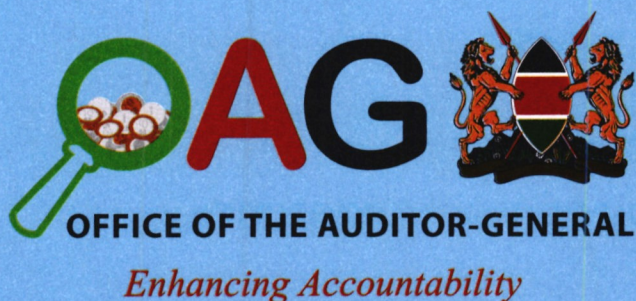


REPUBLIC OF KENYA

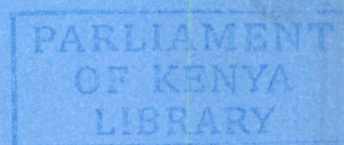


REPORT

OF

THE AUDITOR-GENERAL

ON



WAJIR COUNTY DISABILITY FUND

FOR THE YEAR ENDED
30 JUNE, 2023



20 NOV 2023



WAJIR COUNTY DISABILITY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023

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

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Entity Information and Management	iv
3. Fund Administration Committee	vii
4. Management Team	ix
6. Report of the Fund Administrator	xii
7. Statement of Performance against the County Fund's Predetermined Objectives	xiv
8. Corporate Governance Statement	xvi
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting	xviii
The members of the fund administration committee who served during the year are shown on page VII.	xx
13. Report of the Independent Auditor on the Financial Statements for Wajir County Disability Fund as at 30 th June 2023	xxiii
14. Statement of Financial Performance for the Year Ended 30 th June 2023	1
15. Statement of Financial Position as at 30 June 2023	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2023	3
17. Statement of Cash Flows for the Year Ended 30 June 2023	4
18. Statement of Comparison of Budget and Actual Amounts for the Period	5
19. Notes to the Financial Statements	6
20. Annexes	17

1. Acronyms and Glossary of Terms

a) Acronyms

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial Year
CIDP	County Integrated Development Plans

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility.
----------------------	--

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

Wajir County Disability Fund is established by and derives its authority and accountability from Wajir County Disability Fund Act, 2021. The Fund is wholly owned by the County Government of Wajir and is domiciled in Kenya.

The Disability fund's objective is to facilitate the improvement of the living conditions for persons with severe disabilities in Wajir County through socio-economic empowerment by; promoting equal and equitable access to social- economic, political opportunities and services by persons with disabilities in the County; enhancing awareness on the rights of persons with disabilities in the County; and establishing mechanisms to address cultural and societal stigma towards persons with disabilities;

b) Principal Activities

The principal activity/ mandate of the Wajir County Disability Fund is to receive Disability funds as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act to facilitate the improvement of the living conditions for persons with disabilities.

c) Fund Administration Committee

Ref	Name	Position
1	Naema Ibrahim Somo	Chairperson
2	Osman Ahmed Abdi	Chief Officer / Secretary
3	Farah Ahmed Osman	Chief Officer finance
4	Mohamed Abdullahi Guhad	Chief Officer Health/Committee Member
5	Ali Muhumed Dahia	Committee Member
6	Abdi Kasai Bardad	Committee Member
7	Bilay Osman Hassan	Committee Member
8	Mohamed Maalim Hussein	Committee Member
9	Fatuma Yussuf Abdullahi	Committee Member

Wajir County Disability Fund**Annual Report and Financial Statements for the year ended June 30, 2023****d) Key Management Steam**

Ref	Name	Position
1	Osman Ahmed Abdi	Fund Administrator/Chief Officer
2	Ubah Aden Eymoi	Director Social Services
3	Ahmed Mohamed Hassan	Deputy Director- Social Services
4	Abdikheir Sharif Hassan	Fund Accountant

e) Fiduciary Oversight Arrangements

S/N	Position
1	Directorate Internal Audit.
2	County Audit Committee
3	County Assembly of Wajir.
4	Budget and Appropriations Committee of the County Assembly.
5	Public Investments Committee of the County Assembly.
6	Office of the Controller of Budget.
7	Office of the Auditor General.

f) Registered Offices

Department of Education, social service and Gender

County Government of Wajir

P.O. Box 9-70200,

County Headquarters.

