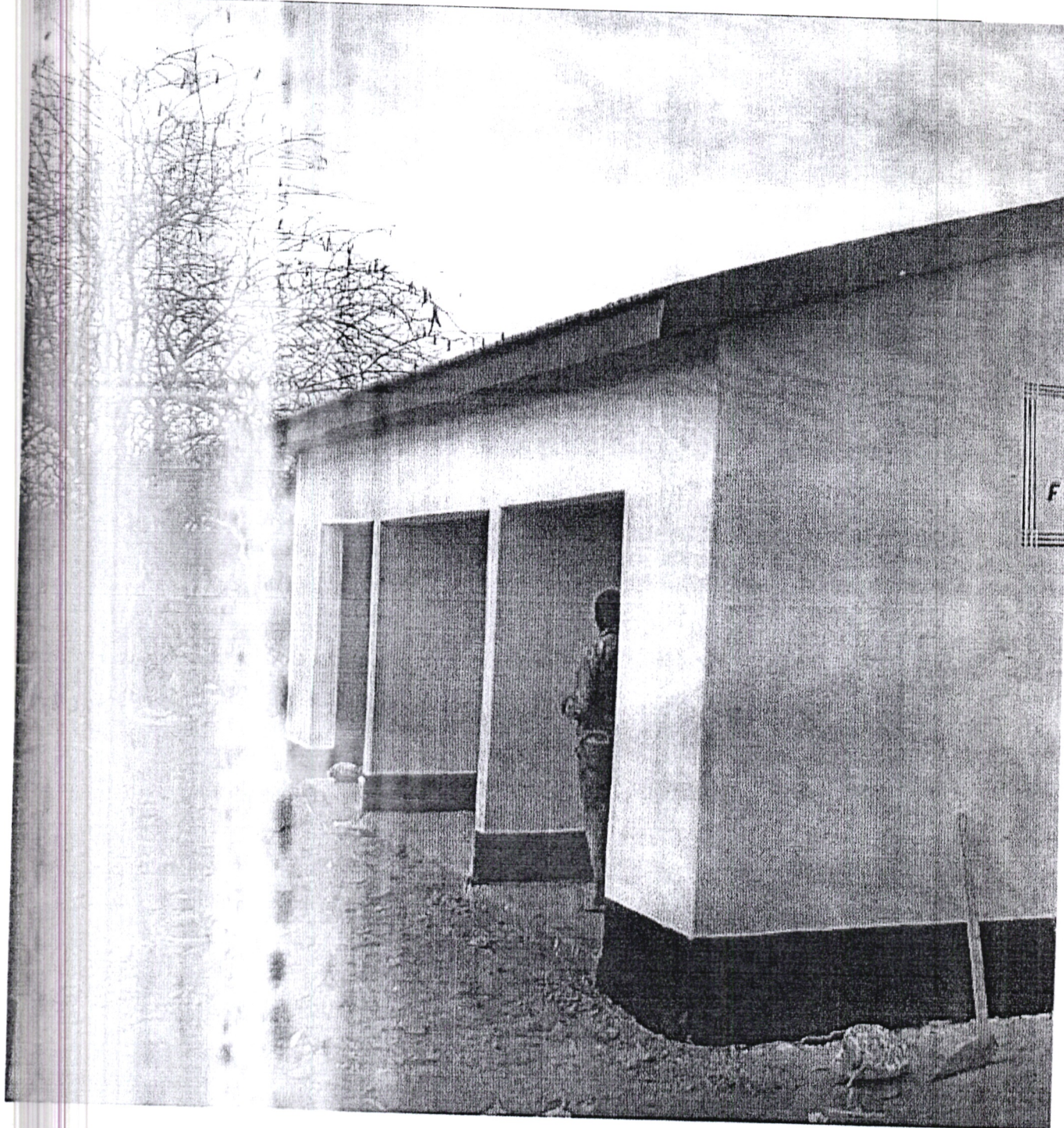
**Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NGCDFC would wish to have in summary the budget performance against actual amounts for current year based on economic classification and programs. The NGCDF have improved the Education and Security infrastructures of Wajir North Constituency. However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations and the four month transition period from CDF to NGCDF.

