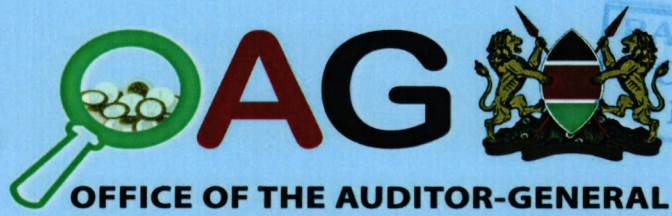


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## REPORT

OF

**THE AUDITOR-GENERAL**

DATE: 23 MAR 2022		WGO (pm)
TABLED BY: ON	Lom	
CLERK OF THE PARLIAM.	142022	

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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**WAJIR WEST**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NG-CDF)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

<b>Table of Content</b>	<b>Page</b>
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	iii
II. FORWARD BY THE NG-CDF COMMITTEE CHAIRMAN.....	vii
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	x
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	xii
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	xv
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NG-CDF WAJIR WEST CONSTITUENCY.....	xvi
VII. STATEMENT OF RECEIPTS AND PAYMENTS .....	1
VIII. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES .....	2
IX. STATEMENT OF CASHFLOW .....	3
XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	4
XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	6
XIII. SIGNIFICANT ACCOUNTING POLICIES.....	10
XIV. NOTES TO THE FINANCIAL STATEMENT .....	15
ANNEX 1: UNUTILIZED FUNDS- CASHBOOK BALANCE.....	18
ANNEX 2- SUMMARY OF FIXED ASSETS.....	27
XV. PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS .....	30

## 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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;

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
For the year ended June 30, 2020

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**(a) Key Management**

The NGCDF Wajir West 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)

**(b) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mohamed Osmail
2.	Sub-County Accountant	Sammy Malova
3.	Chairman NGCDFC	Mohamed A. Mohamud
4.	Member NGCDFC	Kaha Mohamed Bulle.

**(b) Fiduciary Oversight Arrangements**

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

**(c) NGCDF Wajir West Constituency Headquarters**

The physical and postal address of National Government Constituency Development Fund (NG-CDF) Wajir West is:

NG-CDF Wajir West Offices

Along Wajir -Griftu Road

P.O. BOX 23-70202 Griftu

**(d) NGCDF Wajir West Constituency Contacts:**

Telephone: (+254) 0721-827370

E-mail: wajirwest@ngcdf.go.ke

Website: www.ngcdf.go.ke

**(e) NGCDF Wajir West Constituency Bankers**

First Community Bank, Wajir branch

Account No. 80001203

P.O. Box 426 -70200 Wajir, Wajir County, Kenya.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**(f) Independent Auditors**

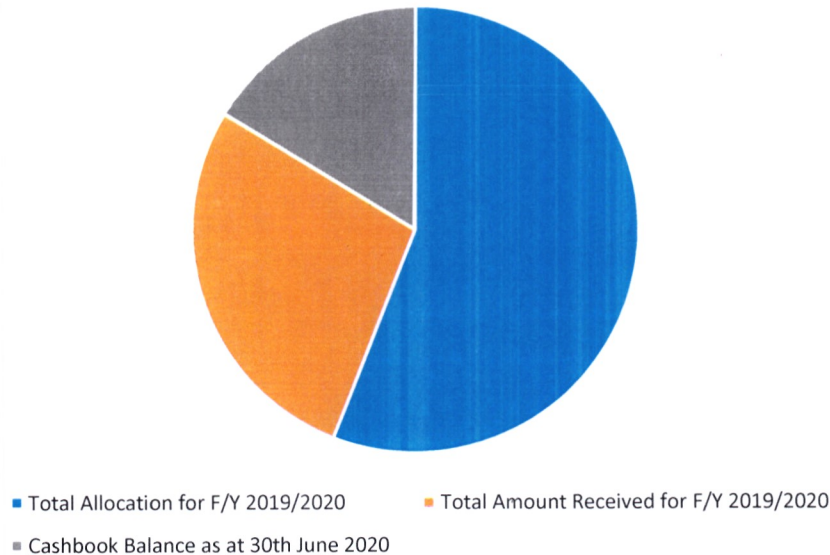
The Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(g) Principal Legal Adviser**

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

## II. FORWARD BY THE NG-CDF COMMITTEE CHAIRMAN

### WAJIR WEST NGCDF BUDGET UTILIZATION FOR F/Y 2019/2020



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

During the Financial year under review, National Government Constituency Development Fund Wajir West Constituency was allocated a total of Kshs. 137,367,724. From the summary of appropriation statement, the overall budget performance stood at 49.3%. The absorption of funds on development expenditure was low at 50.9%. The low performance is as a result of the Corona pandemic which has engulfed the country in March 2020. The release of funds for the Financial year 2019/2020 was delayed partly because the government had directed the closure of all learning institutions in the country to reduce the spread of the covid 19 pandemic. This meant that students could not submit their completed bursary application forms to the NG-CDFC offices leading to delay in bursary disbursements. In addition, the government had banned all physical meetings and directed the scaling down of operations in offices so as to flatten the curve of the corona disease. The NG-CDFCs scaled down its operations in compliance with the government directives. This meant that four months of the financial year 2019/2020 was lost as a result of the corona virus.

However, all was not lost. The National Government Constituency Development Fund Wajir West has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. For instance, 1,016 needy and poor students in various Tertiary institutions and 2,454 needy and poor students in secondary schools benefitted from the bursary disbursement of 43.1 Million disbursed during the period. Secondly, to improve education infrastructure and hence access, 19 new classrooms in 12 primary schools, four administration blocks in four primary schools, 5 staff houses in 5 primary schools were

constructed. In addition, 10 classrooms in 3 primary schools were renovated. 210 desks were delivered to 12 primary schools. The secondary schools were not left behind so as to improve the transition rates from primary to secondary. four new classrooms, ninety student capacity Laboratory, administration block in three secondary schools were constructed. To boost security in the constituency, fencing of Hadado Police station, staff houses, toilets and water piping at Griftu Police station were done. Chief offices were also constructed. The Constituency sport tournament was successfully conducted where different teams participated in the tournament.



**An administration Block at Ademasajida Primary School in Wajir West Constituency implemented during the FY 2019/20120**



**Staff houses at Shantaabaq Primary School in Wajir West Constituency implemented during the FY 2019/2020**



Water piping system at Griftu Police Station, Wajir West Constituency implemented during the FY 2019/2020.

The main emerging issue during the year under review was the corona virus disease pandemic which completely changed the normal way of life of people and how affairs are run. Masking up, social distancing and staying at home were the order of the day. I hope we will overcome.

