

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
WAJIREAST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

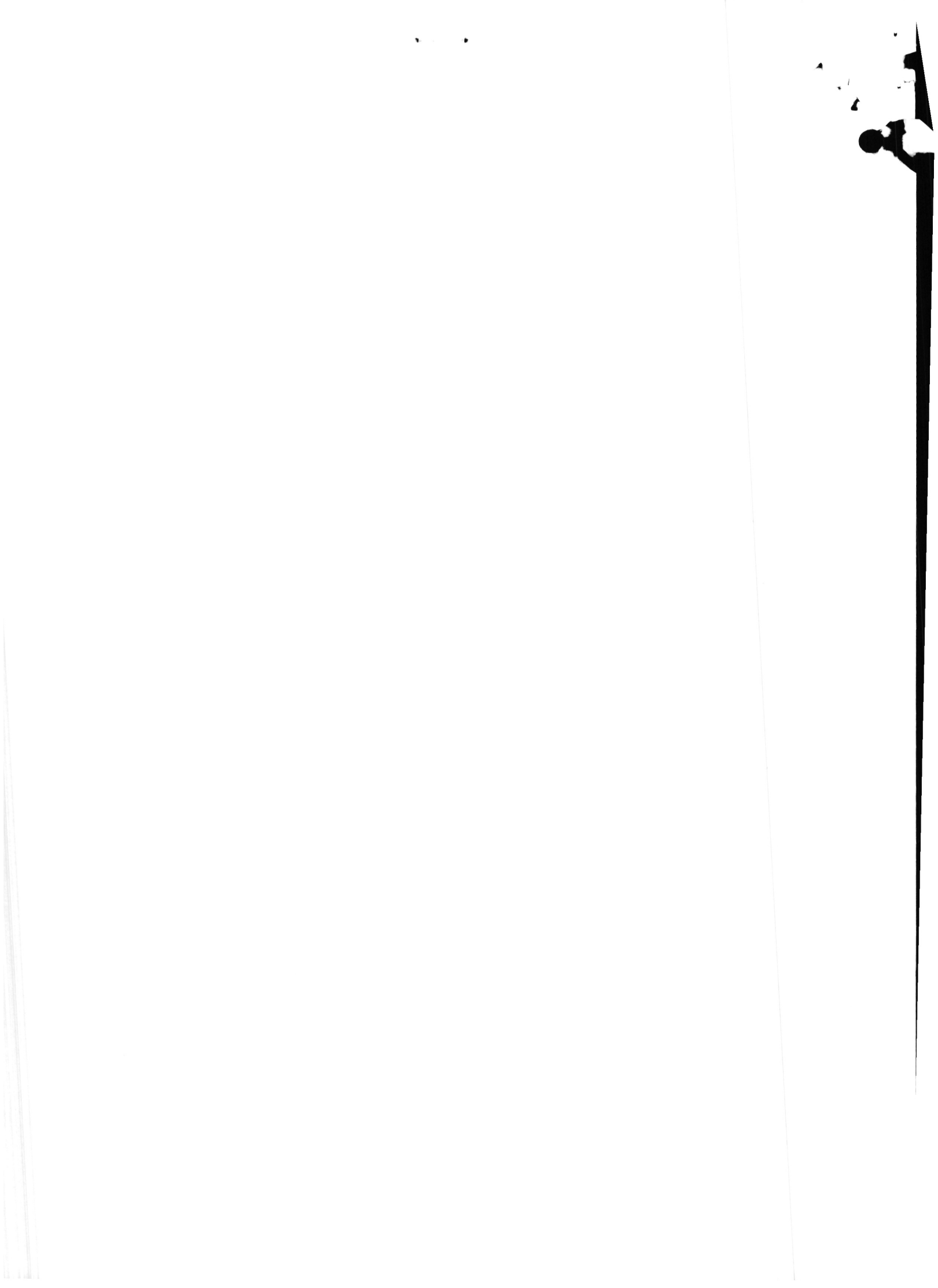
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DATE: 07 AUG 2019

DAY: Wednesday

Hon. Benjamin Wanjau
Majority Party Whip
Hon. Ahmed





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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND WAJIR EAST 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 (NG - CDF)
WAJIR EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)
WAJIR EAST 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR EAST CONSTITUENCY
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For the year ended June 30, 2018**

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 NG –CDF Wajir east day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Abdisalan billow
3.	Sub-County Accountant	Rashid ahmed
4.	Chairperson NG - CDFC	Issa Garad Adan
5.	Member NG - CDFC	Rashid abdi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG - CDF Board provide overall fiduciary oversight on the activities of NG –Wajir East Constituency. The reports and recommendation of ARMC when adopted by the NG - CDF 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) NG – Wajir East Constituency Headquarters

P.O. Box 417 - 70200
NG – CDF Wajir East
Wajir

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR EAST CONSTITUENCY
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(f) NG – CDF Wajir East Constituency Contacts

Telephone: (254) 0708581358
E-mail: aabdi@ngcdf.go.ke, wajireastngcdf@gmail.com
Website: www.ngcdf.go.ke

(g) NG – CDF wajir east Constituency Bankers

1. Kenya commercial bank
Wajir Branch
P.O. Box
Wajir

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR EAST CONSTITUENCY
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FORWARD BY THE CHAIRPERSON NG- CDF WAJIR EAST COMMITTEE

The Constituency was able to absorb funds up to 84%. This was partly due to late receiving of funds for the additional budget for FY 2017/2018.

