

THE NATIONAL ASSEMBLY

DATE: 04 JUL 2023

DAY:  
TUE

TABLED  
BY:

HON. OKIEN BATHA, CBS, MP  
Deputy Leader of Majority

CLERK AT  
THE TABLE:

WZOFU MWALE

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL  
NORTH EASTERN REGIONAL OFFICE

20 MAR 2023

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**WAJIR WEST CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE, 2022**

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

*Wajir West Constituency  
National Government Constituency Development Fund (NGCDF)  
Annual Report and Financial Statements for the Year Ended June 30, 2022*

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

### **Mandate**

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution.

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

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

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

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

The Wajir west constituency NGCDF day-to-day management is under the following key organs:

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

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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 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.

**(d) Fiduciary Oversight Arrangements**

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

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

P.O. BOX 23-70202 Griftu

NGCDF Wajir West Offices

Along Wajir -Griftu Road

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

Telephone: (+254) 0721-827370

E-mail: wajirwest@ngcdf.go.ke

Website: www.ngcdf.go.ke

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

First Community Bank, Wajir branch

Account No. 80001203

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NGCDFC CHAIRMAN'S REPORT

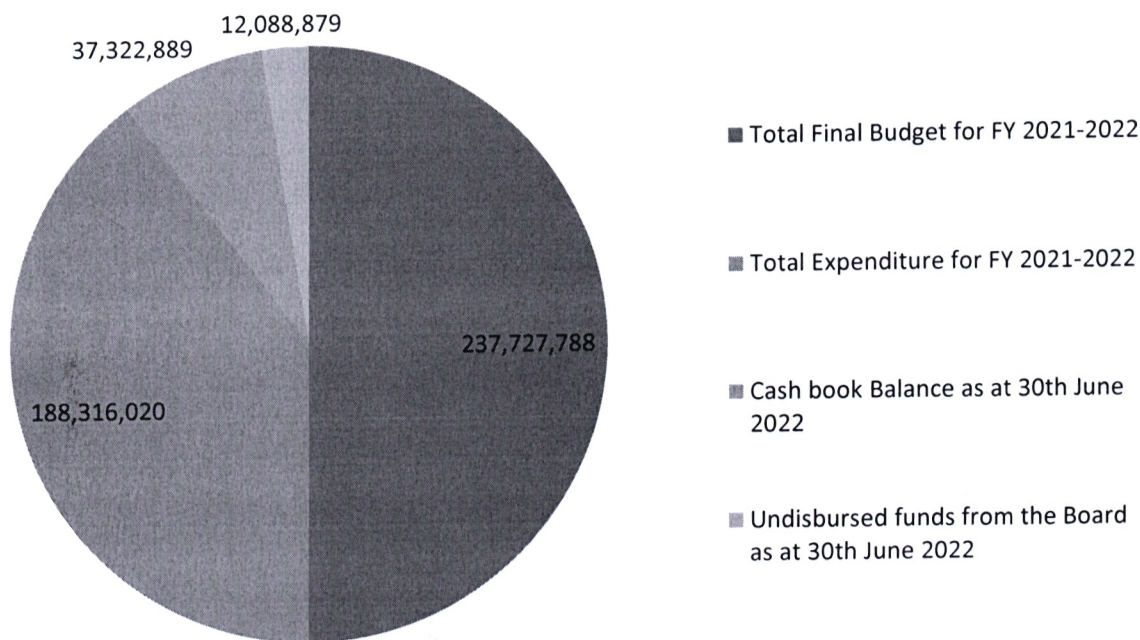


**Mr. Mohamed Abdi Mohamud, Wajir West Constituency NGCDFC Chairman**

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

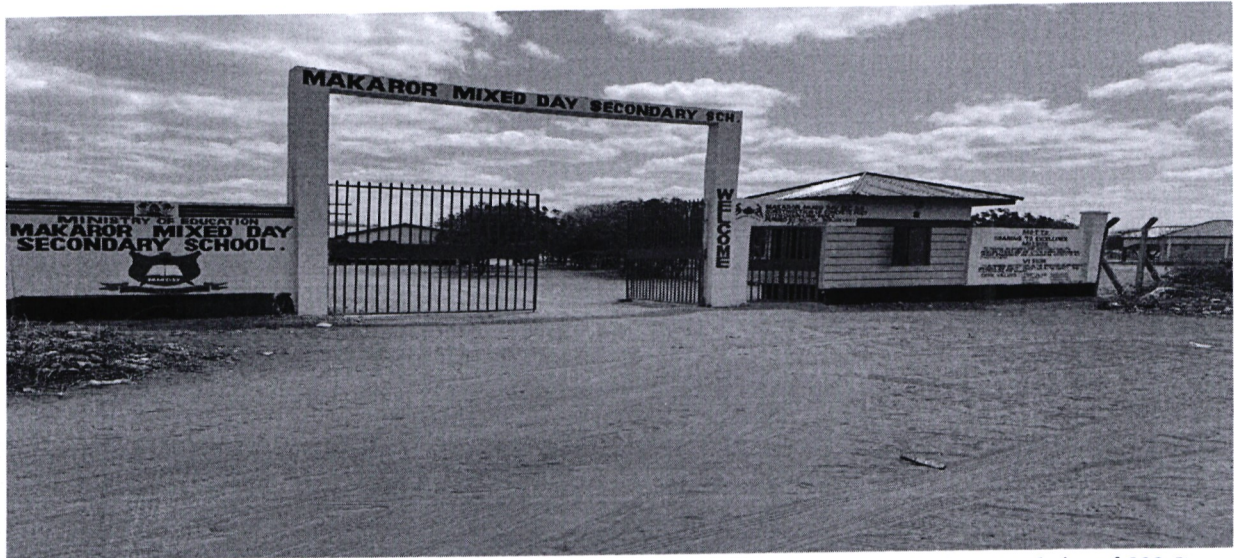
During the Financial year under review, National Government Constituency Development Fund Wajir West Constituency was allocated a total of **Kshs.137,088,879**. From the summary of appropriation statement, the overall budget performance stood at 79.2%. The absorption of funds on development expenditure was at 80.5% which is very good.