**constituency funding for 1. f/y 2017-
2018 and 2. f/y 2016-2017**

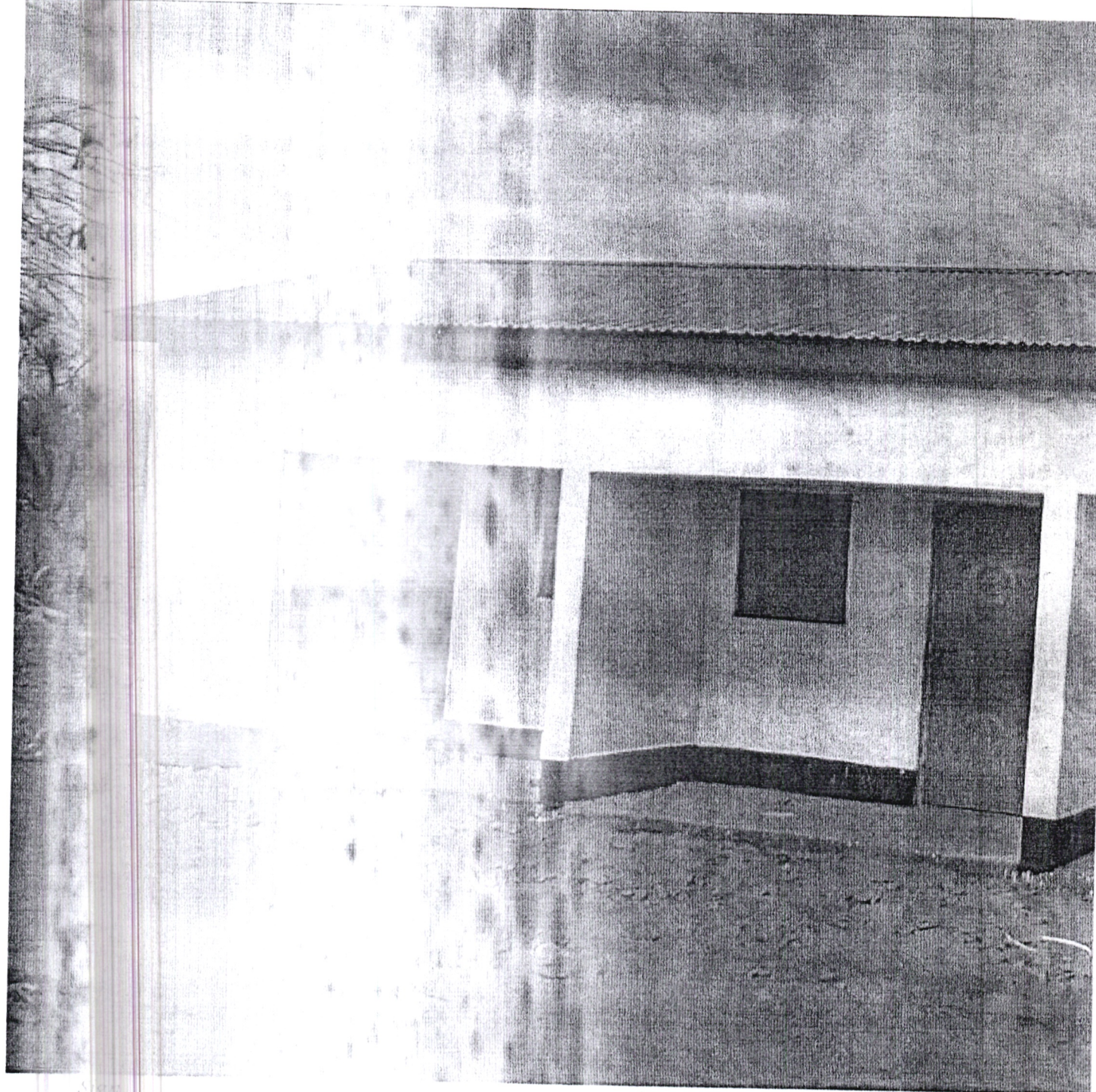




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2011



Page

CHAIRMAN NGCDF

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF **WAJIR NORTH** Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF **WAJIR NORTH** Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF **WAJIR NORTH** Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF **WAJIR NORTH** Constituency financial statements were approved and signed by the Accounting Officer on 25/6/ 2018.