The Constituency has done well in terms of project implementation. Among successful projects is the timely disbursement of bursary, environment and sports activities. Some challenges affecting project implementation is the late disbursement of funds, late approval of proposals and reallocations. The constituency is also very sparse and almost all the schools have very poor infrastructures. The issue of early marriages and FGM is also rampant in the constituency.

The constituency has already developed a five year strategic plan to address the above challenges. The plan will assist in developing infrastructures in Education institutions and security agencies in the Constituency.

The Wajir East NG-CDF Committee is also having periodical ward meetings to build capacity of the constituents in understanding the operations of the fund.

The NG-CDF Committee has come up with measures to ensure projects are completed within a financial year i.e. no issue of on-going projects.

Sign



CHAIR PERSON NG – CDF WAJIR EAST

II. 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.

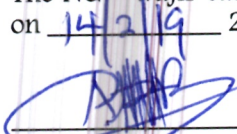
The Accounting Officer in charge of the NG – Wajir east Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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.

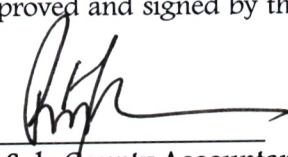
The Accounting Officer in charge of the NG – Wajir east Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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 charge of the NG – Wajir east 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 NG – Wajir east 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 NG - wajir east Constituency financial statements were approved and signed by the Accounting Officer on 14/2/19 2018.


Fund Account Manager
Abdisalan billow abdi


Sub-County Accountant
Rashid Ahmed
ICPAK Member Number:



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 EAST 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 East Constituency set out on pages 6 to 31 which comprise the 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 East 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 Opinion

1. Cash and Cash Equivalents

1.1 Unrepresented Cheques

Included in the cash and cash equivalents balance of Kshs.31,679,861 is Kshs.4,566,340 in respect of payments in cash book not yet recorded in the bank statement (unrepresented cheques) with some amounting to Kshs.96,438 dating back to 2012 allegedly paid to NHIF and NSSF and which had not been reversed.

Consequently, the accuracy of the bank balance of Kshs.31,679,861 as at 30 June 2018 could not be confirmed.

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

1.2 Payments in Bank Statement not in Cash Book

Included in the payments in bank statement not yet recorded in cash book figure of Kshs.47,792 are bank charges, tax due, error correction and over cast amounting to Kshs.12,237, Kshs.2,076, Kshs.9,800, Kshs.2,000 and Kshs.21,680 respectively. Some of the bank charges and other transaction dates back to 2016 and 2017 and have not been cleared. In addition, an amount of Kshs.21,680 was not recorded in the cash book. In view of the above anomalies the accuracy of the cash and cash equivalents balance of Kshs.31,679,861 could not be confirmed.

2. Use of Goods and Services

2.1 Unsupported Committee Expenses

Included in use of goods and services balance of Kshs.7,740,681 reflected under note 5 to the financial statements is an expenditure of Kshs.4,770,000 incurred on committee expenses. However, a review of records revealed that an amount of Kshs.1,464,000 had not been supported with relevant supporting documents such as minutes of the payments approval by the National Government Constituencies Development Fund Committee and signed payment schedules. It was further observed that some of the payments were not supported with quotations, LSOs and delivery notes.

Under the circumstances, the probity of the expenditure of Kshs.1,464,000 as at 30 June 2018 could not be ascertained.

2.2 Unsupported Training Expenses

Included in the use of goods and services balance of Kshs.7,740,681 reflected under note 5 to the financial statements is an expenditure of Kshs.1,050,000 incurred on training services. However examination of records and other supporting documents revealed the following anomalies:-

- a) Catering services for the training amounting to Kshs.840,000 was procured through request for quotations. The quotations raised were circulated to three local hotels. However, it was noted that the quotations did not have reference numbers and the date floated and the date and time opened. It was also noted that the quotations for the unsuccessful bidders were opened by only two persons.
- b) There was no LSO raised for the services as required by Section 106 (5) (a) of the Public Procurement and Assets Disposal Act, 2015.
- c) No contract agreement was signed between the Fund and the contracted hotel.
- d) The total expenditure as per the cash book, the financial statement ledgers and the payment voucher was Kshs.1,050,000. However, only an amount of Kshs.840,000 was supported. The remaining Kshs.210,000 was not supported

with relevant documentation. Further, the training expenditure was not supported with training program and attendance list with the date the training was conducted.