**WAJIR WEST CONSTITUENCY NGCDF BUDGET UTILIZATION FOR FY 2021/2022**

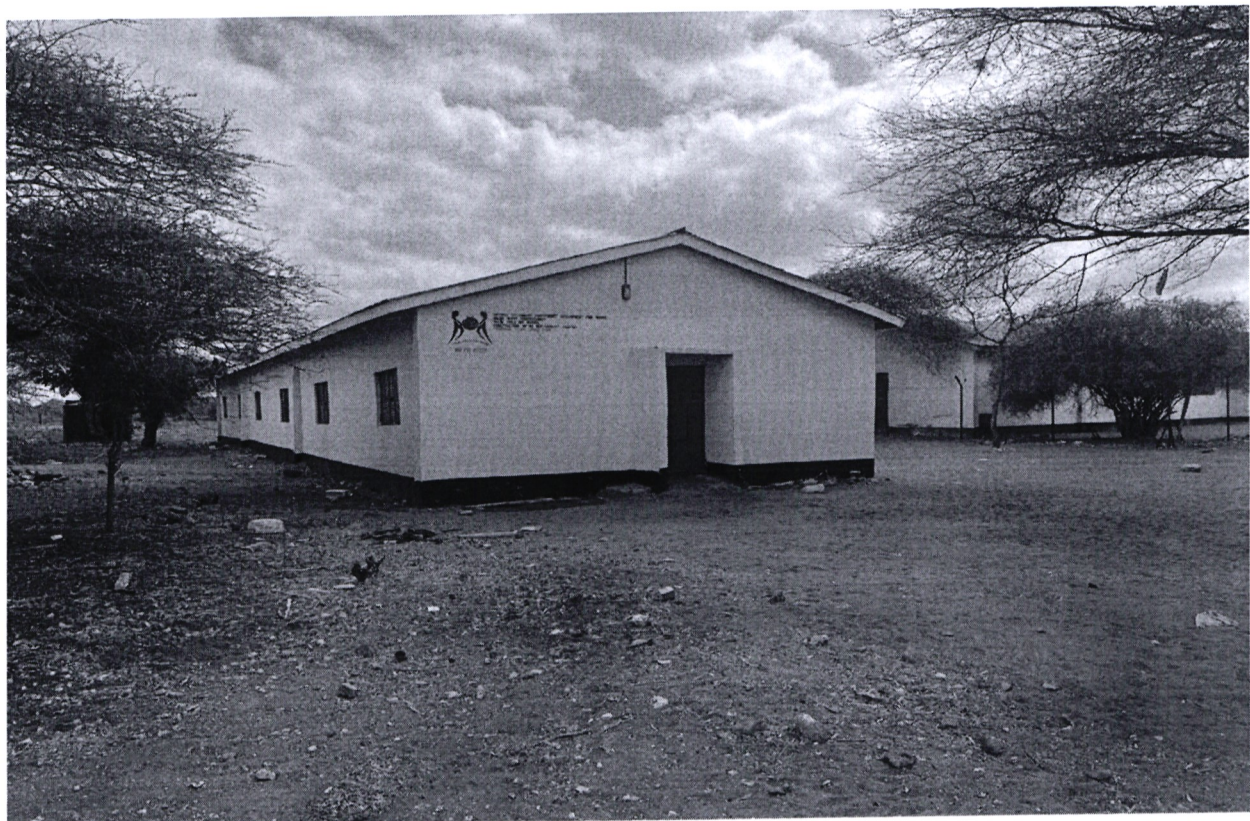


The Wajir West National Government Constituency Development Fund has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. For instance, 263 needy and poor students in various Tertiary institutions and 2,445 needy and poor students in secondary schools benefitted from the bursary disbursement of 21 million disbursed during the period. Secondly, to mitigate against land grabbing, two primary schools, one secondary school and Hadado Deputy County Commissioner's office were fenced. To enhance the government agenda of access to primary schools, 16 new classrooms were constructed in 9 primary schools in the constituency. In addition, 27 classrooms in 8 primary schools were renovated to improve the learning environment to the pupils. To improve secondary school performance, a new modern science laboratory was constructed in Hudhile secondary school and another renovated in Wajir Girls secondary school. Moreover, two 80 bed capacity dormitories were constructed in two secondary schools namely Wajir Girls Secondary and Garsekhoftu Secondary schools. To boost security in the constituency perennially affected by intercounty clan clashes, police staff houses were constructed in two police stations namely Baragothey and Lolkuta North along the border of Wajir West and Isiolo North constituencies. Additional police houses were constructed at Hadado and Griftu sub-county police headquarters. Administration block for Arbajahan police post and police houses at Lagbogol police were also renovated.

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Makaror Mixed Day Secondary School is situated in Makaror location, Wajir town. It has a student population of 600. Its location within wajir town meant that it is susceptible to land grabbers. With funding from Wajir West Constituency NGCDF during the FY 2021-2021, the school was fenced with concrete posts, chain link with a main gate and guard house.



This 80 bed capacity dormitory in Wajir Girls Secondary school has been fully funded by Wajir West Constituency NGCDF during the FY 2021-2022 to enhance the government's policy of 100% transition to secondary schools.

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This Modern Science Laboratory at Hudhile Secondary School was funded by Wajir West Constituency NGCDF during the FY 2021-2022. The school has enrolment of about 150 students in Form 1.



This is Wagalla Chief's office in Wagalla town. Wajir West constituency NGCDF has funded the project to bring services closer to the people and improve security in the location.

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The main emerging issue during the year under review was interclan clashes between the people of Isiolo North Constituency and Wajir west Constituency. The main reasons for the clashes were competition over pasture and water for livestock. Political incitements in the run up to the 2022 general elections was also a contributory factor. Schools like Gothey primary school were completely shut for three months before normalcy restored.

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 NGCDF COMMITTEE

### III. STATEMENT OF PERFORMANCE AGAINST PREDETRMINED OBJECTIVES FOR FY 2021/2022

#### Introduction

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

The key development objectives of Wajir West Constituency NGCDF 2018-2022 plan are to:

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

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms in various primary schools in the constituency	No. of classrooms ('0) rehabilitated/renovated	27
			No. of classrooms constructed	16
		Expansion of schools through rehabilitation/ renovation/construction of classrooms in various secondary schools in the constituency	No. of classrooms ('0) rehabilitated/renovated	0
			No. of classrooms constructed	0
		Purchase and supply of desks ('0')	No. of desks provided ('0')	0
		Purchase and supply of double decker beds	No. of double decker beds	0

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

#### IV. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the

potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

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

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

## **3. Employee welfare**

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

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

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

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

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

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

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

NGCDF has put in efforts to ensure:

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

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

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

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

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

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

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

#### **Public Awareness**

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

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



**Mohamed Maalim Osmail  
Fund Account Manager.**

## V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

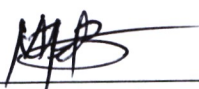
The Accounting Officer in charge of Wajir West constituency NGCDF is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

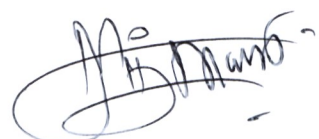
The Accounting Officer in charge of the Wajir West constituency NGCDF accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the Wajir West constituency NGCDF further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

The NGCDF Wajir West constituency financial statements were approved and signed by the Accounting Officer on 29<sup>th</sup> July 2022.