Fund Account Manager

Name: Yussuf D Ahmed

Sub-County Accountant

Name: Rashid Ahmed

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir North Constituency set out on pages 9 to 34 which comprise statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Wajir North Constituency as at June 30 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

A review of the bank reconciliation statement for the month of June 2018 revealed the following observations:-

1.1 Unrepresented Stale Cheques

Included in the balance of Kshs.9,822,522 in respect of payments in cash book not yet recorded in the bank statement (unrepresented cheques) are stale cheques amounting to

Report of the Auditor-General on the National Government Constituencies Development Fund - Wajir North Constituency for the year ended 30 June 2018

Kshs.539,182. Some of the cheques were paid to various learning institutions for bursaries to needy students and Kenya Revenue Authority dated back to 20 April 2017 and continued reflecting as unpresented cheques. No explanation was given why the cash book had not been updated.

1.2 Payment in Bank Statement not in Cash Book

Included in the payments in bank statement not in cash book balance of Kshs.29,112 is an amount of Kshs.16,383 which are mainly bank charges but which have remained uncleared for considerable period of time.

Consequently, it has not been possible to confirm that the cash and cash equivalents balance of 9,822,522 as at 30 June 2018 is fairly stated.

2. Procurement of Emergency Projects

Included in other grants and other payments of Kshs.24,990,000 under note 7 to the financial statements is an amount of Kshs.3,760,000 spent on emergency projects. However, a review of the expenditure on the emergency projects revealed the following anomalies-

- (i) An amount of Kshs.400,000 was incurred on renovation of toilets. However, although the Fund budgeted for the amount, there was no cost estimate prepared by an engineer and therefore it is not clear how the figure was arrived at. Full payment was made to the contractor, without certificate of inspection and acceptance committee contrary to Section 48(3)(c) of Public Procurement and Assets Disposal Act, 2015. The payment was also not supported with completion certificate from an engineer and supplier's invoice.
- (ii) The Fund made payments of allowances amounting to Kshs.400,000 to various elders who were engaged in peace talks in various locations within the constituency.

However, the payments were not supported with work tickets of the vehicles used during the peace meetings. Details of venues and dates of the peace meetings were also not availed for audit review.

- (iii) The Fund made payments amounting to Kshs.2,880,000 to Wajir Plaza filling station for supply of 23,133 liters of diesel for various boreholes within the Constituency. However, a bulk fuel register to record the fuel purchased and issues of the same was not maintained. Although the fuel was allegedly issued to the Water Users Association, the delivery notes were signed by individuals and the expenditure was not supported with requisitions from the water users' association. Further, there were no acknowledgement letters from the boreholes management. It was therefore not possible to confirm whether the alleged fuel was actually supplied to the boreholes.

Consequently, the probity of the expenditure of Kshs.3,680,000 as at 30 June 2018 could not be confirmed.

Key Audit Matters

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

Other Matter

1. Budget Performance Analysis

A review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget amounting to Kshs.100,914,800. However, an amount of Kshs.1,125,145 was unspent balance for the financial year 2016/2017. The budget utilization on receipts and expenditure are as follows:-

Item	Budget Kshs.	Actual Kshs.	Variance Kshs.	% Utilization
Receipts	100,914,800	46,130,317	54,784,483	46%
Expenditure	100,914,800	36,307,795	64,607,005	36%

The above analysis reflects actual receipts of Kshs.46,130,317 against budgeted amount of Kshs.100,914,800 resulting to underfunding of Kshs.54,784,483 representing 54% of the funds budgeted for the year. Further, the Fund spent an amount of Kshs.36,307,795 against a budgeted amount of Kshs.100,914,800 resulting to under expenditure of Kshs.64,607,005 representing 64% of the approved budget. The under expenditure was recorded in use of goods and services, transfers to other Government units and other grants and transfers as detailed below:-

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Expenditure Kshs.	% Difference
Use of goods and services	6,068,531	3,678,000	2,390,531	39.39%
Transfers to other Government units	40,797,989	1,900,000	38,897,989	95.34%
Other grants and transfers	48,303,879	24,990,000	23,313,879	48.27%
Totals	95,170,399	30,568,000	64,602,399	

From the analysis above, the Fund had serious under expenditure on transfers to other Government units. The Fund implemented none of the twenty-eight (28) projects planned for implementation during the year under review. No reason was given for not utilizing the fund allocated for the year.