In the circumstances, the authenticity of the expenditure of Kshs. 1,050,000 as at 30 June 2018 could not be ascertained.

2.3 Utilities Supplies and Services

Included in the use of goods and services balance of Kshs.7,740,681 under note 5 to the financial statements is Kshs.1,237,000 spent on utilities, supplies and services. Examination of payment records relating to the expenditure revealed that an amount of Kshs.964,000 incurred on purchase of printer cartridges and car hire services had not been properly supported with the necessary records. The cartridges procured were not supported with invoice or cash sale, delivery note and S13 to confirm delivery, receiving and issue of goods procured. Further, the car hire services procured were not supported with L.S.Os, invoice, logbooks, insurance covers and temporary work tickets of the vehicles purported to have been hired for monitoring and evaluation exercise.

Under the circumstances, the authenticity of the expenditure of Kshs.964,000 as at 30 June 2018 could not be ascertained.

3. Other Grants and Other Payments

3.1 Procurement of Emergency Projects

Included in other grants and other payments of Kshs.37,160,000 under note 7 to the financial statements is an amount of Kshs.6,160,000 incurred on emergency projects, out of which Kshs.5,080,000 was not properly supported as analyzed below:-

- a) The Fund directly procured car hire services amounting to Kshs.2,130,000 contrary to Public Procurement and Asset Disposal Act, 2015 Section 106(2)(b) that requires at least three persons to submit their quotations prior to evaluation. Further, the work tickets maintained for the vehicles hired were incomplete as they did not have details such as the driver's name, fuel drawn, distances covered and time. It was therefore not possible to confirm whether the vehicles were actually hired and used for office purpose. Copies of the logbooks for the vehicles hired were also not attached to the payment voucher or availed for audit review.
- b) Foodstuff worth Kshs.2,950,000 were procured and received without inspection and acceptance committee report contrary to Section 48(3)(c) of Public Procurement and Asset Disposal Act, 2015 which requires an inspection and acceptance committee to be constituted immediately after delivery of goods, works or services and accept or reject the delivered goods, works or services on behalf the procuring entity.
- c) LPO/ LSO was not issued to successful bidders contrary to Section 106(5)(c) of Public Procurement and Asset Disposal Act, 2015 that requires procuring entity to place a purchase order with the person submitting successful quotation.

Under the circumstances, the probity of the expenditure could not be ascertained.

3.2 Procurement of Sport Kits

Included in the other grants and payments balance of Kshs.37,160,000 under note 7 to the financial statements is an amount of Kshs.1,500,000 incurred on procurement of sports kits. The kits were procured through request for quotation which did not provide details or the nature of the kits required to be supplied. The kits were received through delivery note dated 09 May 2018 and was not received vide counter receipt voucher (S13). However, the name and the ID number of the person who received the kits was not indicated in the delivery note. The payment was also not supported with report of inspection and acceptance committee confirming receipts of the kits. There was no distribution list availed for audit review to confirm the beneficiaries of the sports kits.

Under the circumstances, the probity of the expenditure of Kshs.1,500,000 as at 30 June 2018 could not be ascertained.

3.3 Supply and Installation of Energy Saving Jikos

Included in other grants and payment balance of Kshs.37,160,000 under note 7 to the financial statements is an amount of Kshs.1,500,000 incurred on procurement of energy saving jikos for volunteers and Jugbaro Secondary schools. The projects were procured through request for quotation. The jikos were not received through counter receipt voucher (S13) and instead a delivery note was used to acknowledge receipt of the same. However, it was observed that the name and identity card number of the person who received was not indicated and it was further noted that the expenditure was not supported with the report of the inspection and acceptance committee to confirm the receipt of the jikos.

Under the circumstances, the probity of the expenditure amounting to Kshs.1,500,000 as at 30 June 2018 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 East 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.

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. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budget Performance Analysis

1.1 Budget Control and Performance

A review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget amounting to Kshs.101,219,233. Out of the Kshs.101,219,233 budgeted for the financial year, an amount of Kshs.899,527 was unspent balance from the financial year 2016/2017. The budget utilization on receipts and expenditure are as follows:

Item	Budget Kshs	Actual Kshs	Variance Kshs	% Utilization
Receipts	101,219,233	85,310,345	15,908,888	84%
Expenditure	101,219,233	53,660,061	47,559,172	47%

The above analysis reflects actual receipts of Kshs.85,310,345 against budgeted amount of Kshs.101,219,233 resulting to underfunding of Kshs.15,908,888 representing 16% of the funds budgeted for the year. Further, the Fund spent an amount of Kshs.53,660,061 against a budgeted amount of Kshs.101,219,233 resulting to an under expenditure of Kshs.47,559,172 representing 47% of the approved budget. The under expenditure was recorded in all the components as detailed below:-

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Expenditure Kshs.	% Difference
Compensation of employees	2,400,000	2,118,844	281,156	11.7%
Use of goods and services	7,844,895	7,740,681	104,214	13.3%
Transfer to other Government units	44,973,902	0	44,973,901	100%
Other grants and transfers	37,323,409	37,160,000	163,409	0.0044%
Other payments	8,677,027	6,640,537	2,036,490	0.23%
Total	101,219,233	53,660,061	47,559,172	

From the analysis above, the Fund had no expenditure on transfer to other Government entities including primary and secondary school projects which are key projects to be implemented.