Wajir KENYA

g) Fund Contacts

E-mail: info@wajir.go.ke

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Twitter: @WajirCountyKE
Website: www.Wajir.go.ke

h) Fund Banker

Equity Bank Limited
Wajir Branch
P.O. Box 426-70200
Wajir, Kenya.

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Wajir County Attorney
County Government Headquarters
P.O Box 9-70200
Wajir, Kenya

3. Fund Administration Committee

Name	Details of qualifications and experience
1. Naema Ibrahim Somo 	Naema is an advocate of the high court since 2012. She holds a Master's degree in Governance, a Postgraduate diploma in Leadership & Peace building, Postgraduate Diploma, Law LLB. Naema has working experience of over 12 years and has previously served as county legal officer, CECM Lands, Physical Planning, Urban Development and Public Works and currently as the County attorney.
2. Osman Ahmed Abdi 	Osman was born In 1995 holds a Master of Science Finance in Arts (sociology) and a bachelor of commerce (Finance). He has over 10 year's wealth of experience both in the private and public practices as well as management in the county affairs. Osman is a professional certified accountant with CPA-K and a member of ICPAK.
3. Farah Ahmed Osman 	Farah is an Accounting and finance professional with over 25 years of experience in the Government and International Non-government sectors. He holds an MBA and Bachelor of business administration. Farah also holds a Strategic Leadership Development Programme offered by Kenya School of Government (KSG)
4. Mohamed Abdullahi Guhad 	Mohamed is a current chief officer Health in Wajir County. He is an experienced health professional who served in various positions in NGOs and Ministry of Health. He is a member of the committee representing the department of health.

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

5. Ali Muhumed Dahia 	Ali was born 1946 and is a local community elder and a retired public servant having at the public administration department as a clerk to the former District officers and District commissioners in different parts of Wajir and Garissa counties. He is a member of the Wajir persons with disability committee as representative of parents of children with severe disabilities. He is also the elected vice chair of the committee
6. Abdi Kasai Bardad 	Abdi was in 2nd March 1971 and is a long serving educationist with over two decades' experience and community leader. He is a member of the wajir disability committee representing education departing on behalf of special needs institutions
7. Fatuma Yussuf Abdullahi 	Fatuma is local vulnerable groups and girl child activist. She is also a former nominated MCA and a member the Wajir County Assembly Board representing persons with special needs. She is a member of the committee representing local organizations of persons with disability.
8. Mohamed Maalim Hussein 	Mohamed was born in 1982 and is also a local activist and community mobilizer based in the sub counties. He is a member of the committee representing local organizations of persons with disability.
9. Bilay Osman Hassan 	Bilay was born in 1971 and is a local activist for persons with disabilities and a representing the organizations for persons with disability.

4. Management Team

Name	Details of qualifications and experience
10. Osman Ahmed Abdi 	Osman was born In 1995, holds a Master of Science Finance in Arts (sociology) and a bachelor of commerce (Finance). He has over 10 year's wealth of experience both in the private and public practices as well as management in the county affairs. Osman is a professional certified accountant with CPA-K and a member of ICPAK.
11. Ubah Adan Elmoy 	Ubah was born In 1974, has an academic qualification of Degree in BSc (Health Information Management System) with 20 years of experience in the Health management systems and social protection both in public and NGO world. she is a currently County Director Gender and social services and Gender.
12. Abdikheir Shariif Hassan 	Abdikheir Sharif Hassan Was born in 1992 and holds a Bachelor of Commerce (Accounting), is a professional certified public accountant with CPA (K) and member no. 25686 of the institute of the certified public accountants of Kenya (ICPAK).
13. Mr Ahmed Mohamed 	Hassan was Born on 1976, Academic qualification of BED (Science), M.A (Governance, Ethics& Leadership) and social protection practitioner. With 14 years of experience in educational experience and 10 years in managerial experience in education, Governance & social protection. Ahmed is Deputy Director social services and department.

5. Fund Chairperson's Report

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

It is my pleasure to present the Wajir County Disability Fund's financial statements for the period ending 30th June 2023. The financial statements present the financial performance of the County Disability Fund on the just concluded fiscal year.

