

REPORT


OF

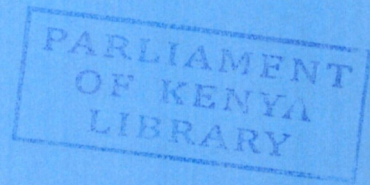
THE AUDITOR-GENERAL

ON

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

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

 THE NATIONAL ASSEMBLY	
DATE:	06 JUL 2023
	DAY: Thursday
TABLED BY:	Hon. Samuel Chepkonga, MP
CLERK AT THE TABLE:	Joyce Kemelle







OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
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WAJIR SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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

***Wajir South Constituency
National Government Constituencies 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 (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
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 South 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)
- iii.

(c) Fiduciary Management

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The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Shafee Hassan Odhowa
2.	Sub-County Accountant	Francisco Masha Iha
3.	Chairman NGCDFC	Abdiweli Mohamed Bakatle
4.	Member NGCDFC	Nimo Elmogee Affey

(d) Fiduciary Oversight Arrangements

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

(e) Wajir South Constituency NGCDF Headquarters

P.O. Box 90-70201
Wajir South NG-CDF Offices
Opposite Habaswein Community Library
Habaswein, KENYA

(f) Wajir South Constituency NGCDF Contacts

Telephone: (254) 729224379
E-mail: cdfwajirsouth@ngcdf.go.ke
Website: www.go.ke

(g) Wajir South Constituency NGCDF Bankers

First Community Bank
Wajir branch
P.o Box 67-70200
Wajir , kenya

(h) Independent Auditors

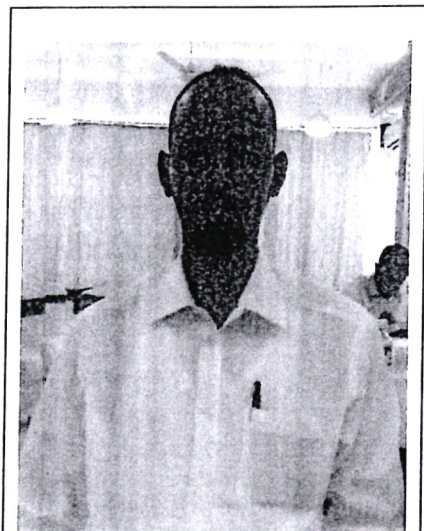
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

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II. NG-CDFC Chairman's Report



The National Government Constituency Development Fund Committee – Wajir South received all the approved budgets/allocation of kshs137,088,879 for the financial year 2021/2022. The constituency also received Kshs33,000,000 from the board as balances of financial year 2020-2021 . In total the constituency had kshs170, 0788,879 during the financial year. There is also Kshs 51,074,146 cash balances brought forward from previous financial year. The total expenditure for the financial year is kshs 159,494,969.

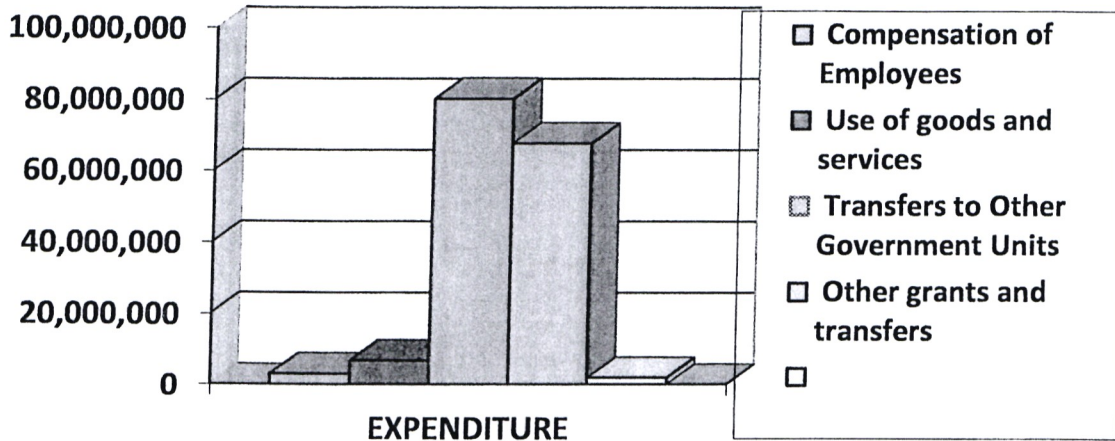
The Budget utilization on receipts and expenditure are as follows: -