2. Projects Status

According to the code list for the approved projects for the financial year 2017/2018, the Fund had budgeted to implement twenty seven (27) projects consisting of ten (10) primary

school projects, thirteen (13) secondary school projects, four (4) ICT innovation hubs with a total allocation of Kshs.8,148,858. However, the financial statements and the supporting ledgers revealed that the Fund did not implement the projects budgeted, as detailed below:

Beneficiary Institution	Project Description	Amount (Kshs.)
Sitawario primary School	construction of Two class rooms	1,400,000
Afarshanle Primary School	construction of Two class rooms	1,400,000
Khorofharar primary School	construction of Two class rooms	1,400,000
Wajir Primary School	renovation of Kitchen(doors, windows, walls floor and roof)	1,000,000
Wajir Primary School	Water piping and reticulation system	1,000,000
Elbay primary School	Digging and capping of 1 well	471,831
Elbay primary School	construction of two Toilet and septic tank	1,000,000
Township primary school	construction of Two class rooms	1,400,000
Wajir bor primary school	renovation of Two classrooms(doors, windows, walls, floor and roof)	1,000,000
Qarsa primary	construction of Two class rooms	1,400,000
Ahmed liban secondary school	construction of 1 classroom	700,000
Volunteer secondary School	construction of 4 classrooms	2,800,000
Volunteer secondary School	construction of Administration block	3,000,000
Volunteer secondary School	construction of 2 toilets with septic tank	900,000
Volunteer secondary School	construction of kitchen and store	1,000,000
Volunteer secondary School	Digging and capping of 1 well	400,000
Volunteer secondary School	supply of two water tanks (50,000 litres) and laying of water piping system	1,000,000
Volunteer secondary School	construction of science Laboratory including lab furniture and fittings	2,500,000
Jugbaro secondary school	renovation of 4classrooms (doors, windows, floor, roof and wall)	1,400,000
Jugbaro secondary school	Electrification of the school(wiring, payment of KPLC installation fee)	500,000
Jugbaro secondary school	construction of science Laboratory	2,900,000
shalatey Secondary School	construction of science Laboratory	2,900,000
Jugbaro secondary school	construction of chain-link fence	2,000,000
Khorofharar ward ICT Innovation Hub	installation of a satellite antennae, Router, Digital access kit and Digital Ruggedized tablet, Wi-Fi with outdoor	1,169,257

Beneficiary Institution	Project Description	Amount (Kshs.)
	wireless device complete with installation accessories	
Wagberi ward ICT Innovation Hub	installation of a satellite antennae, Router, Digital access kit and Digital Ruggedized tablet, Wi-Fi with outdoor wireless device complete with installation accessories	1,169,257
Barwaqo ward ICT Innovation Hub	installation of a satellite antennae, Router, Digital access kit and Digital Ruggedized tablet, Wi-Fi with outdoor wireless device complete with installation accessories	1,169,257
Township ICT Innovation Hub	installation of a satellite antennae, Router, Digital access kit and Digital Ruggedized tablet, Wi-Fi with outdoor wireless device complete with installation accessories	1,169,257
	Total	38,148,858

Non implementation of development projects affects service delivery to the constituents.

3. Summary of Fixed Assets

Included in the summary of fixed asset register balance of Kshs.8,686,941 under Annex 4 to the financial statement is an amount of Kshs.5,000,000 in respect of the fund's buildings and structure. However, the ownership documents of the land where the building of the Fund's office was constructed had not been availed for audit review. Consequently, the legality and ownership of the land could not be ascertained.

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

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, 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 Fund's 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

24 June 2019

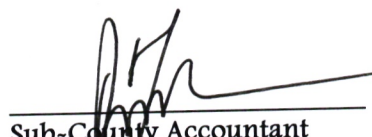
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	85,310,344.80	84,296,551.70
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		85,310,344.80	84,296,551.70
PAYMENTS			
Compensation of employees	4	2,118,843.55	1,998,500.00
Use of goods and services	5	7,740,681.00	4,382,044.00
Transfers to Other Government Units	6	-	37,614,811.90
Other grants and transfers	7	37,160,000.00	32,771,617.85
Acquisition of Assets	8	-	-
Other Payments	9	6,640,536.75	7,500,000.00
TOTAL PAYMENTS		53,660,061.30	84,266,973.75
SURPLUS/(DEFICIT)		<u>31,650,283.50</u>	<u>29,577.95</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG – Wajir East Constituency financial statements were approved on 14/2/18 2018 and signed by:


Fund Account Manager
Abdisalan billow abdi


Sub-County Accountant
Rashid Ahmed
ICPAK Member Number:



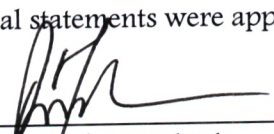
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	31,679,861.45	29,577.95
Cash Balances (cash at hand)	10B	-	869,949.00
Total Cash and Cash Equivalents		31,679,861.45	899,526.95
Accounts Receivables - Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		<u>31,679,861.45</u>	<u>899,526.95</u>
FINANCIAL LIABILITIES			
Accounts Payables - Retention	12	<u>31,679,861.45-</u>	
Net Financial Assets			899,526.95
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	29,577.95	1,740,128
Surplus/Deficit for the year		31,650,283.50	29,577.95
Prior year adjustments	14		(870,179)
NET FINANCIAL POSITION		<u>31,679,861.45</u>	<u>899,526.95</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG – wajir east Constituency financial statements were approved on 14/2/19 2018 and signed by:


Fund Account Manager
Abdisalan billow abdi


Sub-County Accountant
Rashid Ahmed abdi
ICPAK Member Number:



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

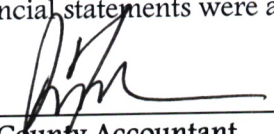
V. STATEMENT OF CASHFLOW

		2017 – 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	85,310,344.80	84,296,551.70
Other Receipts	3	-	
		85,310,344.80	84,296,551.70
Payments for operating expenses			
Compensation of Employees	4	2,118,843.55	1,998,500
Use of goods and services	5	7,740,681.00	4,382,044
Transfers to Other Government Units	6	-	37,614,811.9
Other grants and transfers	7	37,160,000.00	32,771,617.85
Other Payments	9	6,640,536.75	7,500,000.00
		53,660,061.30	84,266,973.75
Adjusted for:			
Adjustments during the year	14		(870,179)
Net cash flow from operating activities			(840,601.05)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		<u>31,650,283.50</u>	(840,601.05)
Cash and cash equivalent at BEGINNING of the year	13	29,577.95	1,740,128
Cash and cash equivalent at END of the year		31,679,861.45	899,526.95

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG – Wajir East Constituency financial statements were approved on 2018 and signed by:


Fund Account Manager
Abdisalan Billow Abdi




Sub-County Accountant
Rashid Ahmed Abdi
ICPAK Member

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

VI. 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 %
RECEIPTS						
Transfers from CDF Board	86,310,344.80	14,908,888.29	101,219,233.09	85,310,344.80	15,908,888.29	84%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	86,310,344.80	14,908,888.29	101,219,233.09	85,310,344.80	15,908,888.29	84%
PAYMENTS						
Compensation of Employees	2,000,000.00	400,000.00	2,400,000.00	2,118,843.55	281,156.45	88%
Use of goods and services	7,404,896.00	439,999.00	7,844,895.00	7,740,681.00	104,214.00	98%
Transfers to Other Government Units	31,473,901.60	13,500,000.00	44,973,901.60	-	44,973,901.60	0%
Other grants and transfers	36,754,520.00	568,889.29	37,323,409.29	37,160,000.00	163,409.29	100%
Acquisition of Assets	-	-	0	-	0	0%
Other Payments	8,677,027.20	-	8,677,027.20	6,640,536.75	2,036,490.45	77%
TOTAL	86,310,344.80	14,908,888.29	101,219,233.09	53,660,061.30	47,559,171.79	

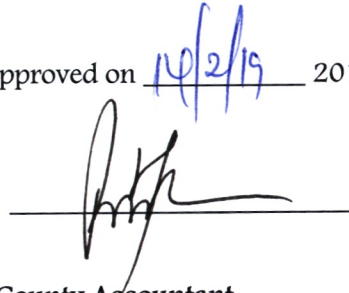
**Reports and Financial Statements
For the year ended June 30, 2018**

NOTE. The final budget is composed of the allocation for the 2017/2018 financial year amounting to kshs 101,219,233 and the previous year balance brought forward kshs 899,601 for the financial 2016/2017.

The NG- Wajir East Constituency financial statements were approved on 14/2/19 2018 and signed by:



Fund Account Manager
Abdisalan billow abdi



Sub-County Accountant
Rashid Ahmed
ICPAK Member Number:

VI. 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 NG-Wajir east 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 Ccash 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 NG - CDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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.