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

Mohamed Abdi Mohamud  
CHAIRMAN NG-CDFC

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

#### 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 NGCDF-Wajir West Constituency's 2018-2022 plan are to:

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

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms in various primary schools in the constituency	No. of class rooms ('0) rehabilitated/renovated	10
			No. of class rooms constructed	16
		Expansion of schools through rehabilitation/ renovation/construction of classrooms in various secondary schools in the constituency	No. of class rooms ('0) rehabilitated/renovated	0
			No. of class rooms constructed	4
		Purchase and supply of desks ('0')	No. of desks provided ('0')	210
		Purchase and supply of double decker beds	No. of double decker beds	40
		Construction of staff houses in primary schools	No. of schools benefited	5
		Construction of laboratories in secondary	No. of laboratories constructed	1

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

		Construction of staff houses in primary schools	No. of schools benefited	5
		Construction of laboratories in secondary schools in the constituency	No. of laboratories constructed	1
		Rehabilitation/ Renovation/Construction of toilet blocks in both primary and secondary schools	No. of toilet blocks constructed	0
		Provision of bursary to needy and bright secondary school/tertiary institutions' students	Amount of funds disbursed (Kshs. millions)	43.1
		Rehabilitation/ Renovation/Construction of Administration Blocks	No. constructed/renovated	4
		Provision of water harvesting structures to schools	No. of institutions benefited with water tanks	4
Youth and Sports	To empower the youth and harness their talent	Creating awareness among the youth on the establishment of youth groups, and accessing devolved funds	No. of forums held	0
		Funding of youth sporting initiatives	No. of sporting initiatives supported	7
Environment	To promote environmental sustainability	Organizing tree planting days	No. of tree seedlings planted	0
Security	To enhance security in the constituency	Rehabilitation/ Renovation/Construction of chief's offices	No. of chief's offices constructed	1
		Construction/rehabilitation of Police Stations/AP Offices and police/AP houses	No. of AP camps constructed	0
			No. of police/AP housing units	2
			No. of police stations rehabilitated	1
		No. of police stations fenced	1	

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

##### **1. SUSTAINABILITY STRATEGY AND PROFILE**

The National Government Constituencies Development Fund Wajir West has consistently received funds from the Exchequer which it has used to transform lives of its people. As stipulated in the National Government Constituencies Development Fund Act, 2015, the constituency leadership is committed to availing the Wajir West community with prospective benefits that are available to a widespread cross-section of the inhabitants. This is to be achieved through the provision of services and coordination of activities geared towards the empowerment of Wajir West Constituency residents through prudent management, and effective and efficient utilization of the Fund.

As has been stipulated in NG-CDF Act 2015, the Wajir West Chairperson of the NG-CDFC, has been convening open forum public meetings in the four (4) wards of the constituency to deliberate on development matters in the ward and the constituency. Each Ward prepares a list of priority projects and submits to the NG-CDF for deliberations. All the NG-CDF projects are implemented by the project management committee with the assistance of the relevant department of Government officers in line with its strategic plan.

##### **2. ENVIRONMENTAL PERFORMANCE**

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

##### **3. EMPLOYEE WELFARE**

The quality of human resource is critical in achieving the mandates and goals of an organization. Recruitment and selection play an important role in ensuring that the Service has the right staff and skills mix. The Constitution requires that recruitment and selection in Public Service organizations, be based on meritocracy, diversity, equity, non-discrimination, gender balance, consideration for persons with disabilities and minorities, in employment opportunities. Wajir West National Government Constituencies Development Fund is guided by the Constitution of Kenya, labour laws and the Norms and Standards for Management of Human Resources in the Public Service. Vacant positions are competitively filled through advertisement and based on merit. Annual trainings and workshops are conducted for the NG-CDFC and NG-CDFC staff to improve their skills and competencies so as to enhance performance and productivity.

A conducive work environment and employee welfare programmes are prerequisites for enhanced organizational and individual performance and productivity. Welfare and wellness programmes are necessary in enhancing employee performance and productivity. The Government through the Occupational Safety and Health Act (OSHA), 2007 has set the minimum conditions for a work environment. Wajir West National Government Constituencies Development Fund has the necessary steps to comply with OSHA requirements. We adhere to the provisions of the Public Sector Workplace Policy on HIV and AIDS, Public Service Substance Abuse Workplace Policy and Public Service Guidance and Counselling Policy; and Provide adequate working tools/facility.

#### **4. MARKET PLACE PRACTICES**

Wajir West National Government Constituencies Development Fund is a public sector institution involved in the management of public funds by implementing projects. The projects are implemented using structures defined under the NG-CDF Act 2015.

The Acquisition of goods, Services and Works is done in the most cost-effective manner including the right price (lowest evaluated price), in the right quantities, at the right quality, from the right source, at the right time and delivered at the right place. Procurement is done in strict compliance with the Public Procurement and Asset Disposal Act 2015 and the Public Finance Management Act 2012. This process is initiated once funds have been received and hence there are no pending bills to suppliers or contractors.

Anticorruption clauses and penalties are part of the contract management documents. There is compliance with the Public Officers Ethics Act 2003 and Leadership and Integrity. All measures have been put in place to ensure there are no incidences of corruption. There are committees which have been constituted to deal with all complaints and reported cases of corruption in Wajir West NG-CDFC.

a) **Responsible competition practice.**

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

**How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.**

b) **Responsible Supply chain and supplier relations**

Payments to suppliers are done promptly upon presentation of requisite supporting documents.

c) **Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.**

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

**d) Product stewardship**

In order to safeguard consumer rights and interests, the Wajir West NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible.

**5. COMMUNITY ENGAGEMENTS**

At the level of project identification, the NG-CDFC Chairman calls for ward meetings to deliberate on development priorities of the ward. Here, there is community participation and consultation with local leaders as provided for under regulation 13 of the NG-CDF Regulations 2016. The notice for these meetings are published so as to reach as many constituents as possible. The community social investment undertaken by NG-CDF Wajir West is in the form of bursary where needy students are sponsored either fully or partially to complete their education.

To tap existing talent among the youth, there are sports tournaments organized by the relevant authorities with financial support from NG-CDF Wajir West. These tournaments also improve cohesion among the different communities living in the constituency.