Item	Receipts (Kshs)	Expenditure (Kshs)	Balances (Kshs)	%Utilization
1	170,088,879	159,494,969.	10,593,910	94%

The financial year expenditure was recorded in all the components as detailed below; -

Item	Actual Expenditure (Kshs)
Compensation of Employees	3,030,844
Use of goods and services	6,763,865
Transfers to Other Government Units	80,150,000
Other grants and transfers	67,650,260
Acquisition of Assets	1,900,000
Totals	159,494,969

Graphical representation of the expenditure components



The committee during the financial year funded critical projects in the constituency in line with constituency strategic plan and need basis report carried out by the committee. These projects include water supply, construction and improvement of buildings, supply of computers and installation of solar power system in both schools and security sector in the constituency



Construction of elevated water tank at Diff Deputy County Commissioner office

There are many challenges in the constituency such as mushrooming settlements which proved difficult in distribution little resources at our disposal

Abdiweli Mohamed Barkatle
CHAIRMAN NGCDF COMMITTEE

Wajir South Constituency
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III. Statement of Performance against Predetermined Objectives for FY2021/22

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 South Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

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:

No	Program	Objective	Outcome	Indicators	Performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms/laboratories/staff houses/fencing in various primary and secondary schools in the constituency	Number of Physical school structure in various school around the constituency	So far 88 Number of classrooms constructed against 220 projected in strategic plan 2018-2022
2	Youth and Sports	To harness talent and empower youth	Funding of youth sporting initiatives	Number of Tournaments held	Talent identification
4	Environment	To promote environmental sustainability in the constituency	Purchase of tree seedlings and their planting/Organizing tree planting days	Numbers trees in various public institution	A forestation and environmental conservancy
5	Security	To enhance security in the constituency	Construction/renovation of offices/houses for chiefs and Ass. Chiefs, police, Administration offices	Number of office & houses	Increased offices by 3
6	Tracking of results	To improve tracking of implementation NG-CDF programmes	Monitoring and Capacity Building of NG-CDFC's and PMC's/ Organizing regular projects monitoring field visits	Number of Routine monitoring & capacity Building exercise undertaken	Decreased number of PMCs/projects audit related issue

IV. Environmental and Sustainability Reporting

Wajir South NG-CDF 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 Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Wajir South 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; 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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

We invest in providing the best working environment for our employees. Wajir South 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 of 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 South 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 South NGCDF Constituency 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 South 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

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


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Shafee Hassan Odhwa
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 a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Wajir South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 NGCDF-Wajir South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *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 charge of the NGCDF- Wajir South Constituency 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 NGCDF Wajir South Constituency 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

and the statement of receipts and payments, statement of cash flows, and summary statement of appropriation 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 National Government Constituencies Development Fund - Wajir South 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 with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

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 South 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 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 on in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.233,251,905 and Kshs.221,163,025 respectively resulting to underfunding of Kshs.12,088,879 (or 5%) of the approved budget. Similarly, the Fund spent Kshs.159,494,969 against actual receipts of Kshs.221,163,025 resulting to an under expenditure of Kshs.61,668,056 (or 28%) of the actual amount received.

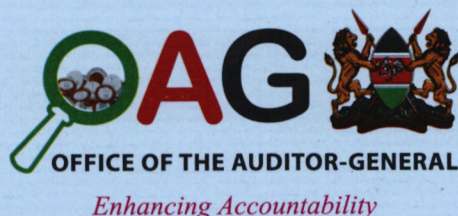
Under absorption of the budget may have affected implementation of the planned activities, negatively impacting on service delivery to the residents of Wajir South Constituency.

2. Delay in Projects Implementation

During the year under review, the Fund had an approved budget of Kshs.233,251,905 as reflected in the summary statement of appropriation for implementation of one hundred and nine (109) projects. Review of the Project Implementation Status together with

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NAIROBI

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

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 National Government Constituencies Development Fund - Wajir South Constituency set out on pages 1 to 32, which comprise of the statement of financial assets and liabilities as at 30 June, 2022,

Report of the Auditor-General on National Government Constituencies Development Fund - Wajir South Constituency for the year ended 30 June, 2022

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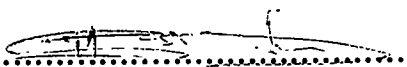
for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Wajir South Constituency financial statements were approved and signed by the Accounting Officer on 27th March 2023


.....

Abdiweli Mohamed
Chairman – NGCDF Committee


.....

Shafee Hassan Odhwa
Finance Account Manager

projects inspections carried out revealed that eleven (11) projects with a budget of Kshs.23,679,500 were not implemented.