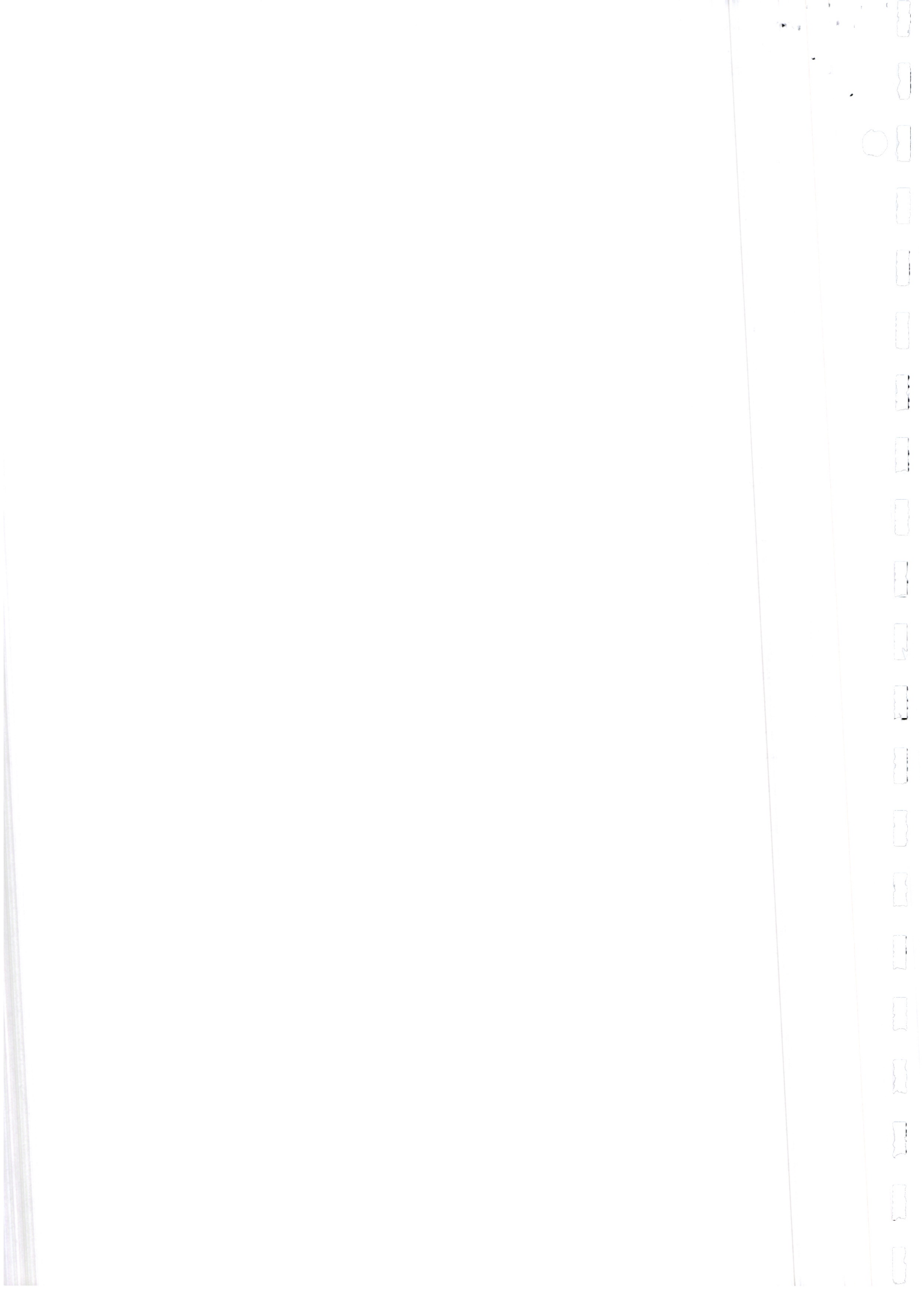
14. Errors

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 NG – WAJIR
EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NG - CDF Board			
AIE NO	A892539	5,500,000.00	4,400,000.00
AIE NO	A892859	37,905,172.00	36,853,449.00
AIE NO	A896898	41,905.172.80	38,948,275.10
			4,094,827.60
TOTAL		85,310,344.80	84,296,551.70

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	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
Total	xxx	xxx

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
Total	xxx	xxx

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	2,118,843.55	1,998,500
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments		
Total	2,118,843.55	1,998,500

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,770,000	404,000
Utilities, supplies and services	1,233,681	998,000
Communication, supplies and services		
Domestic travel and subsistence	500,000	2,000,000
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	1,050,000	582,000
Hospitality supplies and services		
Insurance costs		
Fuel, Oil & lubricants		
Office and general supplies and services		
Other operating expenses	187,000	398,044
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
Total	7,740,681	4,382,044

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR EAST 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 Kshs	2016-2017 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)		18,414,861.9
Transfers to secondary schools (see attached list)		18,200,000
Transfers to tertiary institutions (see attached list)		1,000,000
Transfers to health institutions (see attached list)		
TOTAL		37,614,811.9