## V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81(1) of the Public Finance Management Act 2012 requires that, at the end of each financial year, the accounting officer for the National Government Constituency Development Fund (NG-CDF) shall prepare financial statements in respect of that NG-CDF. Section 81(3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

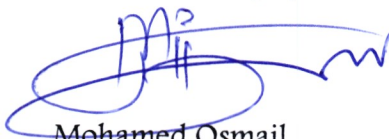
The Accounting Officer in charge of National Government Constituency Development Fund Wajir West is responsible for the preparation and presentation of the **NG-CDF Wajir West** financial statements, which give a true and fair view of the state of affairs of the NG-CDF Wajir West for and as at the end of the financial year (period) ended on June 30, 2020. 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 NG-CDF; (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 NG-CDF; (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 NG-CDF Wajir West accepts responsibility for the *NG-CDF Wajir West* 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 *NG-CDF Wajir West* financial statements give a true and fair view of the state of *NG-CDF Wajir West* transactions during the financial year ended June 30, 2020, and of the *NG-CDF Wajir West* financial position as at that date. The Accounting Officer in charge of the *NG-CDF Wajir West* further confirms the completeness of the accounting records maintained for the *NG-CDF Wajir West*, which have been relied upon in the preparation of the *NG-CDF Wajir West* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *NG-CDF Wajir West* confirms that the *NG-CDF Wajir West* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NG-CDF Wajir West* 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 *NG-CDF Wajir West* 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 *NG-CDF Wajir West* financial statements were approved and signed by the Accounting Officer on 29<sup>th</sup> July 2020.



Mohamed Osmail

**Fund Account Manager**



Sammy Malova

**Sub-County Accountant**

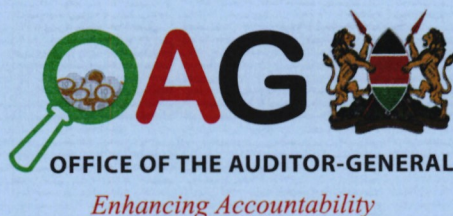
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NG-CDF WAJIR WEST  
CONSTITUENCY**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WAJIR WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Wajir West Constituency set out on pages 1 to 33, which comprise the statement of financial assets and liabilities as at 30 June, 2020 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 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 West Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### Inaccuracies in the Financial Statements

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from CDF board – AIEs' received amounting to Kshs.123,040,876. However, the summary statement of appropriation – recurrent and development combined reflected actual on comparable basis transfers from NGCDF Board amounting to Kshs.146,350,068 resulting to an unexplained and unreconciled variance of Kshs.23,309,192.

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

### **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. Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined, reflects receipts budget and actual on comparable basis of Kshs.215,933,706 and Kshs.146,565,982 respectively, resulting in an underfunding of Kshs.69,367,724 or about 32% of the budget. Similarly, the Fund expended Kshs.106,371,345 against an approved budget of Kshs.215,933,706 resulting to an under-expenditure of Kshs.109,562,361 or 51% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public

#### **2. Projects Implementation Status**

During the year under review, the Fund implemented only about 45% of the projects budgeted for leaving 55% of the budgeted projects not implemented. Non-implementation of development projects affects service delivery to the residents of Wajir West constituency.

Failure to complete the projects within the stipulated period may have denied the constituents the much-desired services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

## **Basis for Conclusion**

### **Implementation of Projects Under County Government Functions**

During the year under review the Fund spent an amount Kshs.4,595,000 on water trucking services under the emergency allocation. However, the Fund did not provide justification for funding water projects which fall under the functions of the county governments. This was contrary to Section 24(a) of the National Government Constituencies Development Fund Act, 2015 which provides that a project under this Act shall only be in respect of works and services falling within the functions of the national government under the Constitution. It was further not clear why water trucking was considered an emergency yet this is a problem that is expected every year in the region. The utilization of the emergency reserve was not reported to the Board within thirty days of occurrence of the emergency as required under Section 20(2) of the National Government Constituencies Development Fund Act, 2015.

In view of the above finding, the Management was in breach of the Act.

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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 overall 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 abolish 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

#### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 February, 2022

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts</b>			
Transfers from CDF board-AIEs' Received	1	123,040,876	108,784,483
Other Receipts	2	215,914	
<b>Total Receipts</b>		<b>123,256,790</b>	<b>108,784,483</b>
<b>Payments</b>			
Compensation of employees	3	3,583,314	2,917,824
Use of goods and services	4	4,830,523	4,735,535
Transfers to Other Government Units	5	46,769,941	41,198,573
Other grants and transfers	6	49,288,367	40,822,700
Acquisition of Assets	7	1,899,200	
<b>Total Payments</b>		<b>106,371,345</b>	<b>89,674,632</b>
<b>SURPLUS/DEFICIT</b>		<b>16,885,444</b>	<b>19,109,851</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29<sup>th</sup> July 2020 and signed by:



Sammy Malova  
 Sub-County Accountant



Mohamed Osmail  
 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
 For the year ended June 30, 2020

**VIII. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	8	40,194,637	23,309,193
<b>Totals of Cash and Cash equivalents</b>		<b>40,194,637</b>	<b>23,309,193</b>
Current Receivables			
<b>Total Financial Assets</b>		<b>40,194,637</b>	<b>23,309,193</b>
Financial Liabilities			
<b>Total Financial Assets</b>		<b>40,194,637</b>	<b>23,309,193</b>
<b>Represented By</b>			
Fund Balance b/fwd 1st July 2019	9	23,309,193	4,199,342
Surplus/Deficit for the year		16,885,444	19,109,851
<b>NET FINANCIAL POSITION</b>		<b>40,194,637</b>	<b>23,309,193</b>

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

The National Government Constituency Development Fund Wajir West financial statements were approved on 29<sup>th</sup> July 2020 and signed by:



Sammy Malova  
 Sub-County Accountant



Mohamed Osmail  
 Fund Account Manager

**IX. STATEMENT OF CASHFLOW**

Cash Flows from Operating Income		2019 - 2020	2018 - 2019
<b>Receipts</b>			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	2	215,914	
		<b>123,256,790</b>	<b>108,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	3	3,583,314	2,917,824
Use of goods and services	4	4,830,523	4,735,535
Transfers to Other Government Units	5	46,769,941	41,198,573
Other grants and transfers	6	49,288,367	40,822,700
		<b>104,472,145</b>	<b>89,674,632</b>
<b>Net cash flow from operating activities</b>		<b>18,784,644</b>	<b>19,109,851</b>
<b>Cash flows From Investing Activities</b>			
Acquisition of Assets	7	(1,899,200)	
<b>Net cash flows from Investing Activities</b>		<b>(1,899,200)</b>	
<b>Net Increase In Cash And Cash Equivalent</b>		<b>16,885,444</b>	<b>19,109,851</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	9	<b>23,309,193</b>	<b>4,199,342</b>
<b>Cash and cash equivalent at END of the year</b>		<b>40,194,637</b>	<b>23,309,193</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Wajir West financial statements were approved on 29<sup>th</sup> July 2020 and signed by:

Sammy Malova  
 Sub-County Accountant

Mohamed Osmail  
 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724	78,350,068	215,717,792	146,350,068	69,367,724	67.8%
Other Receipts		215,914	215,914	215,914		
<b>TOTAL</b>	<b>137,367,724</b>	<b>78,565,982</b>	<b>215,933,706</b>	<b>146,781,896</b>	<b>69,367,724</b>	<b>67.9%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,892,000	1,120,820	5,012,820	3,583,314	1,429,506	71.5%
Use of goods and services	6,081,095	3,886,040	9,967,135	4,830,523	5,136,612	48.5%
Transfers to Other Government Units	77,890,000	42,779,941	120,669,941	46,769,941	73,900,000	38.8%
Other grants and transfers	49,504,629	28,664,067	78,168,696	49,288,367	28,880,329	63.1%
Acquisition of Assets		1,899,200	1,899,200	1,899,200		100%
Unallocated Amount -AIA		215,914	215,914		215,914	
<b>TOTAL</b>	<b>137,367,724</b>	<b>78,565,982</b>	<b>215,933,706</b>	<b>106,371,345</b>	<b>109,562,360</b>	<b>49.3%</b>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020

From the summary of appropriation statement, the overall budget performance stood at 49.3%. The low absorption of funds is explained below:

- i. **Compensation of Employees** were below 90% because of delay in funding from the NG-CDF Board. In addition, a provision for service gratuity was made. Also, there is a need to make a provision of at least 3 months' staff salary. It usually takes at least 5 months before the next financial year funding is received.
- ii. **Use of goods and services** were below 90% because funding from the NG-CDF Board delayed. The corona virus pandemic has slowed down the overall activities of Wajir West NG-CDFC leading to low utilization of funds.
- iii. **Transfer to other government units** were below 90% because funding from the NG-CDF Board delayed because of corona virus pandemic that has hit the country and the entire globe hence delay in procurement and utilization of funds.
- iv. **Other grants and transfers** below 90% because funding from the NG-CDF Board delayed because of corona virus pandemic that has hit the country and the entire globe hence delay in procurement and utilization of funds.

The NG-CDF Wajir West financial statements were approved on 29<sup>th</sup> July 2020 and signed by:



Sammy Malova

**Sub-County Accountant**



Mohamed Osmail

**Fund Account Manager**

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget
	2019/2020		2019/2020	comparable	utilization
	Kshs	Kshs	Kshs	basis	difference
				30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Gratuity		391,364	391,364		391,364
1.2 Employees Salaries	3,892,000	729,456	4,621,456	3,583,314	1,038,142
1.3 Goods and Services	1,500,000	581,000	2,081,000	643,483	1,437,517
1.4 Committee Expenses	1,460,063	492,600	1,952,663	1,374,600	578,063
<b>2.0 Monitoring, Evaluation and Capacity Building</b>					
2.1 Goods and Services	1,021,032	50,000	1,071,032	50,000	1,021,032
2.2 Committee Expenses	600,000	1,427,200	2,027,200	1,427,200	600,000
2.3 CDPC / PMC Capacity building	1,500,000	1,335,240	2,835,240	1,335,240	1,500,000
<b>3.0 Emergency- Water Trucking</b>					
4.0 Bursary	7,198,241		7,198,241	6,995,000	203,241
4.1 Bursary for Secondary	12,006,388		12,006,388	12,006,300	88
4.2 Bursary for Tertiary	21,000,000	13,964,079	34,964,079	15,597,079	19,367,000
<b>5.0 Sports Activities</b>					
5.1 Sports Activities	1,000,000	400,000	1,400,000	390,000	1,010,000
<b>6.0 Primary Schools</b>					
6.01 Kukale Primary School	1,684,000		1,684,000	84,000	1,600,000
6.02 Kalkacha West Primary School	800,000	1,600,000	2,400,000	1,600,000	800,000
6.03 Adan Awale Primary School	1,084,000	1,270,000	2,354,000	1,354,000	1,000,000
6.04 Arbajahan Primary School	6,500,000	1,799,998	8,299,998	1,799,998	6,500,000
6.05 Bojiyare Primary school	1,200,000		1,200,000		1,200,000
6.06 Kara Primary school	2,150,000	137,500	2,287,500	137,500	2,150,000
6.07 Lanqot Primary School	850,000	880,000	1,730,000	830,000	900,000
6.08 Lagdima Primary School	642,000	1,600,000	2,242,000	1,642,000	600,000

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.09 Waberi Girls Primary School	1,684,000	60,000	1,744,000	144,000	1,600,000
6.10 Welathi Primary School	900,000	60,000	960,000	60,000	900,000
6.11 Garsekhofu Primary School	1,200,000	1,200,000	2,400,000	1,200,000	1,200,000
6.12 Doble Primary School	642,000	75,000	717,000	117,000	600,000
6.13 Baji Primary School	600,000	75,000	675,000	75,000	600,000
6.14 Turbani Primary School	600,000	1,000,000	1,600,000	1,000,000	600,000
6.15 Garabhanshinle Primary school	600,000	1,000,000	1,600,000	1,000,000	600,000
6.16 Bukuma Primary School	1,100,000		1,100,000		1,100,000
6.17 Taqwa Primary School	800,000		800,000		800,000
6.18 Bulla Forest Primary School	800,000		800,000		800,000
6.19 Kubeyurur Primary School	1,742,000	75,000	1,817,000	117,000	1,700,000
6.20 Fatuma Nur Primary School	1,000,000		1,000,000		1,000,000
6.21 Boa Primary School	800,000	850,000	1,650,000	850,000	800,000
6.22 Wagalla Primary School	900,000		900,000		900,000
6.23 Garweine Primary School	1,600,000	799,998	2,399,998	799,998	1,600,000
6.24 Madina Primary School	1,150,000		1,150,000		1,150,000
6.25 Lolkuta North Primary school	1,184,000		1,184,000	84,000	1,100,000
6.26 Griftu Primary School	1,200,000	1,500,000	2,700,000	1,500,000	1,200,000
6.27 Omar Diqile Primary School	800,000		800,000		800,000
6.28 Guticha Primary school	800,000		800,000		800,000
6.29 Hadado Primary school	84,000	1,275,000	1,359,000	1,359,000	
6.30 Busbus Primary school	84,000	2,400,000	2,484,000	2,484,000	
6.31 Adhibohol Primary school	84,000	1,200,000	1,284,000	1,284,000	
6.32 Barmish Primary school	84,000	2,600,000	2,684,000	2,684,000	
6.33 Koricha Primary school	42,000	75,000	117,000	117,000	
6.34 Ademsajida Primary School		1,200,000	1,200,000	1,200,000	
6.35 Ganyurey Primary School		837,500	837,500	837,500	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJR WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.36 Hudhila Primary School		1,200,000	1,200,000	1,200,000	
6.37 Jira Primary School		799,960	799,960	799,960	
6.38 Al-Hagar Primary School		1,599,985	1,599,985	1,599,985	
6.39 Shanta Abaq Primary School		1,200,000	1,200,000	1,200,000	
6.40 Makaror Primary School		600,000	600,000	600,000	
6.41 Isakhia Primary School		1,070,000	1,070,000	1,070,000	
6.42 Kanjara Primary School		1,200,000	1,200,000	1,200,000	
6.43 Shandarua Primary School		1,200,000	1,200,000	1,200,000	
6.44 Showli Primary School		800,000	800,000	800,000	
6.45 LMD Primary School		800,000	800,000	800,000	
6.46 Maumau Primary School		800,000	800,000	800,000	
6.47 Lagboqol Primary School		1,000,000	1,000,000	1,000,000	
6.48 Lolkuta South Primary School		75,000	75,000	75,000	
6.49 Matho Primary School		60,000	60,000	60,000	
<b>7.0 Secondary Schools</b>					
7.01 Hudhile Mixed Day Secondary sch	11,700,000		11,700,000		11,700,000
7.02 Arbajhan Secondary school	7,400,000	690,000	8,090,000	690,000	7,400,000
7.03 Wagalla Memorial Secondary school	3,300,000	225,000	3,525,000	225,000	3,300,000
7.04 Griftu Secondary School	700,000	800,000	1,500,000	800,000	700,000
7.05 Garsekhoftu Secondary School	700,000		700,000		700,000
7.06 Hadado Secondary School	5,200,000		5,200,000		5,200,000
7.07 Lagbogol Secondary School	1,800,000	800,000	2,600,000	800,000	1,800,000
7.08 Makaror Mixed Day Secondary Sch	2,000,000	4,210,000	6,210,000	4,210,000	2,000,000
7.09 Waso Girls Secondary School	9,700,000		9,700,000	3,200,000	6,500,000
7.10 Ademsajida Mixed Day Secondary Sc		80,000	80,000	80,000	
<b>8.0 Security Projects</b>					