Failure to implement all budgeted projects may have denied the residents of Wajir South Constituency the intended services.

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

Failure to Disclose Utilization of Emergency Reserve

The statement of receipts and payments reflects other grants and transfers of Kshs.67,650,260 as disclosed in Note 5 to the financial statements. These transfers include expenditure on emergency projects of Kshs.6,814,000. Audit of the expenditure revealed that Management did not report the emergency expenditure to the National Government Constituencies Development Board within thirty (30) days of the occurrence of the emergency expenditure as required under Regulation 20(2) of the National Government Constituencies Development Fund Regulation, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, Management was in breach of 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, 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 overall governance were not effective.

Basis for Conclusion

Failure to Revalue Assets

Annex 2 of the financial statements reflects assets with historical cost of Kshs.13,306,640. However, The Management did not provide evidence to confirm that assets whose value may have significantly changed overtime were revalued.

In the circumstances, it was not possible to confirm the valuation status of the assets.

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 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 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 of 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 controls 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 controls that are identified during the audit.

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.


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 May, 2023

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

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

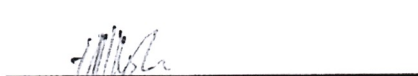
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,088,879	161,367,724
Total Receipts		170,088,879	161,367,724
Payments			
Compensation Of Employees	2	3,030,844	
Use Of Goods and Services	3	6,763,865	2,162,400
Transfers To Other Government Units	4	80,150,000	6,487,471
Other Grants and Transfers	5	67,650,260	65,220,000
Acquisition Of Assets	6	1,900,000	41,598,000
Total Payments		159,494,969	115,467,871
Surplus/(Deficit)		10,593,910	45,899,853

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 27th March 2023 and signed by:


Fund Account Manager

Shafee Hassan Odhwa


National Sub-County
Accountant

Francisco Masha Iha
ICPAK M/No:13892


Chairman NG-CDF
Committee

Abdiweli Mohamed Barktale

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

VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	7A	61,668,056	51,074,146
Cash Balances (Cash at Hand)			
Total Cash and Cash Equivalents		61,668,056	51,074,146
Accounts Receivable			
Outstanding Imprests			
Total Financial Assets		61,668,056	51,074,146
Financial Liabilities			
Accounts Payable (Deposits)			
Retention			
Gratuity			
Total Financial Liabilities			
Net Financial Assets		61,668,056	51,074,146
Represented By			
Fund Balance B/Fwd	8	51,074,146	5,174,293
Prior Year Adjustments			
Surplus/Deficit for The Year		10,593,910	45,899,853
Net Financial Position		61,668,056	51,074,146

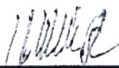
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 27th March 2023 and signed by:



Fund Account Manager

Shafee Hassan Odhwa



**National Sub-County
Accountant**

**Francisco Masha Iha
ICPAK M/No:13892**



**Chairman NG-CDF
Committee**

Abdiweli Mohamed Barktale

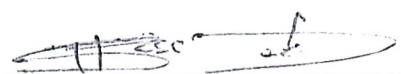
*Wajir South Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	170,088,879	161,367,724
Other Receipts			
Total Receipts		170,088,879	161,367,724
Payments			
Compensation Of Employees	2	3,030,844	2,162,400
Use Of Goods and Services	3	6,763,865	6,487,471
Transfers To Other Government Units	4	80,150,000	65,220,000
Other Grants and Transfers	5	67,650,260	41,598,000
Other Payments			
Total Payments		157,594,969	115,467,871
Total Receipts Less Total Payments			
Adjusted For:			
Decrease/ (Increase) In Accounts Receivable			
Increase/ (Decrease) In Accounts Payable			
Prior Year Adjustments			
Net Cash Flow from Operating Activities		12,493,910	45,899,853
Cash flow From Investing Activities			
Proceeds From Sale of Assets			
Acquisition Of Assets	6	(1,900,000)	
Net Cash Flows from Investing Activities		(1,900,000)	
Net Increase In Cash And Cash Equivalent		10,593,910	45,899,853
Cash & Cash Equivalent At Start Of The Year	8	51,074,146	5,174,293
Cash & Cash Equivalent At End Of The Year	7	61,668,056	51,074,146


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 27th March 2023 and signed by:



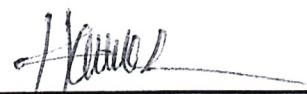
Fund Account Manager

Shafee Hassan Odhowa



**National Sub-County
Accountant**

**Francisco Masha Iha
ICPAK M/No:13892**



**Chairman NG-CDF
Committee**

Abdiweli Mohamed Barktale

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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022




Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	A	2021/2022	B	Previous Years' Outstanding disbursements				
Receipts								
Transfers From NGCDF Board	Kshs	137,088,879	Kshs	45,088,879	233,251,905	221,163,025	12,088,879	
Proceeds From Sale of Assets								
Other Receipts								
Totals		137,088,879		45,088,879	233,251,905	221,163,025	12,088,879	94.8%
Payments								
Compensation Of Employees	Kshs	2,519,826	Kshs	2,635,346	5,991,383	3,030,844	2,960,539	50.6%
Use Of Goods and Services		8,126,846.32		1,335,567	11,208,712	6,763,865	4,444,847	60.3%
Transfers To Other Government Units		67,900,000		32,250,000	131,475,000	80,150,000	51,325,000	61.0%
Other Grants and Transfers		58,542,207		8,867,967	82,676,810	67,650,260	15,026,550	81.8%
Acquisition Of Assets				1,900,000	1,900,000	1,900,000		100.0%
Other Payments								
Funds Pending Approval								
Totals		137,088,879		45,088,879	233,251,905	159,494,969	73,756,935	68.4%

The underutilization of compensation of employees arises from unpaid staff gratuity whereas underutilization of all other components this include use of goods and services, transfer from other government units and other grants and transfers arise from late disbursement of funds from NG-CDF Board

Wajir South Constituency
National Government Constituencies Development Fund (NGCDF)
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	73,756,935
Less undisbursed funds receivable from the Board as at 30 th June 2022	12,088,879
Add Accounts payable	61,668,056
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	61,668,056

The Constituency financial statements were approved on 27th March 2023 and signed by:

 Fund Account Manager	 National Sub-County Accountant	 Chairman NG-CDF Committee
Shafee Hassan Odhwa	Fransico Masha Iha ICPAK M/No:	Abdiweji Mohamed Bartale

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

XI. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,519,826	836,211	2,635,346	5,991,383	3,030,844	2,960,539	
1.2 Committee allowances	1,248,000	470,000	648,000.00	2,366,000	2,106,200.00	259,800	
1.3 Use of goods and services	3,557,507	266,299	687,567	4,511,373	2,109,665	2,401,707	
Total	7,325,333	1,572,510	3,970,912	12,868,755	7,246,709	5,622,046	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,200,000	1,010,000		2,210,000	1,748,000	462,000	
2.2 Committee allowances	800,000			800,000	800,000		
2.3 Use of goods and services	1,321,339			1,321,339		1,321,339	
Total	3,321,339	1,010,000		4,331,339	2,548,000	1,783,339	
3.0 Emergency							
3.1 Primary Schools	3,300,000	1,852,636		5,152,636	1,800,000	3,352,636	
3.2 Secondary schools	3,464,000			3,464,000	3,464,000		
3.3 Tertiary institutions							
3.4 Security projects	350,000		1,792,207	2,142,207	1,550,000	592,207	
3.5 Unutilised	78,207			78,207		78,207	

Wajir South Constituency
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Total	7,192,207	1,852,636	1,792,207	10,837,050	6,814,000	4,023,050	
4.0 Bursary and Social Security							
4.1 Secondary Schools	9,000,000			9,000,000	9,000,000		
4.2 Tertiary Institutions	15,000,000			15,000,000	15,000,000		
4.3 Social Security							
4.4 Special Needs							
Total	24,000,000			24,000,000	24,000,000		
5.0 Sports							
5.1 Senior Chief Ogle Girls Secondary School	450,000			450,000	450,000		
5.2 Habaswein Mixed Day Secondary School	450,000			450,000	450,000		
5.3 Habaswein Boys Secondary School	450,000			450,000	450,000		
5.4 Burder Mixed Secondary School	950,000			950,000	950,000		
5.5 Constituency Sports Tournament		800,000		800,000	800,000		
5.6 Ibrahim Ure Ward Sports Tournament		514,000		514,000	500,000		
Total	2,300,000	1,314,000		3,614,000	3,600,000		
6.0 Environment							
6.1 Abakore Mixed Secondary School	900,000			900,000	900,000		
Total	900,000			900,000	900,000		
7.0 Primary Schools Projects							
Diff oldam Primary School	1,000,000			1,000,000		1,000,000	
Bilimarado Primary School	1,300,000			1,300,000		1,300,000	
Daresalam Primary School (Leheley Bali)	1,300,000			1,300,000		1,300,000	
Labiaryar Primary School	1,300,000			1,300,000		1,300,000	
Abaghalul Primary School	1,000,000			1,000,000		1,000,000	