2. Projects Status

According to the code list for the approved projects for the financial year 2017/2018, the Fund had planned to implement twenty-eight (28) projects comprising thirteen (13) primary school projects, two (2) secondary school projects, eleven (11) security projects, one (1) constituency strategic plan and one (1) Constituency Innovation Hub with a total allocation of Kshs.50,989,655. However, the financial statements and the supporting ledgers revealed that the Fund only implemented the constituency strategic plan and the remaining twenty-seven (27) projects with a total allocation of Kshs.46,989,655 had not been implemented as detailed below:-

	Entity	Project Details	Amount Kshs.
	Primary Schools		
1	Balatul Amin Primary School	Construction of one classroom	800,000
2	Garakilo Primary School	Construction of two classrooms	1,600,000
3	Chalalaqa Primary School	Construction of two classrooms Kshs.1,600,000 and two Toilets Kshs.400,000	2,000,000
4	Ajawa Primary School	Fencing with concrete and cider post to completion 300M	3,200,000
5	Watiti Primary School	Construction of two classrooms Kshs.1,600,000 and two Toilets Kshs.400,000	2,000,000
6	Korondille Primary School	Renovation and repairs of three classrooms(roofing)	500,000
7	Rabsu Primary School	Construction of one classroom	800,000
8	Tularoba Primary School	Construction of complete Two Classrooms	1,600,000
9	Garsake Primary School	Construction of complete Two Classroom	1,600,000
10	Beramu Primary School	Construction of complete Two Classroom	1,600,000
11	Beramu Primary School	Construction of three rooms(staff quarters)	1,800,000
12	Ingriri Primary School	construction of two staff quarters	1,200,000
13	Bute Arid Zone Primary School	Supply of chairs and chambers 200pcs at Kshs.6000 each	1,200,000
	Secondary Schools		
1	Bute Mixed Secondary School	Construction of a laboratory	2,400,000
2	Danaba day secondary school	Construction of two classrooms	1,600,000
	Security		
1	Gurar AP Camp	Construction of two rooms and two toilets	1,600,000

	Entity	Project Details	Amount Kshs.
2	Bute AP Camp	Construction of two rooms	1,200,000
3	Bute Police Camp	Supply of furniture-3tables and 70 chairs	512,628
4	Danaba AP Camp	Construction of two rooms	1,200,000
5	Gulani AP Camp	Construction of three rooms and two toilets	2,200,000
6	Qaranri AP Camp	Construction of three rooms and two toilets	2,200,000
7	Qudama AP Camp	Construction of two rooms and toilets	1,600,000
8	Lakoley North AP Camp	Construction of three rooms and two toilets	3,000,000
9	Batalo AP Camp	Fencing with barbed wire and cider posts	1,500,000
10	Masalale AP Camp	Construction of three rooms and one toilets	2,000,000
11	Malkagufu AP Camp	Construction of two rooms and two toilets	1,400,000
	Others		
1	Constituency Innovation Hub	Installation of satellite Antenna, Router, Digital Access Kit and Digital Ruggedized tablets, Wi-Fi with outdoor wireless device complete with 12U cabinet complete with installation accessories in 4 sites	4,677,027
	Totals		46,989,655

Although the Fund attributes the non-implementation to the delay of funding from the Board, non-implementation of development projects affects delivery of goods and services to the constituents.

3. Fixed Assets

Included in summary of fixed assets register balance of Kshs.9,889,900 under Annex 6 to the financial statements is a balance of Kshs.5,300,000 in respect of the Fund's office buildings and structure. However, the ownership documents of the land where the building of the office was constructed was not availed for audit review.

In view of the above anomalies, the legality and ownership of the land could not be ascertained.

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

Development Fund – Wajir North Constituency in accordance with ISSAI 30 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion 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

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, GOVERNANCE AND RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to close operations, or have no realistic alternative but to do so.