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.01 Lagbogol ACC's Office	1,500,000		1,500,000		1,500,000
8.02 Griftu Administration Police Camp	500,000		500,000		500,000
8.03 Barmish Police Camp	3,100,000		3,100,000		3,100,000
8.04 Adhibohol Police Camp	800,000		800,000		800,000
8.05 Hadado Police Camp	1,800,000	9,000,000	10,800,000	9,000,000	1,800,000
8.06 Lokuta North Police Camp	600,000		600,000		600,000
8.07 Griftu Police camp		2,700,000	2,700,000	2,700,000	
8.08 Hadado Administration Police Camp		799,988	799,988	799,988	
8.09 Wagalla Police Patrol Base		600,000	600,000	600,000	
8.10 Kukale Chief Office		1,200,000	1,200,000	1,200,000	
9.0 Acquisition of Assets		1,899,200	1,899,200	1,899,200	
Unallocated Amount		215,914	215,914		215,914
<b>Total</b>	<b>137,367,724</b>	<b>78,565,982</b>	<b>215,933,706</b>	<b>106,371,345</b>	<b>109,562,361</b>

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

### **XIII. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **1. Statement of Compliance and Basis of Preparation**

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

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

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

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

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

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

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

##### **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.

### **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 30<sup>th</sup> June 2020, 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the Entity.

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

### **5. In-kind contributions**

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

### **6. Cash and Cash Equivalents**

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

### **7. Accounts Receivable**

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

AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Funds**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**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 CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

**XIV. NOTES TO THE FINANCIAL STATEMENT**

GFS CODES		1 TRANSFERS FROM NG-CDF BOARD		
		Description	2019 - 2020	2018 - 2019
			Kshs	Kshs
1330407	Normal Allocation	B047228	54,540,876	54,784,483
		B041243	4,000,000	10,000,000
		B041351	18,000,000	12,000,000
		B041431	500,000	8,000,000
		B047767	5,000,000	13,000,000
		B104182	15,000,000	11,000,000
		B096518	26,000,000	-
		<b>Total</b>	<b>123,040,876</b>	<b>108,784,483</b>

1400000		2 OTHER RECEIPTS		2019 - 2020	2018 - 2019
				Kshs	Kshs
	1410107	Interest Received		215,914	
		<b>Total</b>		<b>215,914</b>	

2110000		3 COMPENSATION OF EMPLOYEES		
			2019-2020	2018-2019
			Kshs	Kshs
	2110201	Basic wages of contractual employees	3,498,914	2,845,824
	2120101	Employer Contribution to NSSF	84,000	72,000
		<b>Total</b>	<b>3,583,314</b>	<b>2,917,824</b>

2200000		4 USE OF GOODS AND SERVICES		
			2019-2020	2018-2019
			Kshs	Kshs
	2210100	Utilities, supplies and services		42,000
	2210200	Communication, supplies and services		102,590
	2210300	Domestic travel and subsistence	304,800	420,000
	2210600	Rentals of Produced assets	159,000	970,000
	2210700	Training Expenses	1,335,240	990,000
	2210802	Other Committee expenses	2,497,000	1,996,800

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
For the year ended June 30, 2020

	2211100	Office and general supplies and services	268,000	201,000
	2211300	Other Operating Expenses	23,483	13,145
	2220200	Routine Maintenance- Other Asset	243,000	
		<b>Total</b>	<b>4,830,523</b>	<b>4,735,535</b>
<b>2630200</b>	<b>5 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>Kshs</b>	<b>Kshs</b>
	2630204	Transfers to primary schools	36,764,941	26,143,291
	2630205	Transfers to secondary schools	10,005,000	15,055,282
		<b>Total</b>	<b>46,769,91</b>	<b>41,198,573</b>

<b>2640000</b>	<b>6 OTHER GRANTS AND OTHER PAYMENTS</b>			
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>Kshs</b>	<b>Kshs</b>
	2640101	Bursary –Secondary	12,006,300	22,093,537
	2640102	Bursary –Tertiary	15,597,079	9,430,300
	2640507	Security/ others	14,299,988	1,553,063
	2640509	Sports	390,000	1,428,000
	2640200	Emergency Projects (Specify)	6,995,000	6,317,800
		<b>Total</b>	<b>49,288,367</b>	<b>40,822,700</b>

<b>3100000</b>	<b>7 ACQUISITION OF ASSETS</b>			
	<b>Non-Financial Assets</b>		<b>2019-2020</b>	<b>2018-2019</b>
	3110202	Construction of Buildings	899,200	
	3111001	Purchase of office furniture and fittings	200,000	
	3111002	Purchase of computers, printers and other IT equipment	713,000	
	3111005	Purchase of Photocopier	87,000	
		<b>Total</b>	<b>1,899,200</b>	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
For the year ended June 30, 2020

<b>8 Bank Balances (cash book bank balance)</b>				
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>(30/06/2020)</b>	<b>(30/06/2019)</b>
			<b>Kshs</b>	<b>Kshs</b>
		First Community Bank, Wajir Branch 80001203, KHS.	40,194,637	23,309,193
		<b>Total</b>	<b>40,194,637</b>	<b>23,309,193</b>