The fund came into existence after the enactment of the Wajir County Disability Fund Act 2020 (amended in 2021). In the financial year 2022/2023, a total of Ksh 40,344,000 was allocated to the Fund. There was also an opening balance bank balance of Kshs 340,920 for disbursement brought forward from Financial Year 2021/20202. These disbursements were aimed at supporting persons living with severe disabilities in by;

1. Facilitating the improvement of the living conditions for persons with disabilities in Wajir County, through socio-economic empowerment;
2. Promoting equal and equitable access to social- economic, political opportunities and services by persons with disabilities in the County;
3. Enhancing awareness on the rights of persons with disabilities in the County; and
4. Establishing mechanisms to address cultural and societal stigma towards persons with disabilities;

The fund is administered by an administration Committee known as the Wajir County Disability Fund Committee, which is established by the Act and regulations. The committee is equally assisted in its work by a management team established under the Act in the departmental level. The management committee at the county level has a responsibility of receiving, vetting and approving of Disability applications and recommending deserving cases to the county Disability management team as stipulated in the Disability Fund Act.

Performance

Beneficiaries of the fund include persons with mobility and physical impairment, Spinal Cord disability, brain disability, vision and/hearing disability, cognitive or learning disability as well as psychological disorders. During the financial year, Kshs 29,414,000 was disbursed as cash transfer and for provision of assistive devices. The Administration board committees are working on how to increase the budgetary allocation to cover more deserving cases in coming years.

Way forward

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

In the coming fiscal year the committee expects to receive an exponential growth in amounts to be disbursed to increase the number of disability in the countywide.

Name: Naema Ibrahim Somo

Signature..... 

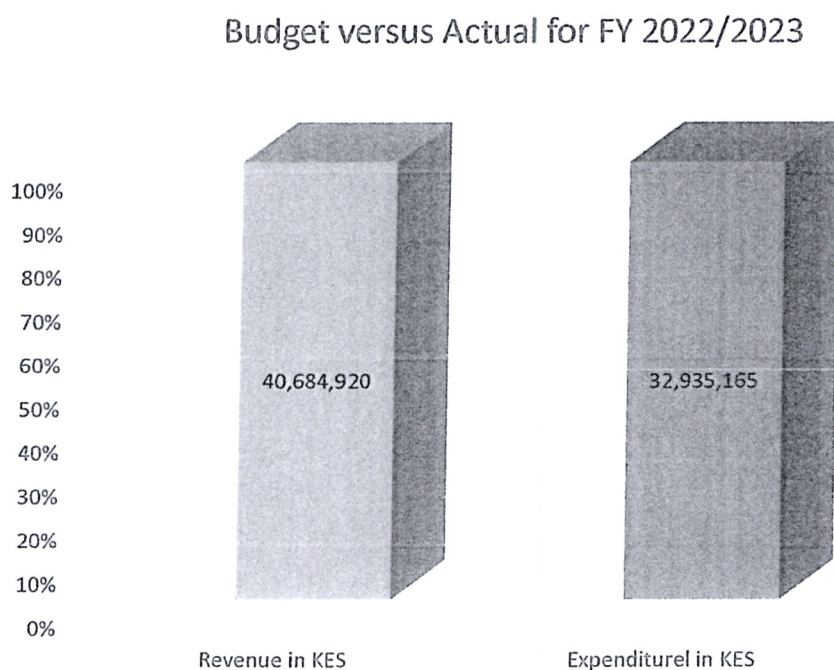
Chairperson of the Board/Fund

Date..... 

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of the Fund Administrator

Wajir County Disability Fund had an opening fund balance of KES 340,920 which was the closing fund balance of Financial Year 2021/ 2022 and 40,344,000 transferred from the County Government. In the financial year 2022/2023, a total of Ksh 29,414,000 was disbursed to benefitting persons living with disabilities as cash transfers and other assistive devices, while 1,204,665 was spent on Administration and 2,320,500 on Disability Mainstreaming, Inclusion and M&E. This leaves a bank balance of KES 7,745,755 which forms the accumulated surplus for the year to be carried forward in FY 2023/2024. This was 81% absorption of the allocated budget for the year.