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

Aktalehel Primary School	1,500,000				1,500,000		1,500,000
Ibrahim Ure Primary School	1,200,000				1,200,000		1,200,000
Hambalash Primary School	1,000,000				1,000,000		1,000,000
Elado Primary School	1,500,000				1,500,000		1,500,000
Luqungoroya Primary School	1,300,000				1,300,000		1,300,000
Tahsila Primary School	1,300,000				1,300,000		1,300,000
Welari Primary School	1,800,000				1,800,000		1,800,000
Gumajerin Primary School	2,300,000				2,300,000	2,150,000	150,000
Midnimo Primary School	1,300,000				1,300,000		1,300,000
Madhahbaqay Primary School	2,000,000				2,000,000		2,000,000
Biyamathow Primary School	1,200,000				1,200,000		1,200,000
Iskadeg Primary School	1,300,000				1,300,000		1,300,000
Dulgub Primary School	1,300,000				1,300,000		1,300,000
Sabena Primary School	1,300,000				1,300,000		1,300,000
Banane Shantatal Primary school		1,000,000			1,000,000		1,000,000
Dahabley Primary School			1,000,000		1,000,000		1,000,000
Jilalow Primary School			1,300,000		1,300,000	1,220,000	80,000
Madina Primary School			1,300,000		1,300,000	1,235,000	65,000
Kulaley Primary School			1,500,000		1,500,000	1,375,000	125,000
Machesa Primary School			1,300,000		1,300,000	1,235,000	65,000
Alidumal Primary School			300,000		300,000	300,000	-
Shoma Geri Primary School			1,300,000		1,300,000	1,235,000	65,000
Shabeel Duula Primary School			1,300,000		1,300,000	1,235,000	65,000
Abore Primary School			1,300,000		1,300,000	1,235,000	65,000
Abaqmadobe Primary School			1,350,000		1,350,000	1,280,000	70,000
Finii Primary Schools			1,000,000		1,000,000	950,000	50,000
Habaswein Primary School			2,000,000		2,000,000	1,900,000	100,000

Wajir South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Dimanyale Primary School			1,900,000	1,900,000	1,900,000		
Total	26,200,000	1,000,000	16,850,000	44,050,000	17,250,000	26,800,000	
8.0 Secondary Schools Projects							
Ibrahim Ure Secondary School	2,600,000			2,600,000		2,600,000	
Leheley Girls Secondary School	3,600,000			3,600,000	3,400,000	200,000	
Leheley Girls Secondary School	2,500,000			2,500,000		2,500,000	
Leheley Girls Secondary School	4,950,000			4,950,000	4,700,000	250,000	
Taghbogol South Secondary School	2,600,000			2,600,000		2,600,000	
Sarif Secondary School	2,600,000			2,600,000		2,600,000	
Abakore Mixed Secondary School	300,000			300,000	300,000		
Habaswein Mixed Secondary School	8,500,000			8,500,000	8,300,000	200,000	
Burder Mixed Secondary School	2,000,000			2,000,000	1,900,000	100,000	
Habaswein Boys Secondary School	6,250,000			6,250,000	6,250,000		
Abakore Mixed Day Secondary School	5,350,000			5,350,000	5,100,000	250,000	
Inshaallah High School		3,900,000		3,900,000	3,700,000	200,000	
Diff Secondary School		2,100,000		2,100,000	2,100,000		
Abakore Mixed day secondary school		600,000		600,000		600,000	
Burder Mixed Secondary School		4,500,000		4,500,000	4,300,000	200,000	
Habaswein Mixed Secondary School		3,950,000		3,950,000	3,950,000	-	
Habaswein Boys Secondary School		125,000		125,000		125,000	
Burder Mixed Secondary School		600,000		600,000	600,000	-	
Burder Mixed Secondary School		100,000		100,000	100,000	-	
sabuli mixed secondary School		200,000		200,000		200,000	