<b>9 BALANCES BROUGHT FORWARD</b>				
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>(01/07/2019)</b>	<b>(01/07/2018)</b>
			<b>Kshs</b>	<b>Kshs</b>
		Bank Accounts	23,309,193	4,199,342
		<b>Total</b>	<b>23,309,193</b>	<b>4,199,342</b>

<b>10. OTHER DISCLOSURES</b>				
<b>10.1 UNUTILIZED FUNDS (See Annex 1)</b>				
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>Kshs</b>	<b>Kshs</b>
		Amounts due to other government entities (see attached list)	73,900,000	42,979,343
		Amounts due to other grants and other transfers (see attached list)	28,880,329	29,735,354
		Others- Use of Goods and Services	5,136,612	4,519,252
		Gratuity & Compensation of employees	1,429,506	1,116,119
		Unallocated Amount -AIA	215,914	
		<b>Total</b>	<b>109,562,361</b>	<b>78,350,068</b>

<b>10.2 PMC ACCOUNT BALANCES (See Annex 3)</b>				
			<b>2019-2020</b>	<b>2018-2019</b>
			<b>Kshs.</b>	<b>Kshs.</b>
		PMC Account Balances (see attached list)	<b>85,416</b>	<b>67,788</b>
		<b>Total</b>	<b>85,416</b>	<b>67,788</b>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

ANNEX 1: UNUTILIZED FUNDS- CASHBOOK BALANCE

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					30.06.2020	2019	
		a	b	c	d=a-c		
Gratuity	Provision for staff service gratuity	391,364.40			391,364.40		
Compensation of employees	Basic wages of contractual employees	3,892,000.00		2,853,858.00	1,038,142.00		
Use of Goods & Services	Use of Goods and Services- car hires	3,812,291.00		943,403.41	2,868,887.59		
<b>Sub-Total</b>		<b>8,095,655.40</b>			<b>4,298,393.99</b>		
<b>Amounts due to other Government entities</b>							
Kukale Primary School	Purchase of 20 wooden desks	84,000.00		84,000.00			
Adan Awale Primary School	Renovation of 4 classrooms- floors, doors, windows and Painting.	1,000,000.00			1,000,000.00		
Adan Awale Primary School	Purchase of 20 wooden desks	84,000.00		84,000.00			
Kara Primary school	Construction to completion of one classroom	850,000.00			850,000.00		
Kara Primary school	Construction to completion of one door pit latrine	300,000.00			300,000.00		
Kara Primary School	Renovation of four classrooms- floors, doors, windows, painting	1,000,000.00			1,000,000.00		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

Lanqot Primary School	Construction to completion of double door pit latrine	800,000.00		750,000.00	50,000.00	
Lagdima Primary School	Renovation of 3 classrooms- floors, walls, doors, windows, painting.	600,000.00			600,000.00	
Lagdima Primary School	Purchase of 10 wooden desks	42,000.00		42,000.00		
Waberi Girls Primary School	Purchase of 20 wooden desks	84,000.00		84,000.00		
Welathi Primary School	Renovation of 3 classrooms- floors, walls, doors, windows, painting.	600,000.00			600,000.00	
Welathi Primary School	Construction to completion of one door pit latrine	300,000.00			300,000.00	
Dobley Primary School	Purchase of 10 wooden desks	42,000.00		42,000.00		
Bukuma Primary School	Construction to completion of one classroom	800,000.00			800,000.00	
Bukuma Primary School	Construction to completion of one door pit latrine	300,000.00			300,000.00	
Kubeyzurur Primary School	Purchase of 10 wooden desks	42,000.00		42,000.00		
Fatuma Nur Primary School	Renovation of 4 classrooms- floors, walls, doors, windows, painting.	1,000,000.00			1,000,000.00	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Wagalla Primary School	Renovation of examination hall- floors, walls, doors, windows, painting.	900,000.00			900,000.00		
Lolkuta North Primary school	Purchase of 20 wooden desks	84,000.00		84,000.00			
Hadado Primary school	Purchase of 20 wooden desks	84,000.00		84,000.00			
Busbus Primary school	Purchase of 20 wooden desks	84,000.00		84,000.00			
Adhibohol Primary school	Purchase of 20 wooden desks	84,000.00		84,000.00			
Barmish Primary school	Purchase of 20 wooden desks	84,000.00		84,000.00			
Koricha Primary school	Purchase of 10 wooden desks	42,000.00		42,000.00			
Arbajhan Secondary school	Construction to completion of 2 classrooms	1,700,000.00			1,700,000.00		
Wagalla Memorial Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		
Arbajahan Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

Griftu Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		
Garsekhofu Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		
Hadado Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		
Lagbogol Secondary School	Purchase of office furniture (2 metallic cabinets, 10 office tables, 10 office chairs, 1 executive table and 1 executive chair)	700,000.00			700,000.00		
Makaror Mixed Day Secondary School	Fitting and equipment for twin laboratory- Water system, gas system, benches, stools, shelves	2,000,000.00			2,000,000.00		
Waso Girls Secondary School	Construction to completion of 2 classrooms	1,600,000.00		1,510,000.00	90,000.00		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Waso Girls Secondary School	Construction to completion of 2 door pit latrine	600,000.00		560,000.00	40,000.00	
Waso Girls Secondary School	Construction of an Administration block	1,200,000.00		1,130,000.00	70,000.00	
Waso Girls Secondary School	Purchase of 50 chairs and 50 lockers	300,000.00			300,000.00	
<b>Sub-Total</b>		<b>20,890,000.00</b>			<b>16,100,000.00</b>	
<b>Amounts due to other grants and other transfers</b>						
Bursary – Secondary	Payment of bursary to needy students in secondary schools.	12,006,387.59		12,006,300.00	87.59	
Bursary – Tertiary	Payment of bursary to needy students in colleges and universities.	21,000,000.00		1,623,000.00	19,377,000.00	
Emergency	To cater for unseen occurrences in the constituency	7,198,241.38		6,995,000.00	203,241.38	
<b>Sub-Total</b>		<b>40,204,628.97</b>			<b>19,580,328.97</b>	
<b>Grand Total</b>		<b>69,190,284.37</b>			<b>39,978,722.96</b>	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