Performance

During the year Ksh 29,414,000 was disbursed to support the physically challenged person cases within Wajir County. These were allocated to deserving cases covering both mental and physical disabilities. The management is working on how to increase the budgetary allocation to support more cases in coming financial years.

We intend to increase number of Disability beneficiaries from the 630 persons to approximately 1,178 registered persons with serve disabilities in the subsequent financial year of 2023/2024.

Emerging issues:

Emerging issues include the growing need of Disability needs which is likely to result to overdependence and high demand for Disability assistance due to high poverty index precipitated by the devastating drought. High Poverty index is a key risk in implementation of the Disability Fund and we therefore urge our legislature to advocate, lobby and approve a higher budgetary allocation with respect to the County Disability Fund.



OSMAN AHMED ABDI

FUND ADMINISTRATOR

7. Statement of Performance against the County Fund's Predetermined Objectives

Introduction

Section 164 (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 County Government Entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Wajir County Disability Fund

The principal mission mandate of the Fund is to facilitate the improvement of the living conditions for persons with disabilities in Wajir County, through socio-economic empowerment; promote equal and equitable access to social-economic, political opportunities and services by persons with disabilities in the County; enhance awareness on the rights of persons with disabilities in the County; and establish mechanisms to address cultural and societal stigma towards persons with disabilities.

The County Government prepared the third generation CIDP 2023-2027 which is the county development blue print for the next five years. In this, Social protection plays a critical role and that's why there is the Disability Fund. Tracking of Disability implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2) (f) of the Public Finance Management Act, 2012.

Education as a Strategic development objective

The County's 2023-2027 CIDP has identified Twenty-three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, Vision 2030 & the National Government Agenda, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks and plans, and are summarised here-in-under;

- a) Receive and consider applications for funding from the Fund;

Wajir County Disability Fund**Annual Report and Financial Statements for the year ended June 30, 2023**

- b) Provide oversight on the administration and management of the Fund;
- c) Formulate policies to achieve the objects and purpose of the Fund;
- d) Receive, review and approve reports on the performance of the Fund; and
- e) Monitor and evaluate the programmes and activities under the Fund

Below we provide the progress on attaining the stated objectives, particularly on matters Education in which the Disability fund has played a catalytic role.

Department	Objective	Outcome	Indicator	Performance
Education	To facilitate issuance of financial assistance to persons with disabilities	Increased number of beneficiaries of persons living with disabilities	% of Increased number of beneficiaries of persons living with disabilities	In FY 2022/23 we increased Disability access by 100% for people living with disability severe of level.
	To facilitate purchase of assistive devices and other forms of assistance	Increased number of assistive devices for persons living with disabilities	Increased number of persons with disabilities assisted with devices	61% 66%
	Enhance assistance to persons with disabilities for entrepreneurship development	Insurance of fridge's and sewing machines for persons with disability	Number of beneficiaries increased	67%

8. Corporate Governance Statement

The Wajir County Disability Fund is made up of 9 Administration Committee members. Members meet to deliberate on the performance of the management team by evaluating and considering Disability assistance to the people living with disabilities. The committee members are not remunerated from the fund but paid sitting allowances based on the Budget allocation and as per the act. In the coming years we will be able to report on the governance structure based on:

- a) Number of Fund Administration Committee meetings held and the attendance to those meetings by members,
- b) Succession plan,
- c) Existence of a service charter,
- d) Process of appointment and removal of board/ Administration Committee members,
- e) Roles and functions of the Administration Committee members,
- f) Induction and training, Administration Committee members and member's performance,
- g) Conflict of interest,
- h) Board remuneration,
- i) Ethics and conduct as well as governance audit undertaken if any.