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

Abakore mixed Day secondary		200,000			200,000		200,000
Habaswein mixed Day secondary		200,000			200,000		200,000
Leheley Girls Secondary School		1,150,000			1,150,000		1,150,000
Abakore Mixed day secondary school		7,200,000			7,200,000	3,700,000.00	3,500,000
Leheley Girls Secondary School			200,000		200,000		200,000
Diff Secondary School			6,000,000		6,000,000	2,000,000	4,000,000
Sheikh Omaar Mixed Secondary School			600,000		600,000	600,000	-
Inshaallah High School			3,300,000		3,300,000	3,100,000	200,000
Abakore Mixed Day Secondary School			1,000,000		1,000,000	950,000	50,000
Snr Chief Ogle Girls Secondary School			2,300,000		2,300,000		2,300,000
Snr Chief Ogle Girls Secondary School			2,000,000		2,000,000	1,900,000	100,000
Senior Chief Ogle Girls Secondary School	850,000				850,000		-
Inshaallah High School	3,900,000				3,900,000		3,900,000
Total	46,000,000	24,825,000	15,400,000		86,225,000	57,800,000	28,425,000
9.0 Tertiary institutions Projects							
Diff Sub-county Education Office	450,000				450,000		450,000
Wajir South Vocational & Training College		5,100,000			5,100,000	5,100,000	
Wajir South Vocational & Training College		400,000			400,000		400,000
Total	450,000	5,500,000			5,950,000	5,100,000	850,000
10.0 Security Projects							
Habaswein Police Station	2,000,000				2,000,000		2,000,000
Diff Deputy County Commissioner Office	1,500,000				1,500,000	1,500,000	
Diff Deputy County Commissioner Residency	2,200,000				2,200,000	2,100,000	100,000

Wajir South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Diff Administration Police Station	1,800,000			1,800,000	1,800,000			
Dagahley Police Station	4,950,000			4,950,000	4,700,000	250,000		
Dadajibula Police Station	4,950,000			4,950,000	4,700,000	250,000		
Diff Deputy County Commissioner Office	2,000,000			2,000,000	1,900,000	100,000		
Diff Deputy County Commissioner office		5,800,000		5,800,000	5,535,000	265,000		
Sabuli Police Station		2,000,000		2,000,000	1,900,000	100,000		
Leheley Police Unit		4,300,000		4,300,000	3,800,000	500,000		
Diff Deputy County Commissioner office			696,260	696,260	696,260			
Diff Police Unit			2,600,000	2,600,000	2,470,000	130,000		
Habaswein Deputy County Commissioner			479,500	479,500		479,500		
Habaswein Police Unit			2,000,000	2,000,000		2,000,000		
Ibrahim ure Chief Office			1,300,000	1,300,000		65,000		
Total	19,400,000	12,100,000	7,075,760	38,575,760	32,336,260	6,239,500		
11.0 Acquisition of assets								
Wajir South NGCDF Office		1,900,000		1,900,000				
Total		1,900,000		1,900,000				
12.0 Other payments								
Total								
13.0 unallocated fund								
Unapproved projects								
AIA								
PMC savings								
Total	137,088,879	51,074,146	45,088,879	233,251,905	159,494,969	73,756,935		

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

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that 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 (gratuity 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 South 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.

Significant Accounting Policies continued

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.

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

Significant Accounting Policies continued

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 constituency 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 constituency 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 constituency 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.

Significant Accounting Policies continued

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 various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

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 are 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 financial 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 Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 10th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

Material prior period errors are 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

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.B104515		15,000,000
AIE NO.B104690		19,000,000
AIE NO.A823744		35,367,724
AIE NO.B124691		9,000,000
AIE NO.B119680		8,500,000
AIE NO.B119719		13,000,000
AIE NO.B128313		6,900,000
AIE NO.B182073		7,000,000
AIE NO.B132366		6,000,000
AIE NO.B126035		13,000,000
AIE NO.B126327		6,600,000
AIE NO.B105122		10,000,000
AIE NO.B140766		12,000,000
AIE NO B105324	33,000,000	
AIE NO B105620	10,000,000	
AIE NO B105405	34,000,000	
AIE NO B105957	22,000,000	
AIE NO B163896	12,000,000	
AIE NO B154240	12,000,000	
AIE NO B128734	5,000,000	
AIE NO B154457	18,000,000	
AIE NO B155511	24,088,879	
TOTAL	170,088,879	161,367,724

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Notes to the Financial Statements (Continued)

2. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,020,800	2,140,800
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	989,244	
Employer Contributions Compulsory national social security schemes	20,800	21,600
Total	3,030,844	2,162,400

3. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Fuel	68,706	500,000
Utilities, supplies and services	199,150	47,200
Communication, supplies and services		
Domestic travel and subsistence	406,600	34,000
Printing, advertising and information supplies & services		
Rentals of produced assets	165,000	745,000
Training expenses	1,748,000	1,390,600
Hospitality supplies and services		
Other committee expenses	1,920,000	2,184,000
Committee allowance	1,536,200	851,400
Bank Charges	20,209	40,291
Specialized materials and services	350,000	
Office and general supplies and services	350,000	
Other operating expenses		
Routine maintenance – other assets		
Total	6,763,865	6,487,471

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Notes to the Financial Statements (Continued)

4. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	17,250,000	25,845,000
Transfers To Secondary Schools (See Attached List)	57,800,000	27,775,000
Transfers To Tertiary Institutions (See Attached List)	5,100,000	11,600,000
Total	80,150,000	65,220,000

5. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,000,000	8,123,000
Bursary – tertiary institutions (see attached list)	15,000,000	16,650,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Social Security programmes (NHIF)		
Security projects (see attached list)	32,336,260	13,075,000
Sports projects (see attached list)	3,600,000	200,000
Environment projects (see attached list)	900,000	-
Emergency projects (see attached list)	6,814,000	3,550,000
Total	67,650,260	41,598,000

6. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	1,900,000	
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Acquisition of Land		
Total	1,900,000	

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Notes to the Financial Statements (Continued)

7: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
7A: Bank Accounts (Cash Book Bank Balance)	61,668,056	51,074,146
<i>First Community Bank, Account No.</i>		
Total	61,668,056	51,074,146

8. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	51,074,146	5,174,293
Cash in hand		
Imprest		
Total	51,074,146	5,174,293

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Unutilized Fund (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,960,539	
Use of goods and services	4,444,847	
Amounts due to other Government entities (see attached list)	56,075,000	
Amounts due to other grants and other transfers (see attached list)	10,276,550	
Acquisition of assets		
Funds pending approval		
Total	73,756,935	

17.2: PMC account balances (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	6,502	3,663,810
Total	6,502	3,663,810

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Annex 1 – Unutilized Fund*

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees				
	staff salary & Gratuity	2,960,539		
Use of goods & services				
	for Payment Committee & office expenses	4,444,847		
Amounts due to other Government entities				
Diff oldam Primary School	Construction of one classroom	1,000,000		
Bilimarado Primary School	Construction of one classroom & pit latrine	1,300,000		
Daresalam Primary School(Leheley Bali)	Construction of one classroom & pit latrine	1,300,000		
Labiaryar Primary School	Construction of one classroom & pit latrine	1,300,000		
Abaghalul Primary School	Construction of one classroom	1,000,000		
Aktalehel Primary School	Construction of 3 staff houses	1,500,000		
Ibrahim Ure Primary School	Renovation of 2 classrooms	1,200,000		
Hambalash Primary School	Construction of one classroom	1,000,000		
Elado Primary School	Construction of 3 staff houses	1,500,000		
Luqungoroya Primary School	Construction of one classroom & pit latrine	1,300,000		

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Tahsila Primary School	Construction of one classroom & pit latrine	1,300,000		
Welari Primary School	Renovation of 4classrooms	1,800,000		
Gumajerin Primary School	Construction of two classrooms	150,000		
Midnimo Primary School	Construction of one classroom & pit latrine	1,300,000		
Madhabagay Primary School	Construction of two classrooms	2,000,000		
Biyanathow Primary School	Construction of one classroom & pit latrine	1,200,000		
Iskadeg Primary School	Construction of one classroom & pit latrine	1,300,000		
Dulgub Primary School	Construction of one classroom & pit latrine	1,300,000		
Sabena Primary School	Construction of one classroom & pit latrine	1,300,000		
Banane Shantarat Primary school	Construction of one classroom	1,000,000		
Dahabley Primary School	Construction of one classroom	1,000,000		
Jilalow Primary School	Construction of one classroom & pit latrine	80,000		
Madina Primary School	Construction of one classroom	65,000		
Kulaley Primary School	Construction of 30m3 water tank	125,000		
Machesa Primary School	Construction of one classroom & pit latrine	65,000		