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 financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

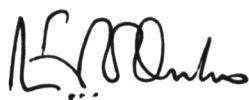
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

25 June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

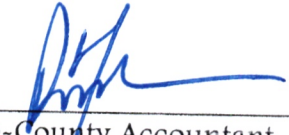
For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board/AIEs' Received	1	45,005,172.00	152,006,444.00
Proceeds from sale of assets	2	0	0
Other Receipts	3	0	15,057.00
TOTAL RECEIPTS		45,005,172.00	152,021,501.00
PAYMENTS			
Compensation of employees	4	1,739,795.00	2,770,607.00
Use of goods and services	5	3,678,000.00	6,431,085.00
Transfers to Other Government Units	6	1,900,000.00	64,889,840.00
Other grants and transfers	7	24,990,000.00	89,788,924.00
Acquisition of Assets	8	0	0
Other Payments	9	4,000,000.00	0
TOTAL PAYMENTS		36,307,795.00	163,880,456.00
SURPLUS/DEFICIT		8,697,377.00	(11,858,955.00)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF WAJIR NORTH Constituency financial statements were approved on 2018 and signed by:


FUND ACCOUNT MANAGER
 Name: Yussuf D Ahmed


SUB-COUNTY ACCOUNTANT
 Name: Rashid Ahmed

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016- 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,822,5212.00	1,125,145.00
Cash Balances(cash at hand)	10B	0	0
		0	0
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		9,822,522.00	1,125,145.00
REPRESENTED BY			
Retention	12	0	0
Fund balance b/fwd. 1st July...	13	1,125,145.00	12,984,100.00
Surplus/Deficit for the year		8,697,377.00	(11,858,955.00)
Prior year adjustments	14	0	0
NET LIABILITIES		9,822,522.00	1,125,145.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF WAJIR NORTH Constituency financial statements were approved on 30/6/2018 and signed by:

Fund Account Manager
Name: Yussuf D Ahmed

WAJIR NORTH CONSTITUENCY FUND
ACCOUNT MANAGER
P.O. Box 149,
MOYALE

Sub-County Accountant
Name: Rashid Ahmed

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NG- CDF Board	1	45,005,172.00	152,006,444.00
Other receipts	3	0	15,057.00
		45,005,172.00	152,021,500.00
Payments for operating expenses			
Compensation of Employees	4	(1,739,795.00)	(2,770,607.00)
Use of goods and services	5	(3,678,000.00)	(6,431,085.00)
Transfers to Other Government Units	6	(1,900,000.00)	(64,889,840.00)
Other grants and transfers	7	(24,990,000.00)	(89,788,924.00)
Other Payments	9	(4,000,000.00)	
		(36,307,795.00)	(163,880,456.00)
Adjusted for:			
Retentions	12	0	0
Adjustments during the year	14	0	0
Net cash flow from operating activities		8,697,377.00	(11,858,955.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets	2	0	0
Acquisition of assets	8	0	0
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		8,697,377.00	(11,858,955.00)
Cash and cash equivalent at BEGINNING of the year	13	1,125,145.00	12,984,100.00
Cash and cash equivalent at END of the year		9,822,522.00	1,125,145.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF WAJIR NORTH Constituency financial statements were approved on 2018 and signed by:

Fund Account Manager
Name: Yussuf D Ahmed

Sub-County Accountant
Name: Rashid Ahmed

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=cod	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345.00	14,104,455.00	100,914,800.00	46,130,317.00	54,784,483.00	45.71%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	86,810,345.00	14,104,455.00	100,914,800.00	46,130,317.00	54,784,483.00	45.71%
PAYMENTS						
Compensation of Employees	1,744,400.00		1,744,400.00	1,739,795.00	4,605.00	99.74%
Use of goods and services	6,068,531.00		6,068,531.00	3,678,000.00	2,390,531.00	60.61%
Transfers to Other Government Units	28,577,027.00	12,220,962.00	40,797,989.00	1,900,000.00	38,897,989.00	4.66%
Other grants and transfers	46,420,387.00	1,883,493.00	48,303,879.00	24,990,000.00	23,313,879.00	51.73%
Acquisition of Assets						
Other Payments	4,000,000.00		4,000,000.00	4,000,000.00		
TOTAL	86,810,345.00	14,104,455.00	100,914,800.00	36,307,795.00	64,607,005.00	35.98%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Explanation of items below 90%

The total receipts from the board is 45% indicating that disbursements from the board had not been received during the financial year as at the time of preparation of this financial statements.

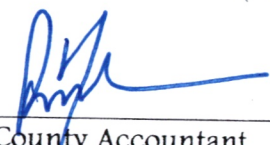
Compensation of employees appears as 99% indicating that full allocation of the administration fund was received and allocated

Use of goods and other grants and transfers allocation was spent up to 60% and 51% respectfully being a representation of a fair receipt and expenditure

Transfers to other government units vote appears least utilized at 4% owing to the fact of late disbursements from the board from additional fund projects hence delay in expenditures.