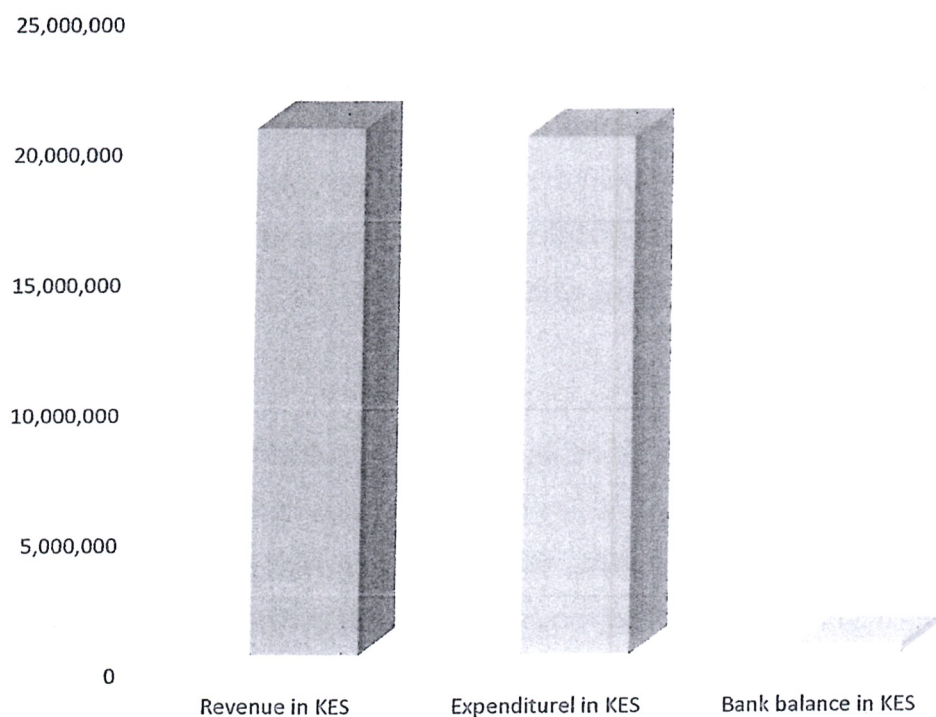
9. Management Discussion and Analysis

During the year, Ksh 40,344,000 was allocated to support deserving cases within the County. This was allocated to covering both cash transfer and assistive devices. We are working on how to increase the budgetary allocation to support more cases in coming financial years.

We intend to increase the number of Disability beneficiaries from the current 630 to about 1,178 in the subsequent financial year of 2023/2024.

Below is graphical representation of financial performance of the Disability Fund for the Financial Year 2022/2023.

The Financial Performance for FY 2022/2023



10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The Wajir County Development Agenda is informed by the need to increase and expand sustainable development opportunities and build people's capacities to enable them create wealth and transform their lives for growth and prosperity. The County Envisions being a competitive, industrialized and socio-economically self-sustaining and securing county. This will be attained by providing quality and efficient services through innovative and sustainable utilization of resources for a better quality of life to all citizens of Wajir County. This is what the county intends to attain and sustain it through creation of a county culture anchored on; Transparency; Inclusiveness and Equity; Empowerment; Quality and result oriented in provision of the county services.

2. Environmental performance

As outlined in the County 2018-2022 CIDP, Environment is one of the key thematic areas that the county has put a lot of focus in its developments agenda. Land is a natural resource which can be sustainably used to satisfy man's unlimited needs and wants as long as the concept of scarcity is recognized. Cognizant of the need for responsible land use for environmental sustainability, The County has developed a number of policies, programmes and structures guiding environmental matters within the County.

3. Employee welfare

Wajir County Recognises the value of its employees in the implementation and long term sustainability of its development strategy. As a result, it has always ensured a fair recruitment process where competences and qualification has been key in hiring of its employees to ensure value from its human resource. All recruitments observe the one third Gender rule and the inclusivity. All senior management staff from the level of county directors and above are placed under performance Contract while the junior staff are under performance Appraisal system.

This is aimed at inculcating a results culture and also helps to identify skills Gap for capacity building and future development the County staff as they inform approvals for Promotion and training for career growth. For a better and health work force, the county has also placed all staff under a medical cover which on terms as provided by the Salaries and Remuneration Commission's guideline of Employee Medical benefits.

4. Market place practices

The County embraces diversity and offers services to all county residents without discrimination. All county fees and charges are levied after wide consultation with the citizens through public participation.

5. Community Engagements

The County has been engaging its citizens in all its development programmes through public participation in all the county plans, Budget and legislations. This participation ensures that the views of the citizen are included from planning to implementation stages. Participation is done by the county through its established participation structures such as, the County Budget and Economic Forum, The County Citizen education and Civic Education Unit etc.