  
\_\_\_\_\_  
Mohamed Abdi Mohamud  
Chairman- NGCDF Committee

  
\_\_\_\_\_  
Mohammed Maalim Osmail  
Fund Account Manager

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir West Constituency set out on pages 1 to 32,

which comprise of the statement of assets and liabilities as at 30 June, 2022 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, 2022 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 the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **Unconfirmed Ownership and Value of Fixed Assets**

The summary of fixed asset register at Annex 2 in the financial statements reflects fixed assets with a total historical cost of Kshs.22,241,480. However, Management did not provide evidence to confirm that assets whose value may have significantly changed over ten (10) years since acquisition were revalued. In addition, Management did not provide ownership documents for the land disclosed in the financial statements at historical cost of Kshs.500,000.

In the circumstances, the ownership of the land of Kshs.500,000 and accuracy of the fixed assets balance of Kshs.22,241,480 as at 30 June, 2022 could not be confirmed.

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**

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

The summary statement of appropriation reflects final receipt budget and actual on comparable basis of Kshs.237,727,788 and Kshs.188,316,020 respectively, resulting to an underfunding of Kshs.49,411,768 or 21%. Similarly, the Fund spent an amount of

Kshs.188,316,020 against actual receipt of Kshs.237,727,788 resulting in under absorption of Kshs.49,411,768 or 21%.

Failure to implement projects on time due to late disbursement of funds, may have negatively impacted on service delivery to the Constituents.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-Disclosure of Institute of Certified Public Accountants of Kenya (ICPAK) Member Number in the Financial Statements**

Review of the financial statements prepared and presented for audit revealed that the ICPAK member number of the Sub-County Accountant who signed the financial statements is not indicated as required by the Financial Reporting Template for National Government Constituencies Development Funds (Revised June, 2022).

In the circumstances, the Management did not comply with the Public Sector Accounting Standards Board reporting template.

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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Lack of a Clerk of Works**

During the year under review, Management did engage a clerk of works and heavily relied on the County Works Officer for supervision and inspection of its projects. This is contrary to Section 45(1) of the National Government Constituencies Development Fund Act, 2015 which provides that the Constituency Committee may engage such staff as may be necessary for execution of its functions including persons with knowledge in information and communications technology, construction and basic accounting.

In the circumstances, the effectiveness in supervision and monitoring of NGCDF projects could not be confirmed.

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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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 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 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**

**24 May, 2023**

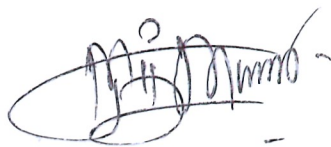
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers from NGCDF board-AIEs' Received	1	170,088,879	161,367,724
Other Receipts		0	0
<b>Total Receipts</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>Payments</b>			
Compensation of employees	2	4,699,414	4,584,510
Use of goods and services	3	8,106,140	5,777,419
Transfers to Other Government Units	4	107,410,575	76,511,070
Other grants and transfers	5	68,099,891	59,139,332
Acquisition of Assets			
<b>Total Payments</b>		<b>188,316,020</b>	<b>146,012,331</b>
<b>SURPLUS/DEFICIT</b>		<b>(18,227,141)</b>	<b>15,355,393</b>

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

The constituency financial statements were approved on 29<sup>th</sup> July 2022 and signed by:



Fund Account Manager

Mohamed Osmail



National Sub-County  
Accountant  
Sammy Malova



Chairman NGCDF Committee

Mohamed Abdi

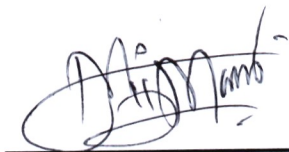
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**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE, 2022.**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	6	37,322,889	55,550,030
Cash Balances (Cash at hand)			-
<b>Totals of Cash and Cash equivalents</b>		<b>37,322,889</b>	<b>55,550,030</b>
Current Receivables			
Outstanding imprests			-
<b>Total Financial Assets</b>		<b>37,322,889</b>	<b>55,550,030</b>
Financial Liabilities			
Accounts Payable			-
Retention			-
Gratuity			-
Total Financial Liabilities			-
<b>Total Financial Assets</b>		<b>37,322,889</b>	<b>55,550,030</b>
<b>Represented By</b>			
Fund Balance b/fwd 1st July 2021	7	55,550,030	40,194,637
Surplus/Deficit for the year		(18,227,141)	15,355,393
<b>NET FINANCIAL POSITION</b>		<b>37,322,889</b>	<b>55,550,030</b>

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

The constituency financial statements were approved on 29<sup>th</sup> July 2022 and signed by:



Fund Account Manager  
Mohamed Osmail



National Sub-County  
Accountant  
Sammy Malova



Chairman NGCDF Committee  
Mohamed Abdi

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**IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

		2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Other Receipts			0
<b>Total Receipts</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>Payments</b>			
Compensation of Employees	2	4,699,414	4,584,510
Use of goods and services	3	8,106,140	5,777,419
Transfers to Other Government Units	4	107,410,575	76,511,070
Other grants and transfers	5	68,099,891	59,139,332
<b>Total Payments</b>		<b>188,316,020</b>	<b>146,012,331</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted for:			
Adjustments during the year		0	0
<b>Net cash flow from operating activities</b>		<b>(18,227,141)</b>	<b>15,355,393</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets		0	0
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>Net increase in Cash and Cash Equivalent</b>		<b>(18,227,141)</b>	<b>15,355,393</b>
<b>Cash &amp; cash equivalent at Start of the year</b>	7	<b>55,550,030</b>	<b>40,194,637</b>
<b>Cash &amp; cash equivalent at End of the year</b>	6	<b>37,322,889</b>	<b>55,550,030</b>

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

The constituency financial statements were approved on 29<sup>th</sup> July 2022 and signed by:



Fund Account Manager  
Mohamed Osmail



National Sub-County  
Accountant  
Sammy Malova



Chairman NGCDF Committee  
Mohamed Abdi

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**X. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
		a	b				
RECEIPTS	2021/2022	Opening Balance (C/BK) and AIA	Previous Years Outstanding Disbursements	2021/2022	30/06/2022	e=c-d	f=d/c %
Transfers from NG-CDF Board	137,088,879	55,550,030	45,088,879	237,727,788	188,316,020	49,411,768	79.2%
Proceeds from Sale of Assets					-	-	
Other Receipts							
<b>TOTAL</b>	<b>137,088,879</b>	<b>55,550,030</b>	<b>45,088,879</b>	<b>237,727,788</b>	<b>188,316,020</b>	<b>49,411,768</b>	<b>79.2%</b>
PAYMENTS							
Compensation of Employees	4,092,000	936,997		5,028,997	4,699,414	329,583	93.4%
Use of goods and services	6,064,199	2,784,412	2,638,879	11,487,490	8,106,140	3,381,350	70.6%
Transfers to Other Government Units	70,150,000	28,088,931	42,450,000	140,688,931	107,410,575	33,278,356	76.3%
Other grants and transfers	56,782,680	23,739,690		80,522,370	68,099,891	12,422,479	84.6%
Acquisition of Assets	-			-	-	-	
Other Payments	-			-		-	
Fund pending approval							
<b>TOTAL</b>	<b>137,088,879</b>	<b>55,550,030</b>	<b>45,088,879</b>	<b>237,727,788</b>	<b>188,316,020</b>	<b>49,411,768</b>	<b>79.2%</b>

From the summary of appropriation statement, the overall budget performance stood at 79.2%. The low absorption of funds is explained as follows:




- i. **Use of goods and services** were below 90% because funding from the NGCDF Board delayed leading to low utilization of funds. As a matter of fact, there were outstanding funds not received from the board as at the end of the financial year.

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- ii. **Transfer to other government units** were below 90% because funding from the NGCDF Board delayed hence a delay in procurement and utilization of funds.
- iii. **Other grants and transfers** were below 90% because funding from the NGCDF Board delayed hence a delay in procurement and utilization of funds.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	49,411,768
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	12,088,879
	37,322,889
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	<b>37,322,889</b>

The constituency financial statements were approved on 29<sup>th</sup> July 2022 and signed by:

 <hr/> <b>Fund Account Manager</b> Mohamed Osmail	 <hr/> <b>National Sub-County Accountant</b> Sammy Malova	 <hr/> <b>Chairman NGCDF Committee</b> Mohamed Abdi
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**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022.**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Gratuity	1,450,000	391,364		1,841,364		1,841,364
1.2 Employees Salaries	4,692,000	545,642		5,237,642	4,699,414	538,228
1.3 Goods and Services	500,000	1,591,732	200,000	2,291,732	1,416,250	875,482
1.4 Committee Expenses	1,000,000			1,000,000	863,600	136,400
<b>2.0 Monitoring, Evaluation and Capacity bldg.</b>						
2.1 Goods and Services	1,054,672	1,198,014	1,004,136	3,256,822	2,289,490	967,332
2.2 Committee Expenses	600,000		134,744	734,744	582,000	152,744
2.3 NG-CDFC / PMC Capacity building	1,500,000		1,500,000	3,000,000	2,954,800	45,200
<b>3.0 Emergency- Water Trucking</b>						
	7,192,207	799,201		7,991,408	7,957,840	33,568
<b>4.0 Bursary and Social Security</b>						
4.1 Bursary for Secondary	11,000,000	100,380		11,100,380	10,999,671	100,709
4.2 Bursary for Tertiary	10,000,000	18,567,000		28,567,000	28,567,000	

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
<b>5.0 Primary Schools</b>						
5.10 Kukale Primary School	4,800,000	670,000		5,470,000	5,469,800	200
5.12 Adan Awale Primary School	900,000		1,800,000	2,700,000	2,698,880	1,120
5.13 Baji Primary School	1,800,000	30,000		1,830,000	1,829,800	200
5.14 Ganyure Primary School	800,000			800,000	799,900	100
5.15 Hadado Primary school	2,400,000	1,200,000		3,600,000	1,199,950	2,400,050
5.16 Welgaras Primary School	2,500,000			2,500,000	2,498,620	1,380
5.17 Bananey Primary School	3,200,000			3,200,000	3,199,650	350
5.18 Busbus Primary school	1,600,000		800,000	2,400,000	799,950	1,600,050
5.19 Koricha Primary School	2,400,000			2,400,000		2,400,000
5.20 Langot Primary School	900,000	42,550	1,450,000	2,392,550	2,372,050	20,500
5.21 Lagdima Primary School	1,200,000			1,200,000		1,200,000
5.22 Waberi Girls Primary School	1,600,000	80,000	600,000	2,280,000	679,050	1,600,950
5.23 Garabhanshinle Primary school	800,000	30,030		830,030	30,000	800,030
5.24 Isakiah Primary School	600,000		1,600,000	2,200,000	2,149,300	50,700
5.25 Barmil Primary School	1,200,000			1,200,000		1,200,000
5.26 Boa Primary School	600,000		1,200,000	1,800,000	1,758,680	41,320
5.27 Madina Primary School	900,000	1,180,350		2,080,350	2,079,830	520
5.28 Kanjara Primary School	1,200,000	5,500,000		6,700,000	6,699,680	320

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
5.29 Waso Grils Primary School	800,000			800,000		800,000
5.30 Griftu Primary School	1,300,000	2,200,100		3,500,100	3,498,520	1,580
5.31 Shantaabaq Primary School	1,200,000		1,200,000	2,400,000	2,399,960	40
5.32 Bojiyare Primary School	1,000,000	60,000		1,060,000	1,059,900	100
5.33 Noor Goos Primary School	1,900,000			1,900,000	1,899,900	100
5.34 Hudhile Primary school	4,900,000			4,900,000	4,899,400	600
5.35 Kara Primary School	1,500,000	3,555,020		5,055,020	3,544,700	1,510,320
5.36 Matho Primary Shool	1,200,000			1,200,000	1,199,900	100
5.37 Biliq Primary School	800,000			800,000		800,000
5.38 Welathi Primary School		35,000		35,000	35,000	0
5.39 Bukuma Primary School		1,145,110		1,145,110	1,144,900	210
5.40 Kalkacha West Primary School		40,000	1,100,000	1,140,000	40,000	1,100,000
5.41 Garsekhofu Primary School		60,060	1,200,000	1,260,060	60,000	1,200,060
5.42 Doble Primary School		30,000	1,000,000	1,030,000	1,030,000	0
5.43 Turbani Primary School		30,200		30,200	30,000	200
5.44 Taqwa Primary School		40,000		40,000	40,000	0
5.45 Bulla Forest Primary School		40,010		40,010	40,000	10
5.46 Kubeyсур Primary School		180,000	1,200,000	1,380,000	1,379,720	280
5.47 Garweine Primary School		80,120	800,000	880,120	879,995	125
5.48 Lolkuta North Primary School		45,750	800,000	845,750	45,000	800,750