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	12,289,000.00	5,000,000.00
Bursary – tertiary institutions (see attached list)	15,711,000.00	13,999,500.00
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)		9,560,289.70
Sports projects (see attached list)	1,500,000.00	1,211,827.85
Environment projects (see attached list)	1,,500,000.00	
Emergency projects (see attached list)	6,160,000.00	3,000,000.00
Total	37,160,000.00	32,771,617.85

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
Strategic plan	4,000,000.00	0.00
ICT Hub		
Others	2,640,536.75	
Total	6,640,536.75	0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST 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
<i>Kcb wajir branch A/C NO . 1102763853</i>	31,679,861.45	29,577.95
Total	31,679,861.45	29,577.95
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST 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>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

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

12RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	29,577.95	899,527.95
Cash in hand		
Imprest		840,600
Total	29,577.95	1,740,127.95

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NG – WAJIR
EAST CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	0.00	
Cash in hand		(870,179)
Imprest		
Total	0.00	(870,179)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

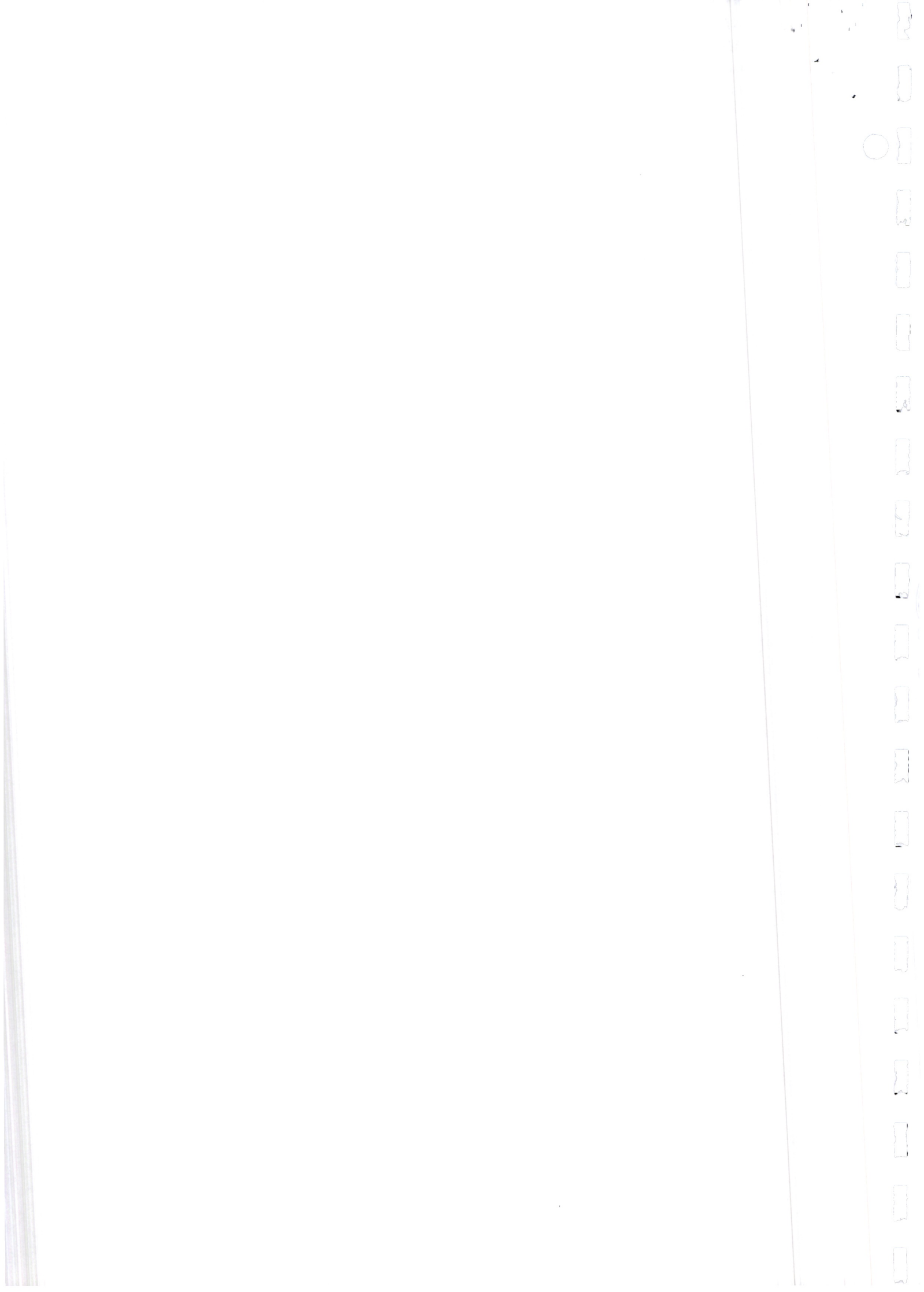
	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	31,511.030.20	xx
Construction of civil works		xx
Supply of goods	168,831.25	xx
Supply of services		xx
	31,679,861.45	xx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xx	xxx
Middle management	xx	xxx
Unionisable employees	xx	xxx
Others (<i>specify</i>)	xx	xxx
	xx	xxx