11. Report of the fund administration committee

Report of the Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Principal activities

The principal activity/ mandate of the Wajir County Disability Fund is to receive Disability funds as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act to facilitate the improvement of the living conditions for persons with disabilities.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page one of this report.

Trustees

The members of the fund administration committee who served during the year are shown on page VII.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

 13/11/2023
.....

NAEMA IBRAHIM SOMO

Chairperson of the Fund Administration Committee

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Wajir County Disability Fund Act shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund;
- (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 fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Wajir County Disability Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Disability Fund Act 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023 and of the Fund's financial position as at that date.

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

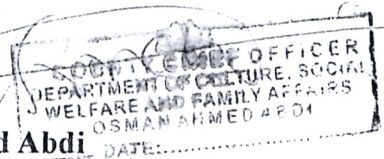
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

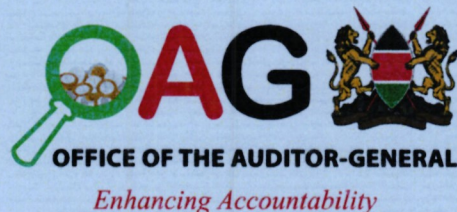
The Fund's financial statements were approved by the Board on 15th July 2023 and signed on its behalf by:

 
Osman Ahmed Abdi DATE:

Administrator of the Wajir County Disability Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WAJIR COUNTY DISABILITY FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Wajir County Disability Fund set out on pages 1 to 17, which comprise of the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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, the financial statements present fairly, in all material respects, the financial position of the Wajir County Disability Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Wajir County Persons with Disabilities Act, 2021 and the Public Finance management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wajir County Disability Fund 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 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance in Allocation of Funds

During the year under review, the Fund received a total of Kshs.40,344,000 in respect of transfer from the County Government of Wajir. This represented 1% of the total County Government budget of Kshs.4,069,962,493. This was contrary to Section 10(2) of the Wajir County Persons with Disabilities Act, 2021 which provides that the County

Department responsible for social services, shall ensure that there is set aside at least 2% of the development budget appropriated by the County Assembly.

In the circumstances, Management was in breach of the law.

2. Under-Utilization of the Budget on Social Assistance Programme

During the year under review, an amount of Kshs.22,722,000 was spent on social assistance (cash transfers and in-kind). This constituted 55% of the total budget for the Fund of Kshs.40,684,920. This was contrary to Regulation 5(4) of the Public Finance Management (Wajir County Disability Fund) Regulations, 2022 which provides that the Committee shall apply 75% of the funds appropriated to the Fund on social assistance programme.

In the circumstances, Management was in breach the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 December, 2023

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

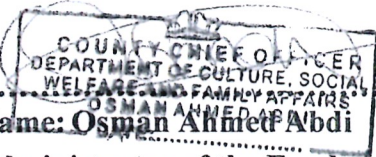
I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

13. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers from the County Government	1	40,344,000	20,213,320
Total Revenue		40,344,000	20,213,320
Expenses			
Administration expenses	2	1,204,665	2,420,400
Disability Mainstreaming, Inclusion and M&E	3	2,320,500	-
Social assistance (cash transfers & in kind)	4	22,722,000	17,452,000
Economic empowerment	5	3,968,000	-
Provision of assistive devices	6	2,724,000	-
Total Expenses		32,939,165	19,872,400
Surplus/(Deficit) for the Period		7,404,835	340,920

The notes set out on pages 6 to 13 form an integral part of these Financial Statements.

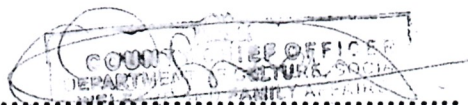

 Name: **Osman Ahmed Abdi**
 Administrator of the Fund


 Name: **Abdikheir Sharif Hassan**
 Fund Accountant
 ICPAK Member Number: **25686**

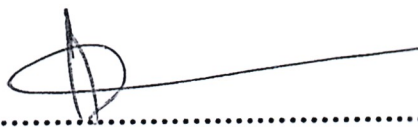
Wajir County Disability Fund**Annual Report and Financial Statements for the year ended June 30, 2023****14. Statement of Financial Position as at 30 June 2023**