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and ALA	Previous Years' Outstanding Disbursements			
5.49 Omar Diqile Primary School		40,480		40,480	40,000	480
5.50 Al-Hagar Primary School		1,600,000		1,600,000	1,599,940	60
5.51 Guticha Primary School		40,010		40,010	40,000	10
5.52 Makaror Primary School		900,000		900,000	899,950	50
5.53 Arbajahan Primary School			1,200,000	1,200,000	1,199,000	1,000
5.54 Lagbogol Primary School			1,200,000	1,200,000	1,199,900	100
5.55 Fatuma Nur Primary School			800,000	800,000	799,780	220
5.56 Shandarua Primary School			1,600,000	1,600,000	1,599,800	200
5.57 Waso Grils Primary School			600,000	600,000		600,000
5.58 Wachir Primary School			1,000,000	1,000,000	999,900	100
5.59 Ona Salat Primary School			800,000	800,000	799,990	10
5.60 Gubad Onle Primary School			800,000	800,000	799,900	100
5.61 Adhibohol Primary School			1,200,000	1,200,000	1,199,950	50
5.62 Jira Primary School			600,000	600,000	599,150	850
5.63 Showli Primary School			1,600,000	1,600,000	1,599,070	930
5.64 Maumau Primary School			1,600,000			1,600,000
5.65 Gothery Primary School			1,600,000			1,600,000
<b>6.0 Secondary Schools</b>						
6.10 Lagbogol Secondary School	3,000,000	45,300		3,045,300	45,000	3,000,300

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
6.11 Waso Girls Secondary School	2,400,000	2,762,000		5,162,000	3,359,920	1,802,080
6.12 Wajir Girls Secondary School	6,500,000			6,500,000	6,499,060	940
6.13 Makaror Mixed Day Secondary School	9,000,000			9,000,000	8,921,405	78,595
6.14 Hudhile Mixed Day Secondary school	7,000,000	690,705	1,600,000	9,290,705	9,288,550	2,155
6.15 Garsekhoftu Secondary School	3,000,000	900,000	800,000	4,700,000	899,995	3,800,005
6.16 Arbajahan Secondary School		336,300	2,600,000	2,936,300	1,334,950	1,601,350
6.17 Wagalla Memorial Secondary School		91,680	800,000	891,680	90,000	801,680
6.18 Hadado Secondary School		225,520	800,000	1,025,520	1,025,000	520
6.19 Ademsajida Mixed Day Secondary School		690,000	800,000	1,490,000	689,500	800,500
6.20 Hon Khalif Girls Secondary School		3,490,000	800,000	4,290,000	3,489,380	800,620
6.21 Griftu Secondary School			1,700,000	1,700,000	899,450	800,550
<b>7.0 Security Projects</b>						
7.10 Hadado Deputy County Commissioner's Residence	4,900,000			4,900,000	4,899,900	100
7.11 Griftu Police Camp	3,000,000	3,000,000		6,000,000	2,999,060	3,000,940
7.12 Hadado Police camp	3,000,000	670,400		3,670,400	3,669,800	600
7.13 Lolkuta North Police Camp	4,500,000		600,000	5,100,000	609,900	4,490,100
7.14 Baragothey Police Station	2,700,000			2,700,000	2,699,900	100
7.15 Arbajahan Police Station	1,200,000	600,000	900,000	2,700,000	2,697,390	2,610

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
7.16 Arbajahan Assistant County Commissioner's (ACC) Residence	1,200,000			1,200,000		1,200,000
7.17 Lagbogol Police Camp	1,200,000			1,200,000		1,200,000
7.18 Barmish Police Camp	300,000			300,000	300,000	0
7.19 Wagalla Chief's Office	1,200,000			1,200,000	1,199,900	100
7.20 Wajir West Sub-County Criminal Investigation Officer staff house			1,500,000	1,500,000	1,499,530	470
<b>Total</b>	<b>137,088,879</b>	<b>55,550,030</b>	<b>45,088,879</b>	<b>237,727,788</b>	<b>188,316,020</b>	<b>49,411,768</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.

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

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

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

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**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

The entity 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

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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 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 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 2022.

**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.

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**XII. NOTES TO THE FINANCIAL STATEMENT**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2021-2022	2020-2021
AIE NO.		Kshs	Kshs
NGCDF BOARD			
B096518	1		69,367,724
B104530	2		9,000,000
B124692	3		10,000,000
B119681	4		13,000,000
B119720	5		6,900,000
B128314	6		6,000,000
B132074	7		6,000,000
B132074	8		12,000,000
B126036	9		7,100,000
B126328	10		10,000,000
B105123	11		12,000,000
B105325	1	33,000,000.00	
B105583	2	44,000,000.00	
B105958	3	22,000,000.00	
B128735	4	5,000,000.00	
B163897	5	12,000,000.00	
B154241	6	12,000,000.00	
B154459	7	18,000,000.00	
B155512	8	24,088,879.00	
<b>TOTAL</b>		<b>170,088,879.00</b>	<b>161,367,724</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic wages of contractual employees	4,603,414	4,488,510
Employer Contributions Compulsory NSSF	96,000	96,000
<b>Total</b>	<b>4,699,414</b>	<b>4,584,510</b>

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**3. USE OF GOODS AND SERVICES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Communication, supplies and services	154,450	224,610
Domestic travel and subsistence	476,050	31,500
Printing, advertising and information supplies & services		324,216
Rentals of Produced assets	435,000	1,048,000
Training Expenses	2,954,800	1,498,800
Other Committee expenses	2,402,200	1,848,000
Office and general supplies and services	1,125,690	266,800
Fuel, Oil and Lubricants	541,350	516,790
Bank Service Commission and Charges	16,600	18,703
<b>Total</b>	<b>8,106,140</b>	<b>5,777,419</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to primary schools	71,038,365	33,844,275
Transfers to secondary schools	36,372,210	42,666,795
<b>TOTAL</b>	<b>107,410,575</b>	<b>76,511,070</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools	10,999,671	11,786,000
Bursary – tertiary institutions	28,567,000	22,133,435
Security projects	20,575,380	17,827,291
Sports projects		999,600
Emergency projects	7,957,840	6,393,006
<b>Total</b>	<b>68,099,891</b>	<b>59,139,332</b>