The NGCDF WAJIR NORTH Constituency financial statements were approved on 30/6 2018 and signed by:


Fund Account Manager
Name: Yussuf D Ahmed
P.O. Box 141
MOYALE


Sub-County Accountant
Name: Rashid Ahmed

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017 – 2018	2016 – 2017
		Kshs	Kshs
Normal allocation			
		5,500,000.00	51,000,000.00
		1,600,000.00	20,709,892.00
		37,905,172.00	4,094,828.00
			36,853,449.00
			39,348,275.00
TOTAL		45,005,172.00	152,006,444.00

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Interest Received		15,057.00
Rents	0	0
Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere (specify)	0	0
Total		15,057.00

4. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,711,795.00	2,762,207.00
Basic wages of casual labor	0	0
Personal allowances paid as part of salary	0	0
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Other personnel payments	0	0
Employer contribution to NSSF	28,000.00	8,400.00
gratuity	0	0
Total	1,739,795.00	2,770,607.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	0	0
Office rent	0	0
Communication, supplies and services	0	735,000.00
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	0	0
Other committee expenses	805,800.00	80,000.00
Committee allowance	1,196,200.00	3,686,085.00
Insurance costs	0	
Specialized materials and services	0	500,000.00
Office and general supplies and services	1,640,000.00	570,000.00
Fuel, oil & lubricants	0	504,000.00
Other operating expenses	36,000.00	356,000.00
Routine maintenance – vehicles and other transport equipment	0	0
Routine maintenance – other assets	0	0
Total	3,678,000.00	6,431,085.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**WAJIR NORTH CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****NOTES TO THE FINANCIAL STATEMENTS (Continued)****6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017- 2018	2016- 2017
	Kshs	Kshs
Transfers to primary schools	1,900,000.00	43,686,340.00
Transfers to secondary schools	0	11,203,500.00
Transfers to tertiary institutions	0	10,000,000.00
Transfers to health institutions	0	0
TOTAL	1,900,000.00	64,889,840.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Bursary – secondary schools	7,732,000.00	12,749,897.00
Bursary – tertiary institutions	13,498,000.00	20,343,000.00
Bursary – special schools	0	0
Mock & CAT	0	0
Water projects	0	38,970,744.000
Agriculture projects	0	0
Electricity projects	0	0
Security projects	0	14,145,285.00
Roads projects	0	0
Sports projects	0	0
Environment projects	0	0
Other Projects	0	0
Emergency Projects	3,760,000.00	3,580,000.00
Total	24,990,000.00	89,788,924.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	4,000,000.00	0
ICT Hub	0	0
TIVET	0	0
	4,000,000.00	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
First community bank A\C NO.8000787701	9,822,522.00	1,125,145.00
KCB WAJIR A\C NO. 1105253643	0	
	0	0
	0	0
	9,822,522.00	1,125,145.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	N/A	0	0	0
Total				0

[Include an annex of the list is longer than 1 page.]

12 RETENTION

	2017-2018	2016-2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank accounts	1,125,145.00	12,984,100.00
Cash in hand		
Imprest		
Total	1,125,145.00	12,984,100.00

[Provide short appropriate explanations as necessary]

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**WAJIR NORTH CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****NOTES TO THE FINANCIAL STATEMENTS (Continued)****14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

15. OTHER IMPORTANT DISCLOSURES**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017- 2018	2016- 2017
	Kshs	Kshs
Construction of buildings	0	2,984,100.00
Construction of civil works	0	9,000,000.00
Supply of goods/services	2,390,531.00	500,000.00
Supply of services		500,000.00
	2,390,531.00	12,984,100.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (specify)	4,605.00	

15.3: UNUTILIZED FUNDS (See Annex 3)

OTHER ACCOUNTS PAYABLE	Kshs	Kshs
Amounts due to other Government entities (see annex 3)	38,897,989.00	
Amounts due to other grants and other transfers (see annex 4)	23,313,879.00	
Others (community social hall/acquisition of assets)		
Totals	62,211,869.00	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	24,098.00	20,564.00
	24,098.00	20,564.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 ANALYSIS OF PENDING ACCOUNTS PAYABLE

Annex 1.