AMOUNT NOT RECEIVED FROM NG-CDF BOARD

Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/19	Comments
<b>Monitoring, Evaluation and Capacity Building</b>				
Goods and Services	Purchase of fuel, repairs and maintenance, printing, stationery, Airtime, travel and subsistence.	767,724.15		Not received from the NG-CDFB
CDFC / PMC Capacity building	Undertake training of the PMCs/NG-CDFCs on NG-CDF related issues.	1,500,000.00		Not received from the NG-CDFB
<b>Sub-Total</b>		<b>2,267,724</b>		
<b>Amounts due to other government entities</b>				
Kukale Primary School	Construction to completion of two classrooms.	1,600,000.00		Not received from the NG-CDFB
Kalkacha West Primary School	Construction to completion of one classroom	800,000.00		Not received from the NG-CDFB
Arbajahan Primary School	Fencing of the school compound with concrete posts and chain link, a total of 1,300 meters.	6,500,000.00		Not received from the NG-CDFB
Bojiyare Primary school	Construction to completion of two roomed staff house	1,200,000.00		Not received from the NG-CDFB
Lanqot Primary School	Construction to completion of one classroom	850,000.00		Not received from the NG-CDFB
Waberi Girls Primary School	Construction to completion of 2 classrooms	1,600,000.00		Not received from the NG-CDFB
Garsekhofu Primary School	Construction to completion of a computer room	1,200,000.00		Not received from the NG-CDFB
Dobley Primary School	Construction to completion of two door pit latrine	600,000.00		Not received from the NG-CDFB
Baji Primary School	Construction to completion of two door pit latrine	600,000.00		Not received from the NG-CDFB

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Turbani Primary School	Construction to completion of two door pit latrine	600,000.00	Not received from the NG-CDFB
Garabhanshinle Primary school	Construction to completion of two door pit latrine	600,000.00	Not received from the NG-CDFB
Taqwa Primary School	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Bulla Forest Primary School	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Kubeysurur Primary School	Construction to completion of 2 classrooms	1,700,000.00	Not received from the NG-CDFB
Boa Primary School	Construction to completion of 20M <sup>3</sup> underground water tank at the school	800,000.00	Not received from the NG-CDFB
Garweine Primary School	Construction to completion of 2 classrooms	1,600,000.00	Not received from the NG-CDFB
Madina Primary School	Construction to completion of one classroom	850,000.00	Not received from the NG-CDFB
Madina Primary School	Construction to completion of one door pit latrine	300,000.00	Not received from the NG-CDFB
Lolkuta North Primary school	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Lolkuta North Primary school	Construction to completion of one door pit latrine	300,000.00	Not received from the NG-CDFB
Griftu Primary School	Renovation of 3 classrooms-roofing, verandah, external walls, floors, doors, windows.	1,200,000.00	Not received from the NG-CDFB
Omar Diqile Primary School	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Guticha Primary school	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Hudhile Mixed Day Secondary school	Purchase of 50 chairs and 50 lockers	300,000.00	Not received from the NG-CDFB
Hudhile Mixed Day Secondary school	Construction to completion of 2 classrooms	1,600,000.00	Not received from the NG-CDFB

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJR WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Hudhile Mixed Day Secondary school	Construction to completion of 2 door toilet with a septic tank	800,000.00	Not received from the NG-CDFB
Hudhile Mixed Day Secondary school	Digging and capping of a shallow well with a hand pump.	400,000.00	Not received from the NG-CDFB
Hudhile Mixed Day Secondary school	Fencing of the school with concrete posts and chain link - a total of 1300 meters.	6,500,000.00	Not received from the NG-CDFB
Hudhile Mixed Day Secondary school	Construction to completion of an Administration block- staff room, Principal's office, Deputy Principal's office, Accountant's office, Receptionist Office.	2,100,000.00	Not received from the NG-CDFB
Arbajahan Secondary school	Construction of completion of a modern science Laboratory	5,000,000.00	Not received from the NG-CDFB
Wagalla Memorial Secondary school	Construction to completion of three roomed staff houses	1,800,000.00	Not received from the NG-CDFB
Wagalla Memorial Secondary school	Renovation of Administration block - floors, doors, windows, painting.	800,000.00	Not received from the NG-CDFB
Lagbogol Secondary school	Construction to completion of one classroom	800,000.00	Not received from the NG-CDFB
Lagbogol Secondary school	Construction to completion of one door Pit Latrine	300,000.00	Not received from the NG-CDFB
Hadado Secondary School	Construction of completion of a modern science Laboratory	4,500,000.00	Not received from the NG-CDFB
Waso Girls Secondary School	Fencing of the school compound with the concrete posts and chain link- a total of 1200 meters.	6,000,000.00	Not received from the NG-CDFB
<b>Sub-Total</b>		<b>57,800,000</b>	
<b>Amounts due to other grants and other transfers</b>			
Lagbogol Assistant County Commissioner's Office	Fencing of the office with concrete posts and chain link- a total of 250 meters.	1,500,000.00	Not received from the NG-CDFB

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

Griftu Administration Police Camp	Renovation of the fence- replacement of concrete posts destroyed by October 2019 floods.	500,000.00	Not received from the NG-CDFB
Barmish Police Camp	Construction to completion of Police camp- 3 staff houses, 2 police cells, Police Armory.	2,500,000.00	Not received from the NG-CDFB
Barmish Police Camp	Construction to completion of 2 door pit latrine	600,000.00	Not received from the NG-CDFB
Adhibohol Police Camp	Renovation of staff house- floors, doors, windows and paint	800,000.00	Not received from the NG-CDFB
Hadado Police Camp	Construction to completion of 2 roomed staff house	1,200,000.00	Not received from the NG-CDFB
Hadado Police camp	Construction to completion of 2 door pit latrine	600,000.00	Not received from the NG-CDFB
Lolkuta North Police Camp	Renovation of staff house- floors, doors, windows and paint	600,000.00	Not received from the NG-CDFB
<b>Sports Activities</b>	Conducting sport tournaments for seven secondary schools in the Constituency	1,000,000.00	Not received from the NG-CDFB
<b>Sub-Total</b>		<b>9,300,000.00</b>	
<b>Total</b>		<b>69,367,724</b>	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
 For the year ended June 30, 2020

**ANNEX 2- SUMMARY OF FIXED ASSETS**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 2018/19</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/2020</b>
Land (Unregistered)	500,000			500,000
Buildings and structures	17,111,280	899,200		18,010,480
Office equipment, furniture and fittings	2,211,000	200,000		2,411,000
ICT equipment, software and other ICT assets	520,000	800,000		1,320,000
<b>Total</b>	<b>20,342,280</b>	<b>1,899,200</b>		<b>22,241,480</b>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
For the year ended June 30, 2020