**6. CASH BOOK BANK BALANCE**

Name of Bank, Account No. & currency	2021-2022	2020-2021
	Kshs	Kshs
	30/06/2022	30/06/2021
<i>First Community Bank, Account No. 80001203, KSHS.</i>	37,322,889	55,550,030
<b>Total</b>	<b>37,322,889</b>	<b>55,550,030</b>

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**7. BALANCES BROUGHT FORWARD**

Description	2021-2022	2020-2021
	(1 <sup>st</sup> July 2021)	(1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	55,550,030	40,194,637
<b>Total</b>	<b>55,550,030</b>	<b>40,194,637</b>

**8. OTHER IMPORTANT DISCLOSURES**

**8.1 UNUTILIZED FUND (See Annex 1)**

Description	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,379,592	936,996
Use of goods and services	2,177,157	5,423,392
Amounts due to other Government entities (see attached list)	34,825,720	67,754,844
Amounts due to other grants and other transfers (see attached list)	10,029,299	26,739,591
Unallocated Amount -AIA		
<b>Total</b>	<b>49,411,768</b>	<b>100,854,823</b>

**10.1 PMC account balances (See Annex 3)**

Description	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	72,863	85,410
<b>Total</b>	<b>72,863</b>	<b>85,410</b>

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**ANNEX 1: UNUTILIZED FUNDS- CASHBOOK BALANCE**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount a</b>	<b>Amount Paid To – Date b</b>	<b>Outstanding Balance 2021/2022 c=a-b</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Gratuity	Provision for service gratuity	1,841,364		1,841,364		
Employees' Salaries	Basic wages to contractual employees	5,237,642	4,699,414	538,228		
Use of Goods and Services	Use of Goods and services- car hires	10,283,298	8,106,140	2,177,158		
<b>Sub-Total</b>		<b>17,362,304</b>	<b>12,805,554</b>	<b>4,556,750</b>		
<b>Amounts due to Other Government entities</b>						
<b>Primary Schools</b>						
Kukale Primary School	2-door toilets and fencing	5,470,000	5,469,800	200		
Adan Awale Primary School	Renovation of classrooms	2,700,000	2,698,880	1,120		
Baji Primary School	Renovation of 5No classrooms	1,830,000	1,829,800	200		
Ganyure Primary School	Renovation of 2No classrooms	800,000	799,900	100		
Hadado Primary school	3No new classrooms	3,600,000	1,199,950	2,400,050		
Welgaras Primary School	1No classroom, underground water tank and 2-door toilets	2,500,000	2,498,620	1,380		
Bananey Primary School	2No classrooms, underground water tank and 2-door toilets	3,200,000	3,199,650	350		
Busbus Primary school	3No new classrooms	2,400,000	799,950	1,600,050		
Koricha Primary School	3No new classrooms	2,400,000		2,400,000		
Lanqot Primary School	1No classrooms	2,392,550	2,372,050	20,500		
Lagdima Primary School	New staff houses	1,200,000		1,200,000		
Waberi Girls Primary School	2No new classrooms	2,280,000	679,050	1,600,950		
Garabhanshinle Primary	Renovation of 2No Classrooms	830,030	30,000	800,030		

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount a</b>	<b>Amount Paid To – Date b</b>	<b>Outstanding Balance 2021/2022 c=a-b</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Isakiah Primary School	2No new classrooms and 2-door toilets	2,200,000	2,149,300	50,700		
Barnil Primary School	New staff houses	1,200,000		1,200,000		
Boa Primary School	New staff houses and 2-door toilets	1,800,000	1,758,680	41,320		
Madina Primary School	1No classroom and underground tank	2,080,350	2,079,830	520		
Kanjara Primary School	Fencing, renovation of 4No classrooms and 2-door toilets.	6,700,000	6,699,680	320		
Waso Grils Primary School	Renovation of 3No classrooms	800,000		800,000		
Griftu Primary School	Renovation of office block & 2No dormitory	3,500,100	3,498,520	1,580		
Shantaabaq Primary School	Renovation of 3No classrooms	2,400,000	2,399,960	40		
Bojiyare Primary School	Renovation of 4No Classrooms	1,060,000	1,059,900	100		
Noor Goos Primary School	Staff houses & 2-door toilets	1,900,000	1,899,900	100		
Hudhile Primary school	Fencing of the school	4,900,000	4,899,400	600		
Kara Primary School	Administration block	5,055,020	3,544,700	1,510,320		
Matho Primary Shool	New staff houses	1,200,000	1,199,900	100		
Biliq Primary School	1No new classroom	800,000		800,000		
Bukuma Primary School	1No new classroom & 2-door toilets	1,145,110	1,144,900	210		
Kalkacha West Primary	1No new classroom & 2-door toilets	1,140,000	40,000	1,100,000		
Garsekhotfu Primary School	Administration block	1,260,060	60,000	1,200,060		

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Name	Brief Transaction Description	Original Amount a	Amount Paid To – Date b	Outstanding Balance 2021/2022 c=a-b	Outstanding Balance 2020/2021	Comments
Turbani Primary School	2-door toilet	30,200	30,000	200		
Bulla Forest Primary School	1No new classroom	40,010	40,000	10		
Kubeyssur Primary School	Administration block	1,380,000	1,379,720	280		
Garweine Primary School	Renovation of 3No Classrooms	880,120	879,995	125		
Lolkuta North Primary	1No new classroom	845,750	45,000	800,750		
Omar Diqile Primary School	1No new classroom	40,480	40,000	480		
Al-Hagar Primary School	2No new classroom	1,600,000	1,599,940	60		
Guticha Primary School	1No new classroom	40,010	40,000	10		
Makaror Primary School	Renovation of 4-door toilets	900,000	899,950	50		
Arbajahan Primary School	Renovation of 4No classrooms	1,200,000	1,199,000	1,000		
Lagbogol Primary School	New staff houses	1,200,000	1,199,900	100		
Fatuma Nur Primary School	1No new classroom	800,000	799,780	220		
Shandarua Primary School	2No new classroom	1,600,000	1,599,800	200		
Waso Grils Primary School	2-door toilets	600,000		600,000		
Wachir Primary School	Renovation of 3No classrooms	1,000,000	999,900	100		
Ona Salat Primary School	1No new classroom	800,000	799,990	10		
Gubad Ontle Primary School	1No new classroom	800,000	799,900	100		
Adhibohol Primary School	New staff houses	1,200,000	1,199,950	50		
Jira Primary School	2-door toilets	600,000	599,150	850		
Showli Primary School	2No new classrooms	1,600,000	1,599,070	930		
Maumau Primary School	2No new classrooms	1,600,000		1,600,000		