Goods and services	DESCRIPTION	OPENING BALANCE/AIE RECEIVED	AMOUNT PAID	BALANCES(PAYABLES)
		6,068,531.03	3,678,000.00	2,390,531.00

Annex 2.

Compensation for employees	DESCRIPTION	OPENING BALANCE/AIE RECEIVED	AMOUNT PAID	BALANCES(PAYABLES)
		1,744,400.00	1,739,795.00	4,605.00

Annex 3.

Amounts due to other government entities	DESCRIPTION	OPENING BAL/AIE RECEIVED	AMOUNT PAID	BALANCES(PAYABLES)
Transfer to primary school				
Suraya primary school	b/f Construction of one classroom	800,000.00	760,000.00	40,000.00
Kunjure primary school	b/f Construction of two classrooms	2,000,000.00	1,900,000.00	100,000.00
Batalu primary school	b/f Construction of fence	3,000,000.00	2,999,940	60.00
Ololdile primary school	b/f Construction of fence	4,450,000.00	4,402,500.00	47,500.00
Garasabula primary school	b/f Construction of three classrooms	2,400,000.00	2,320,000.00	80,000.00
Basakurow primary school	b/f Construction of two classrooms	1,100,000.00	1,056,942.08	43,057.22
Balatul amin primary school	Construction of one classroom	800,000.00		800,000.00
Garakilo primary school	Construction of two classrooms	1,600,000.00		1,600,000.00
Chalalaga primary school	Construction of two classrooms @ 1,600,000 and two toilets @	2,000,000.00		2,000,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

	400,000			
Ajawa primary school	Fencing with concrete and cida post to completion	3,200,000.00		3,200,000.00
Watiti primary school	Construction of two classrooms @1,600,000 and two door toilets @ 400,000	2,000,000.00		2,000,000.00
Korondille primary school	Renovation and repair of three classrooms0roofing	500,000.00		500,000.00
Rabsu primary school	Construction of one complete classroom	800,000.00		800,000.00
Tularoba primary school	Construction of complete two classrooms	1,600,000.00		1,600,000.00
Garasake primary school	Construction of complete two classrooms	1,600,000.00		1,600,000.00
Beramu primary school	Construction of complete two classrooms	1,600,000.00		1,600,000.00
Beramu primary school	Construction of complete three staff qtrs.	1,800,000.00		1,800,000.00
Ingiriri primary school	Construction of two staff qtrs	1,200,000.00		1,200,000.00
Bute arid zone primary school	Supply of chairs and chambers 200 @ 6000	1,200,000.00		1,200,000.00
Malaba primary school	Fencing with concrete posts and chainlink wire	4,850,345.00		4,850,345.00
Watiti primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Dugo primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Qarsare primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Qarasaabula primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Qudama primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Leysayu primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Belet amin primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Malkagufu primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Ingirir primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Batalu primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

Tularoba primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Danaba primary school	Purchase of 60 desks @ 5500	330,000.00		330,000.00
Constituency internet hub	Installation of four internet hubs in the constituency	4,677,027.20		4,677,027.20
Transfer to secondary school				
Bute girls secondary school	Renovation of dining hall	1,200,000.00		1,200,000.00
Bute mixed secondary school	Construction of laboratory room	2,400,000.00		2,400,000.00
Danaba day secondary school	Construction of two classrooms	1,600,000.00		1,600,000.00
Totals				38,897,989.00

ANNEX 4.

Other grants and payments	DESCRIPTION	OPENING BALANCE/AIE RECEIVED	AMOUNT PAID	BALANCES(PAYABLES)
Emergency		1,892,458.45		1,892,458.45
Sports	Purchase of sports kits	1,736,206.90		1,736,206.90
Bursary tertiary	Bursary to needy students	13,500,000.00	13,498,000.00	2,000.00
Bursary secondary	Bursary to needy students	8,202,586.21	7,732,000.00	470,586.21
Security				
Malkagufu ap camp	Construction of one room	800,000.00		800,000.00
Gurar ap camp	Construction of two rooms and toilet	1,600,000.00		1,600,000.00
Bute ap camp	Construction of two room	1,200,000.00		1,200,000.00
Bute police camp	Supply of furniture 03 tables and 70 chairs	512,627.96		512,627.96
Danaba ap camp	Construction of two rooms	1,200,000.00		1,200,000.00
Gulani ap camp	Construction of two rooms and toilets	2,200,000.00		2,200,000.00
Qaranri ap camp	Construction of three rooms and two toilets	2,200,000.00		2,200,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