**ANNEX 3. PMC BANK BALANCES AS AT 30TH JUNE 2020**

NO	PROJECT NAME	BANK	A/C NO	Bank Balance 30/6/2020	Bank Balance 30/6/2019
1	Boa Primary School	KCB	111627332	443	542
2	Ganyurey Primary School	FCB	80006979	1,738	1,503
3	Kara Primary School	FCB	80006997	2,275	4,275
4	Korija Primary School PMC	FCB	80010451	1,233	2,595
5	Lolkuta South Primary School	FCB	70001193	1,754	1,237
6	Hadado Primary School	FCB	80005020	2,664	1,632
7	Baji Primary School	FCB	80010460	1,310	2,552
8	Kubeysurur Primary Sch	FCB	80004496	0.00	0.00
9	Dobley Primary School	FCB	80010450	1,255	1,117
10	Lanqoot Primary School	FCB	80009193	1,163	2,905
11	Waberi Girls Primary School	FCB	80006121	1,197	1,060
12	Adan Awale Primary School	FCB	80010481	402	1,127
13	Matho Primary School	FCB	80010499	265	627
14	Welathi Primary School	FCB	80008459	3,088	3,450
15	Arbajahan Primary School	FCB	80005007	2,433	2,260
16	Kalkacha West Primary School	FCB	80006438	2,528	3,033
17	Al-Hagar Primary School	FCB	80006437	2,013	1,303
18	LMD Primary School	FCB	80011204	1,210	0.00
19	Jira Primary School	KCB	1252582838	540	200
20	Hudhile Primary School	FCB	80009161	1,700	2,305
21	Kanjara Primary School	FCB	80005024	2,345	1,053
22	Ademsajida Primary School	FCB	80011325	638	0.00
23	Showli Primary School PMC	FCB	80008403	1,418	1,023
24	Garab Hanshinle Primary School	FCB	80009191	1,218	1,322
25	Turbani Primary School	FCB	80009192	1,540	1,525
26	Makaror Primary School	KCB	1240220014	1,040	1,760
28	Lag-dima Primary School	FCB	80005075	2,030	1,755
29	Maumau Primary School	FCB	80005006	1,711	1,316
30	Busbus Primary School	FCB	80004773	2,608	1,608
31	Garweine Primary School	FCB	80011351	273	0.00
32	Griftu Primary School	FCB	80011329	2,838	0.00
33	Lagbogol Pry School	FCB	80006834	1,945	1,307
34	Garsekhoftu Pry School	FCB	80006992	1,287	3,631
35	Barmish Primary School	FCB	80005026	1,703	1,565
36	Isakhia Primary School PMC	FCB	80011316	1,205	0.00
37	Wagalla Memorial Secondary	FCB	80002444	15,855	6,218
38	Makaror Mixed Day Sec	FCB	80002427	3,827	1,525

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020

39	Arbajahan Secondary School	FCB	80006974	1,583	4,945
40	Griftu Secondary School	KCB	1133237312	254	690.50
41	Waso Girls Secondary School	FCB	80011633	1,500	
42	Hadado Police PMC	FCB	80011007	2,000	
43	Wagalla Police PMC	FCB	80009041	2,959	2,821
44	Hadado AP Camp PMC	FCB	80011284	1,625	
45	Kukale Chief PMC	FCB	80011000	1,730	
46	Griftu Police Station PMC	FCB	80011311	1,073	
<b>Total</b>				<b>85,416</b>	<b>67,788</b>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XV. PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. 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 <i>(Name and designation)</i>	Status: (Resolved Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
WJR/INS/CDF/WEST/VOL. 1/47	<p><b>1.0 Unspent Funds – Kshs. 23,309,193</b></p> <p>Included in the summary statement of appropriation are 2018/2019 financial year are actual receipts from NGCDF Board totaling Kshs 112,983,825 against approved amount of Kshs168,024,700 thus actual receipts falling short of the budget for the year by Kshs 55,040,875. The NGCDF Wajir West spent Kshs 89,674,632 out of their actual receipt of Kshs. 112,983,825 resulting in unspent funds totaling Kshs. 23,309,193. No adequate explanations given for non-full utilization of received funds by the Fund management.</p>	<p>Funds were received late on 13th May 2019 as per the AIEs No. <b>B047069</b> of <b>Kshs. 13 million</b> and <b>B042644</b> of <b>Kshs. 11 million</b> and credit in the Fund bank account on the 14th May 2019. This was about one and half months to the close of the financial year. The procurement process could not be finalized before the closure of the financial year. The same funds could not be lie idle in the Project Management Committee (PMC) bank accounts if approved by the NG-CDFC for disbursement. As</p>	Fund Account Manager	Resolved	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

	<p><b>2.0 Cash and Cash Equivalents</b>  Disclosed in note 7 to the financial statements is an amount of Kshs 23,309 193 as cash and cash equivalents. This amount is cash book bank balances supported by a bank reconciliation statement for the month of 30 June 2019. Audit scrutiny of the bank reconciliation revealed an amount of Kshs 3,730,245 was in respect of payments in cash book not yet recorded in the bank statement. Included in the amount are cheques totaling Kshs 78,000 for various learning institutions which were stale. These cheques were not replaced within sixth month of their expiry or cleared from books of account immediately after becoming stale and were</p>	<p>an internal control measure, we ask the PMCs to complete the procurement process before funds are disbursed to their accounts.</p> <p>Attached as <b>Appendix 2</b> find the AIEs No. B047069 and B042644 and Bank Statement for the Month of May 2019.</p> <p><b>2.0</b> The cheques totaling <b>Kshs. 78,000</b> have been reversed and replaced with Cheque No. 002173 for Amref International University as evidenced by the attached extracts from cash book pages.</p> <p>Attached as <b>Appendix 7</b> find the extracts from the Cash book pages.</p>	<p>Sub-County Accountant</p>	<p>Resolved</p>	
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

	<p>carried forward as reconciling items as at 30 June 2019.</p> <p><b>3.0 Transfer to Other Government Entities</b>  <b>A) Procurement of Primary School Projects – Kshs. 8,928,219</b></p> <p>During the year under review, the NG CDF Committee for Wajir West disbursed and approved payment totaling Kshs. 26,143,291 to various PMCs in respect to transfers to primary schools for construction to completion of classrooms and administration block. These funds were administered through Project Management Committees (PMCs) spread all over the Constituency. However, PMCs expenditure returns including cash books and reconciliation statements for expenses amounting Kshs. 8,928,219 were not made available for audit. Further the decision to award the tenders were made without obtaining signed professional opinion on the procurement proceedings as required by section 84 of the Public Procurement Asset Disposal Act, 2015</p>	<p><b>Procurement of Primary School Projects – Kshs. 8,928,219.</b></p> <p>As you may be aware the NG-CDFC have a capacity problem in terms of Procurement Professionals. However, the National Government Constituencies Development Fund Committee can make appropriate Consultations with relevant government department including Procurement Officers. The challenge is that there are no Professional Procurement Officers for the National Government at the County level. To address this challenge, the NG-CDFC Wajir West has agreed to recruit a professional procurement Officer who can</p>	<p>NG-CDFC</p>	<p>Resolved</p>	
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020

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		handle the issue of the Professional Opinion. Attached as <b>Appendix 5</b> find the Advert for the Position and the NG-CDFC Minutes on the recruitment of a procurement officer.			
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