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Name	Brief Transaction Description	Original Amount a	Amount Paid To – Date b	Outstanding Balance 2021/2022 c=a-b	Outstanding Balance 2020/2021	Comments
Gothey Primary School	2No new classrooms	1,600,000		1,600,000		
Lagbogol Secondary School	100 capacity dining hall	3,045,300	45,000	3,000,300		
Waso Girls Secondary School	New kitchen and store	5,162,000	3,359,920	1,802,080		
Wajir Girls Secondary	Dormitory, Laboratory and Library	6,500,000	6,499,060	940		
Makaror Mixed Day Sec	Fencing and library	9,000,000	8,921,405	78,595		
Hudhile Mixed Day Sec	Laboratory, 2-door toilets, underground tank	9,290,705	9,288,550	2,155		
Garsekhofu Secondary	Dormitory and renovation of classrooms	4,700,000	899,995	3,800,005		
Arbajahan Secondary School	Underground tank & piping	2,936,300	1,334,950	1,601,350		
Wagalla Memorial Sec	Binocular Microscope	891,680	90,000	801,680		
Hadado Secondary School	Binocular Microscope	1,025,520	1,025,000	520		
Ademsajida Mixed Day Sec	Binocular Microscope	1,490,000	689,500	800,500		
Hon Khalif Girls Secondary	Binocular Microscope	4,290,000	3,489,380	800,620		
Griftu Secondary School	Binocular Microscope	1,700,000	899,450	800,550		
<b>Sub-Total</b>		<b>141,131,295</b>	<b>106,305,575</b>	<b>34,825,720</b>		
<b>Amounts due to other gants and other transfers</b>						
Bursary for Secondary	Bursary to needy students in Secondary	11,100,380	10,999,671	100,709		
Emergency	Cater for unseen occurrences constituency	7,991,408	7,957,840	33,568		

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount a</b>	<b>Amount Paid To – Date b</b>	<b>Outstanding Balance 2021/2022 c=a-b</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Hadado DCC's Residence	Masonry wall around the DCC residence	4,900,000	4,899,900	100		
Griftu Police Camp	New staff houses	6,000,000	2,999,060	3,000,940		
Hadado Police camp	New staff houses and 2-door toilets	3,670,400	3,669,800	600		
Lolkuta North Police Camp	New staff houses	5,100,000	609,900	4,490,100		
Baragothey Police Station	New staff houses	2,700,000	2,699,900	100		
Arbajahan Police Station	Renovation of staff houses	2,700,000	2,697,390	2,610		
Arbajahan ACC's Residence	New staff houses	1,200,000		1,200,000		
Lagbogol Police Camp	Renovation of staff houses	1,200,000		1,200,000		
Wagalla Chief's Office	Renovation of Chief's office	1,200,000	1,199,900	100		
Wajir West SCCIO residence	New staff houses	1,500,000	1,499,530	470		
<b>Sub-Total</b>		<b>49,262,188</b>	<b>39,232,891</b>	<b>10,029,297</b>		
<b>Grand Total</b>		<b>237,727,787</b>	<b>188,316,020</b>	<b>49,411,768</b>		

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**AMOUNT NOT RECEIVED FROM NGCDF BOARD**

Name	Brief Transaction Description	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
<b>Administration &amp; Recurrent</b>				
Goods and Services	Purchase of fuel, repairs and maintenance, printing, stationery, Airtime, travel and subsistence.	200,000		Not received from the NGCDFB
<b>Monitoring, Evaluation &amp; Capacity Building</b>				
Goods and Services	Purchase of fuel, repairs and maintenance, printing, stationery, Airtime, travel and subsistence.	288,879		Not received from the NGCDFB
<b>Sub-Total</b>		<b>488,879</b>		
<b>Amounts due to other government entities</b>				
Maumau Primary school	Construction to completion of 2 classrooms	1,600,000.00		Not received from the NGCDFB
Lolkuta North Primary school	Construction to completion of one classroom	800,000.00		Not received from the NGCDFB
Garsekhoftu Primary School	Construction to completion of Administration block comprising of Head Teacher's office, staffroom and book store	1,200,000.00		Not received from the NGCDFB
Gothey Primary	Construction to completion of 2 classrooms	1,600,000.00		Not received from the NGCDFB
Kalkacha West Primary School	Construction to completion of one classroom	800,000.00		Not received from the NGCDFB
Kalkacha West Primary School	Construction to completion of 1-door toilet	300,000.00		Not received from the NGCDFB
Wagalla Memorial Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB

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Name	Brief Transaction Description	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
Arbajahan Secondary school	Piping water from Arbajahan Primary School to Arbajahan Secondary School (1Kilometer).	500,000.00		Not received from the NGCDFB
Arbajahan Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB
Griftu Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB
Garsekhoftu Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB
Ademasajidda Mixed Day Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB
Hon. Khalif Girls Secondary School	Laboratory Equipments- 10 binocular microscope	800,000.00		Not received from the NGCDFB
<b>Sub-Total</b>		<b>11,600,000</b>		
<b>Grand Total</b>		<b>12,088,879</b>		

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**ANNEX 2- SUMMARY OF FIXED ASSETS REGISTER**

Asset Class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land (Unregistered)	500,000			500,000
Buildings and structures	18,010,480			18,010,480
Office equipment, furniture and fittings	2,411,000			2,411,000
ICT equipment, software and other ICT assets	1,320,000			1,320,000
<b>Total</b>	<b>22,241,480</b>			<b>22,241,480</b>

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**ANNEX 3. PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2022**