Qudama ap camp	Construction of two rooms and toilet	1,600,000.00	1,600,000.00
Lakoley north ap camp	Construction of three rooms with kitchen	3,000,000.00	3,000,000.00
Batalo ap camp	Construction of two rooms and toilets	1,500,000.00	1,500,000.00
Masalale ap camp	Construction of three rooms and toilet	2,000,000.00	2,000,000.00
Malkagufu ap camp	Construction of two rooms and toilet	1,400,000.00	1,400,000.00
TOTAL			23,313,880.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH
 Reports and Financial Statements
 For the year ended June 30, 2018 (Kshs'000)
 Annex 5. PMC bank balance

Name of PMC	Account no.	Bank	30/06/2018	30/06/2017
Ido robe primary	80009139	FCB	1,445.00	1,445.00
Buna boys secondary school	80008910	FCB	1,555.00	1,555.00
Lensayu primary school	80008908	FCB	1,222.00	1,222.00
Buna girls secondary school	80008911	FCB	1,555.00	1,555.00
Malkagufu primary school	80008895	FCB	1,445.00	1,445.00
Rabsu primary school	80008909	FCB	1,445.00	1,445.00
Gurar police line	80008907	FCB	1,277.50	1,277.50
Ololdile primary school	80008951	FCB	1,332.50	1,332.50
Qarsa abula primary school	90000824	FCB	119.90	119.90
Basakorow school	90005266	FCB	1,277.50	1,277.50
Fullo primary school	80008894	FCB	1,445.00	1,445.00
Korondille primary school	80008912	FCB	1,555.00	1,555.00
Malkagufu primary school	80008895	FCB	1,445.00	1,445.00
Sirey school	80009072	FCB	1,000.00	1,777.50
Kunjure development	80009045	FCB	1,667.50	1,667.50
Buna boji secondary school pmc	1199058490	KCB	480.00	0
Korondille social hall pmc	1171222734	KCB	(245.00)	0
Wajir north pmc	1135103216	KCB	4,075.80	0
		TOTAL	24,098.00	20,564.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 6 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	ADDITION 2017/2018	BAL C/D (Kshs) 2017/18
Buildings and structures	5,300,000.00		5,300,000.00
Transport equipment	3,400,000.00		3,400,000.00
Office equipment, furniture and fittings	760,900.00		760,900.00
ICT Equipment, Software and Other ICT Assets	274,000.00		274,000.00
Other Machinery and Equipment	155,000.00		155,000.00
Heritage and cultural assets			
Intangible assets			
Total	9,889,900.00		9,889,900.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Irregular procurement of water projects	Ensure that you adhere to above quoted Laws in all your procurement works. Explain and account for the expenditure	FAM	Gave response to the auditors and awaiting resolve	
4.2	Unaccounted for bursary expense	Avail the fees receipts to confirm that the bursaries were acknowledged to benefit the students	FAM	Gave response to the auditors and awaiting resolve	
4.3	Unsupported emergency expense	Ensure that all payments are adequately supported as required by laws and regulations. Account for the expenditure	FAM	Gave response to the auditors and awaiting resolve	
4.4	Unsupported transfers to primary schools	Ensure that works are procured in accordance with procurement laws and in consultation with technical departments and are labelled appropriately to relate to the purpose of the funds	FAM	Gave response to the auditors and awaiting resolve	
4.5	Unsupported committee allowance	It is recommended that you adhere to the quoted	FAM	Gave response to	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR NORTH

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		regulations and ensure that all payments are properly supported to avoid any loss of public funds		the auditors and awaiting resolve	
4.6	Unsupported communications, supplies and services expenditure	It is recommended that you adhere to the quoted regulations and ensure that all payments are properly supported to avoid any loss of public funds.	FAM	Gave response to the auditors and awaiting resolve	
4.7	Procurement of secondary school projects	Ensure that works are procured in accordance with procurement laws and provide the CDPC resolutions minutes for payments and project files for all projects implemented	FAM	Gave response to the auditors and awaiting resolve	