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	0.00	Xx
Use of goods and services	168,831.250.	Xx
Amounts due to other Government entities (see attached list)	31,511.030.20	Xx
Amounts due to other grants and other transfers (see attached list)	0.00	Xx
Acquisition of assets	0.00	Xx
Others (<i>specify</i>)	0.00	Xx
	31,679,861.45	Xxx



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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)	xxx	Xxx
	xxx	Xxx

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracte d	Amount Paid To- Date c	Outstanding Balance 2018 d=a-c	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. Township primary school	1,400,000	1.3.2018	-	1,400,000	-	Work in progress
2. Afarshanle primary school	1,400,000	1.3.2018	-	1,400,000	-	Work in progress
3. Shalatey primary school	2,000,000	1.3.2018	-	2,000,000	-	Work in progress
4. Volunteer primary school	13,802,975.0	1.3.2018	-	14,000,000	-	Work in progress
5. Jugbaro primary school	6,800,000	1.3.2018	-	6,800,000	-	Work in progress
6. Sitawario primary school	1,400,000	1.3.2018	-	1,400,000	-	Work in progress
7. Wajir bor primary school	1,000,000	1.3.2018	-	1,000,000	-	Work in progress
8. Qarsa primary school	1,400,000	1.3.2018	-	1,400,000	-	Work in progress
9. Khorof harar primary school	1,400,000	1.3.2018	-	1,400,000	-	Work in progress
10. Ahmed liban primary school	700,000	1.3.2018	-	700,000	-	Work in progress
Sub-Total	31,302,975					
Construction of civil works						
11.						
12.						
13.						
Sub-Total						
Supply of goods						
14. Stationeries	376,886	1.3.2018	-	,831.25168		Awaiting payment
15.						
16.						
Sub-Total	376,886					
Supply of services						
17.			-			
18.						
19.						
Sub-Total						
Grand Total	31,679,861					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	5,000,000	5,000,000	-	5,000,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	3,186,941	3,186,941	-	3,186,941
ICT Equipment, Software and Other ICT Assets	500,000	500,000	-	500,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	8,686,941	8,686,941	-	8,686,941

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

S/No.	Name of Project	Bank	Branch	Balance
1.	Volunteer secondary school	Kcb	Wajir	5000
2.	Jugbaro sec school	kcb	Wajir	10000
3.	Sita wario pry school	Kcb	Wajir	35000
4.	Khorofharar primary school	Kcb	Wajir	6500
5.	Qarsa primary school	Kcb	Wajir	10,000
6.	Wagberi primary school	Kcb	Wajir	5000
7.	Ahmedliban sec school	Kcb	Wajir	5000
8.	Elbay primary school	Kcb	Wajir	10000
9.	Wajir east project tender mng committe	Kcb	Wajir	4000
10.	Shaletey primary school	Kcb	Wajir	5000
11.	Township primary school	Kcb	Wajir	5000
12.	Afarshanle primary school	Kcb	Wajir	5000

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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)
1.1	Overall budget performance	Wajir East NG-CDFC used Kshs.88,036,680 for the year ended 30 th June 2016 out of the possible. This was 96% absorption rate for the year. Underutilization was Kshs.4 % not vice versa.	Fund Account Manager	Resolved	N/A
2.0		All projects were completed and certificate of completion availed.	Fund Account Manager	Resolved	N/A
3.0	In the financial year 2016/2017 ,the NG CDF Committee for Wajir East Constituency disbursed bursaries amounting to Kshs 18,999,500 to various institutions for the benefit of needy students However, examination of	All the receipts and acknowledgements were availed to the auditors.	Fund Account Manager	Resolved	N/A

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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)
	payment vouchers and its supporting documents revealed that an amount of Kshs 3,643,000 disbursed to various institutions has not been acknowledged through official receipts or acknowledgment letters by the beneficiary institutions				
	Annex 4 to the financial statements reflects fixed asset balance of Kshs 8,686,941 comprising of Building & Structure (Kshs 5,000,000), Office equipment, furniture and fittings (Kshs 3,186,941) and ICT equipment, software and other ICT assets as at	An updated fixed asset register was availed for verification .	Fund account manager	Resolved	N/A

Date	Description	Amount	Balance	Remarks	Page
				30 June 07 Interest on loan paid to bank for term deposit of \$10,000 at 5% per annum simple interest for 30 days from 26 June to 26 July 2007 Total \$150.00	1
				Total \$150.00	1

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	30 June 2017 .The asset could not be verified as they was no fixed asset register maintained by the NG CDF management, further ownership document for the land where the building is constructed was not availed for audit verification				