NO	PROJECT NAME	BANK	A/C NO	Bank Balance	Bank Balance
				30/6/2022	30/6/2021
1	Boa Primary School	FCB	16295601	1,000	443
2	Ganyurey Primary School	FCB	80006979	12,716	1,738
3	Kara Primary School	FCB	80006997	0	2,275
4	Korija Primary School PMC	FCB	80010451	0	1,233
5	Lolkuta South Primary School	FCB	70001193	0	1,754
6	Hadado Primary School	FCB	80005020	1,117	2,665
7	Baji Primary School	FCB	80010460	1,910	1,310
8	Kubeysurur Primary Sch	FCB	80004496	0	0
9	Dobley Primary School	FCB	80010450	1,355	1,255
10	Lanqoot Primary School	FCB	80009193	1,163	1,163
11	Waberi Girls Primary School	FCB	80006121	1,837	1,191
12	Adan Awale Primary School	FCB	80010481	283	402
13	Matho Primary School	FCB	80010499	765	265
14	Welathi Primary School	FCB	80008459	1,563	3,088
15	Arbajahan Primary School	FCB	80005007	1,934	2,433
16	Kalkacha West Primary School	FCB	80006438	1,527	2,528
17	Al-Hagar Primary School	FCB	80006437	2,513	2,013
18	LMD Primary School	FCB	80011204	0	1,210
19	Jira Primary School	KCB	1252582838	340	540
20	Hudhile Primary School	FCB	80009161	2,600	1,700
21	Kanjara Primary School	FCB	80005024	3,345	2,345
22	Ademsajida Primary School	FCB	80011325	743	638
23	Showli Primary School PMC	FCB	80008403	1,418	1,418
24	Garab Hanshinle Primary	FCB	80009191	1,218	1,218
25	Turbani Primary School	FCB	80009192	3,980	1,540
26	Makaror Primary School	KCB	1240220014	0	1,040
28	Lag-dima Primary School	FCB	80005075	0	2,030
29	Maumau Primary School	FCB	80005006	0	1,711
30	Busbus Primary School	FCB	80004773	2,107	2,608
31	Garweine Primary School	FCB	80011351	1,333	273
32	Griftu Primary School	FCB	80011329	1,798	2,838
33	Lagbogol Pry School	FCB	80006834	2,145	1,945
34	Garsekhofu Pry School	FCB	80006992	0	1,287
35	Barmish Primary School	FCB	80005026	0	1,703
36	Isakhia Primary School PMC	FCB	80011316	1,405	1,205

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37	Wagalla Memorial Secondary	FCB	80002444	73	15,855
38	Makaror Mixed Day Sec	FCB	80002427	5,492	3,827
39	Arbajahan Secondary School	FCB	80006974	2,210	1,583
40	Griftu Secondary School	KCB	1133237312	0	253
41	Waso Girls Secondary School	FCB	80011633	1,000	1,500
42	Hadado Police PMC	FCB	80011007	1,100	2,000
43	Wagalla Police PMC	FCB	80009041	0	2,959
44	Hadado AP Camp PMC	FCB	80011284	0	1,625
45	Kukale Chief PMC	FCB	80011000	0	1,730
46	Griftu Police Station PMC	FCB	80011311	1,473	1,073
47	Bananey Primary School	FCB	170665	2,000	0
48	Baragothey Police Station PMC	FCB	17262401	1,000	0
49	Gubad Onle Primary School	FCB	16856701	1,400	0
50	Noor Goos Primary School	FCB	17230601	1,500	0
51	Wachir Primary School	FCB	80005021	1,000	0
52	Wagalla Chief's Office PMC	FCB	16917601	1,000	0
53	Wel Garas Primary School PMC	FCB	17107401	1,500	0
<b>TOTAL</b>				<b>72,863</b>	<b>85,410</b>

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**ANNEX 4: PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolve Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
WJR/WEST/CDF/AUD/VOL.II/ (3)	<p><b>1. Budget Control and Performance</b></p> <p>An audit review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget amounting to Kshs. 246,651,240 which include unspent balance from the financial year 2019/2020 of Kshs. 40,194,637 and previous years outstanding disbursements of Kshs. 69,367,724.</p>	<p>As explained in the financial statements presented under the summary of the appropriation statement, page 19, paragraphs 1-4, the low absorption of funds is attributed to delay in disbursement of funds from the NGCDFB. The funding from the Board was erratic, unpredictable and in small amounts throughout the financial year attributed mainly to the Covid 19 pandemic which hindered both the procurement and the implementation of projects.</p>	Resolved	
	<p><b>2. Projects Implementation Status</b></p> <p>During the year under review, the Fund budgeted to implement a total of one hundred and thirteen (113) projects comprising of ninety-eight</p>	<p>As explained in the financial statements presented under the summary of the appropriation</p>		

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolve Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>(98) on education, fourteen (14) on security and one (1) on sports. The Fund implemented and managed to complete only about 44.2% of the projects budgeted, 17.7% were ongoing and 38.1% had not started as at 30 June, 2021. Non-implementation of development projects affects service delivery to the residents of Wajir West constituency.</p> <p><b>3. Non-disclosure of Institute of Certified Public Accountants of Kenya (ICPAK) member number</b> The Financial Reporting Template for NGCDF (Revised June 2021) requires the Institute of Certified Public Accountants of Kenya (ICPAK) member number of the accountant signing the financial statements to be indicated. Review of the Financial Statements however revealed that the (ICPAK) member number of the Sub- County accountant who signed the financial statements is not indicated as required.</p>	<p>statement, page 19, paragraphs 1-4, the low absorption of funds is attributed to delay in disbursement of funds from the NGCDFB. The funding from the Board was erratic, unpredictable and in small amounts throughout the financial year attributed mainly to the Covid 19 pandemic which hindered both the procurement and the implementation of projects.</p> <p>The Sub- County accountant who signed the financial statements has met the required qualifications to be a member of the Institute of Certified Public Accountants of Kenya (ICPAK), applied to ICPAK for membership and paid the requisite fees. We hope that he will be given a membership a number after the process is completed.</p>	Resolved	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status: (Resolve Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>4. Valuation of Assets</b></p> <p>Annex 2 to the financial statements on summary of fixed assets register reflects historical cost of assets owned by the Fund as at 30 June, 2021 of Kshs.22,241,480. Review of the maintained assets register revealed that most of the assets were acquired more than ten (10) years ago. However, the assets in question have not been revalued since acquisition contrary to the above quoted standard.</p> <p>It was not possible to confirm whether the historical cost of assets reflected in the financial statements represents the fair value of those assets.</p>	<p>The Financial statements have been prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS). The existing policy at the NGCDFB is to carry assets at historical cost. There are no guidelines issued by the NGCDF Board on how assets should be revalued. In addition, the Wajir West NGCDFC lacks capacity on conducting assets revaluation. However, we will make further consultations on the matter.</p>		



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