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Shoma Geri Primary School	Construction of one classroom & pit latrine	65,000		
Shabeel Duula Primary School Abore Primary School	Construction of one classroom & pit latrine	65,000		
Abaqmadobe Primary School	Construction of one classroom	65,000		
	Construction of one classroom	70,000		
Fini Primary Schools	Construction of 30m ³ water tank	50,000		
Habaswein Primary School	Construction of two classrooms	100,000		
Ibrahim Ure Secondary School	Construction of two classrooms & pit latrine	2,600,000		
Leheley Girls Secondary School	Construction of three classrooms & pit latrine	200,000		
Leheley Girls Secondary School	Construction of a dormitory	2,500,000		
Leheley Girls Secondary School	Construction of chain-link fence	250,000		
Laghbogol South Secondary School	Construction of two classrooms & pit latrine	2,600,000		
Sarif Secondary School Habaswein Mixed Secondary School	Construction of two classrooms & pit latrine	2,600,000		
	borehole drilling & equipping	200,000		
Burder Mixed Secondary School	Construction of 70m ³ water tank	100,000		
Abakore Mixed Day Secondary School	Construction of chain-link fence	250,000		

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Inshaallah High School	Construction of 100m ³ water tank	200,000		
Abakore Mixed day secondary school	borehole drilling & equipping	600,000		
Burder Mixed Secondary School	Construction of science laboratory	200,000		
Habaswein Boys Secondary School	Construction of computer laboratory	125,000		
sabuli mixed secondary School	Construction of 100m ³ water tank	200,000		
Abakore mixed Day secondary	Construction of 100m ³ water tank	200,000		
Habaswein mixed Day secondary	Construction of 100m ³ water tank	200,000		
Leheley Girls Secondary School	Construction of 30m ³ water tank	1,350,000		
Abakore Mixed day secondary school	borehole drilling & equipping	3,500,000		
Diff Secondary School	Construction of chain-link fence	4,000,000		
Inshaallah High School	borehole drilling & equipping	200,000		
Abakore Mixed Day Secondary School	Construction of one classroom	50,000		
Snr Chief Ogle Girls Secondary School	Purchase of desktop Computers	2,300,000		
Snr Chief Ogle Girls Secondary School	Construction of two classroom	100,000		
Inshaallah High School	borehole drilling & equipping	3,900,000		

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Diff Sub-county Education Office	purchase of office furniture	450,000	
Wajir South Vocational & Training College	borehole drilling & equipping	400,000	
Sub-Total		56,075,000	
Amounts due to other grants and other transfers			
Emergency			
Sport Activities	Unforeseen occurrences	4,023,049.90	
Habaswein Police Station	Sports Tournament	14,000	
Diff Deputy County Commissioner Residency	Construction of office block	2,000,000	
Dagahley Police Station	Construction of masonry wall	100,000	
Dadajbula Police Station	Construction of chain-link fence	250,000	
Diff Deputy County Commissioner Office	Construction of chain-link fence	250,000	
Diff Deputy County Commissioner office	Construction of chain-link fence	100,000	
Sabuli Police Station	Construction of office block	265,000	
Leheley Police Unit	Construction of staff houses	100,000	
Diff Police Unit	borehole drilling & equipping	500,000	
	Construction of staff houses	130,000	

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Habaswein Deputy County Commissioner	purchase of office furniture	479,500		
Habaswein Police Unit	Construction of office block	2,000,000		
Ibrahim ure Chief Office	Construction of office block	65,000		
Sub-Total		10,276,550		
Acquisition of assets				
Others (specify)				
Sub-Total				
Funds pending approval				
Grand Total		73,756,935		

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	NOT VALUED			
Buildings and structures	6,800,000	1,900,000		8,700,000
Transport equipment				
Office equipment, furniture and fittings	2,049,670		301,000	1,748,670
ICT Equipment, Software and Other ICT Assets	1,526,470		222,000	1,304,470
Other Machinery and Equipment	1,553,500			1,553,500
Heritage and cultural assets				
Intangible assets				
Total	11,929,640	1,900,000	523,000	13,306,640

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Annex 3 –PMC Bank Balances as at 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Dadajabula Police Project Management committee	First Community Bank	0017053901	1,000	
Diff Secondary School PMC	First Community Bank	8000554001	3210	
Burder Mixed Secondary School PMC	First Community Bank	8001154902	2,292	
Sheikh Omar Mixed secondary school	Equity Bank	1360279706036		3,663,810
Total			6,502	3,663,810

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Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Irregular Disbursements of Bursary	The queried amount of double award of bursary to same beneficiaries was payment of financial years done in financial year 2021-22	Resolved	
2.0	Budgetary Control and Performance	The underutilization of the funds and subsequent slow implementation of the development programs is attributed to delayed disbursement of funds from NG-CDF Board	Resolved	
3.0	Reporting utilization of the emergency reserve to the board.	the committee confirms to have submitted the report to NG-CDF Board within stipulated time	Resolved	



 Name: Shafee Hassan Odhwa
 Fund Account Manager.