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	7	7,745,755	340,920
Non-Current Assets			
Total Assets		7,745,755	340,920
Liabilities			
Current Liabilities			
Non-Current Liabilities			
Total Liabilities		-	-
Net Assets			
Accumulated Surplus		7,745,755	340,920
Total Net Assets and Liabilities		7,745,755	340,920

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 13/11/2023 and signed by:



Name: Osman Ahmed Abdi
Administrator of the Fund



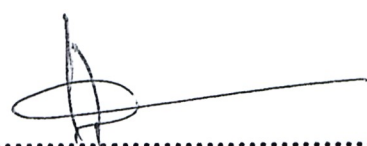
Name: Abdikheir Sharif Hassan
Fund Accountant
ICPAK Member Number: 25686

Wajir County Disability Fund**Annual Report and Financial Statements for the year ended June 30, 2023****15. Statement of Changes in Net Assets for the year ended 30th June 2023**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at 1 July 2021	-	-	-	-
Surplus/(Deficit) For the Period	-	-	340,920	340,920
Funds Received During the Year	-	-		-
Revaluation Gain	-	-	-	-
Balance as at 30 June 2022	-	-	340,920	340,920
Balance as at 1 July 2022	-	-	340,920.00	340,920.00
Surplus/(Deficit) For the Period	-	-	7,404,835	7,404,835
Funds Received During the Year	-	-	-	-
Expenses	-		-	-
Balance As At 30 June 2023	-	-	7,745,755	7,745,755

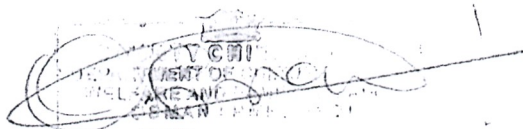

COUNTY CHIEF OFFICER
DEPARTMENT OF CULTURE, SOCIAL
WELFARE AND FAMILY AFFAIRS
Name: **Osman Ahmed Abdi**
DATE:

Administrator of the Fund


Name: **Abdikheir Sharif Hassan**
Fund Accountant
ICPAK Member Number: 25686

Wajir County Disability Fund**Annual Report and Financial Statements for the year ended June 30, 2023****16. Statement of Cash Flows for the Year Ended 30 June 2023**

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	40,344,000	20,213,320
Total receipts		40,344,000	20,213,320
Payments			
Administration expenses	2	1,204,665	2,420,400
Disability Mainstreaming, Inclusion and M&E	3	2,320,500	-
Social assistance (cash transfers & in kind)	4	22,722,000	17,452,000
Economic empowerment	5	3,968,000	-
Provision of assistive devices	6	2,724,000	-
Total Payments		32,939,165	19,872,400
Net cash flows from operating activities		7,404,835	340,920
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		7,404,835	340,920
Cash and cash equivalents at 1 July	7	340,920	-
Cash and cash equivalents at 30 June	7	7,745,755	340,920



Name: Osman Ahmed Abdi
Administrator of the Fund



Name: Abdikheir Sharif Hassan
Fund Accountant
ICPAK Member Number: 25686

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Comparison of Budget and Actual Amounts for the Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Transfers From County Govt.	40,344,000	340,920	40,684,920	40,684,920	-	100%
Total Income	40,344,000	340,920	40,684,920	40,684,920	-	100%
Expenses						
Administration Expenses	1,210,320	-	1,210,320	1,204,665	5,655	100%
Disability Mainstreaming, Inclusion and M&E	2,044,388	-	2,044,388	2,320,500	(276,112)	110%
Social assistance (cash transfer & in kind)	30,513,690	-	30,513,690	22,722,000	7,791,690	74%
Economic empowerment	4,068,492	-	4,068,492	3,968,000	100,492	98%
Provision of assistive devices	2,847,944	-	2,847,944	2,724,000	123,944	96%
Total expenditure	40,344,000	340,920	40,684,920	32,939,165	7,745,755	81%
Surplus For the Period				7,745,755		

NB

- I. The underutilization of the fund for social assistance (cash transfer and inkind) is as a result of late registration of new beneficiaries who were only eligible for payment of six month(Jan –June) for the period under consideration
- II. The 10% variation on disability mainstreaming, inclusion, Monitoring and evaluation is as a result of the opening balance brought forward from the previous financial year.

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

18. Notes to the Financial Statements

1. General Information

The Wajir Disability Fund is established by and derives its authority and accountability from Wajir Disability Fund Act (2021). The entity is wholly owned by the Wajir County Government and is domiciled in Kenya. The entity's principal activity to facilitate the improvement of the living conditions for persons with disabilities in Wajir County through socio-economic empowerment, promotion of equal and equitable access to social-economic, political opportunities and services by persons with disabilities in the County.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

- (i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023 a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	Applicable 1st January 2023 - IPSAS 22 <i>Disclosure of Financial Information about the General Government Sector</i>. Amendments to refer to the latest System of National Accounts (SNA 2008). - IPSAS 39: <i>Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	now superseded by IPSAS 41 which is applicable from 1 st January 2023.

- (ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 30th November 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and

Wajir County Disability Fund

Annual Report and Financial Statements for the year ended June 30, 2023

actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

d) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

e) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

f) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes to the Financial Statements

1. Transfers from County Government

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
Transfers from County Govt. – operations	40,344,000	20,213,320
Payments by County on behalf of the entity	-	-
Total	40,344,000	20,213,320

2. Fund administration expenses

Description	FY2022/2023	FY2021/2022
	Kshs.	Kshs.
Training Expenses	100,000.00	-
Launch of Disability Fund	270,000.00	-
Committee Sitting Allowances	219,200.00	-
Printing and stationery	610,000.00	-
Bank charges	5,465.00	-
Total	1,204,665.00	Total

3. Disability Mainstreaming, Inclusion and M&E

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
M&E Cost	2,320,500	-
Total	2,320,500	-

4. Social assistance (cash transfers & in kind)

Description	FY2022/2023	FY2021/2022
	Kshs.	Kshs.
Cash Transfer & in kind	22,722,000	-
Total	22,722,000	-

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Economic empowerment

Description	FY2022/2023	FY2021/2022
	Kshs.	Kshs.
Supply of sewing machines and garment	2,460,000	-
Supply of fridge and fridge guards	1,508,000	-
Total	3,986,000	-

6. Provision of assistive devices

Description	FY2022/2023	FY2021/2022
	Kshs.	Kshs.
Supply of assistive devices	2,724,000	-
Total	2,724,000	-

7. Cash and cash equivalents

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
Current account	7,745,755	340,920
Total cash and cash equivalents	7,745,755	340,920

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	FY2022/2023	FY2021/2022
		Kshs	Kshs
a) Equity Bank Limited	1030265415086	7,745,755	340,920
Sub total		7,745,755	340,920
Grand total		7,745,755	340,920

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

8. Related party balances

a) Nature of related party relationships

The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
Transfers From County Government of Wajir	40,344,000	20,213,320

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

9. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

c) Market risk

The County Internal Audit assists in assessing the risk faced by the entity on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

i. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.	Irregular Expenditure before commencement of the fund	The Wajir county disability fund Act has since been put in place.	Not resolved	30 th September 2023
2.	Over expenditure on fund administration expenses	The management wishes to confirm compliance with PFM(County Government) regulations, 2015.	Not resolved	30 th September 2023
3.	Unsupported Expenditure	The supporting documentation has since been availed.	Not resolved	30 th September 2023
4.	Late submission of financial statements	The Management wishes to confirm that financial statements will be availed within the statutory timelines.	Not resolved	30 th September 2023
5.	Failure to enact disability fund regulations	The management has established the regulations for the fund.	Not resolved	30 th September 2023


COUNTY CHIEF OFFICER
DEPARTMENT OF CULTURE, SPORTS
WELFARE AND FAMILY AFFAIRS
OSMAN AHMED ABDI

**Fund Manager,
Wajir County Disability Fund.**

Annex II: Inter-Fund Confirmation Letter

Wajir County Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023

COUNTY GOVERNMENT OF WAJIR



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

Wajir County Disability Fund
P.O Box 9-70200,
Wajir.

The County Government of Wajir wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column D in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Amount Received by beneficiary Fund (KShs) as at 30 th June 2023 (D)	Differences (KShs) (E)=(C-D)
FT230333FT4T	10-Feb-2023	40,344,000	-	40,344,000	40,344,000	-
Total		40,344,000	-	40,344,000	40,344,000	-

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name *ABDIKHIR SIYARIF HASSAN*

Sign

Date *13/11/2023*

