


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



1. The first part of the document is a list of names and dates, possibly representing a schedule or a list of events. The text is very faint and difficult to read.

2. The second part of the document contains a list of items, possibly a catalog or an inventory list. The items are listed in a columnar format, with some numbers and descriptions.

3. The third part of the document appears to be a list of names and dates, similar to the first part. The text is again very faint.

4. The fourth part of the document contains a list of items, possibly a catalog or an inventory list, similar to the second part.




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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR
SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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.

(b) Key Management

The NGCDF Wajir South Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Shafee Hassan
2.	Sub-County Accountant	Francis Masha
3.	Chairman NGCDFC	Abdiweli Mohamed B
4.	Member NGCDFC	Nimo Elmoge

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Wajir South Constituency. 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) NGCDF Wajir South Constituency

P.O. Box 90-70201
Opposite Habaswein Community Library
Nairobi, KENYA

(f) NGCDF Wajir South Constituency Contacts

Telephone: (254) 729224379

E-mail: cdfwajirsouth@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF Wajir South Constituency Bankers

1. First community Bank
Wajir branch
P.O. Box 267
City Square 70200
Wajir, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The National Government Constituency Development Fund – Wajir South had received kshs54,000,000 out approved budgets/allocation of kshs109,040,875.52 for the financial year 2018/2019. The constituency also received kshs54,784,483.15 from the board as balances of financial year 2017-2018 . In total the constituency received ksh 108,784,483 during the financial year. The total expenditure for the financial year is kshs 106,205,779

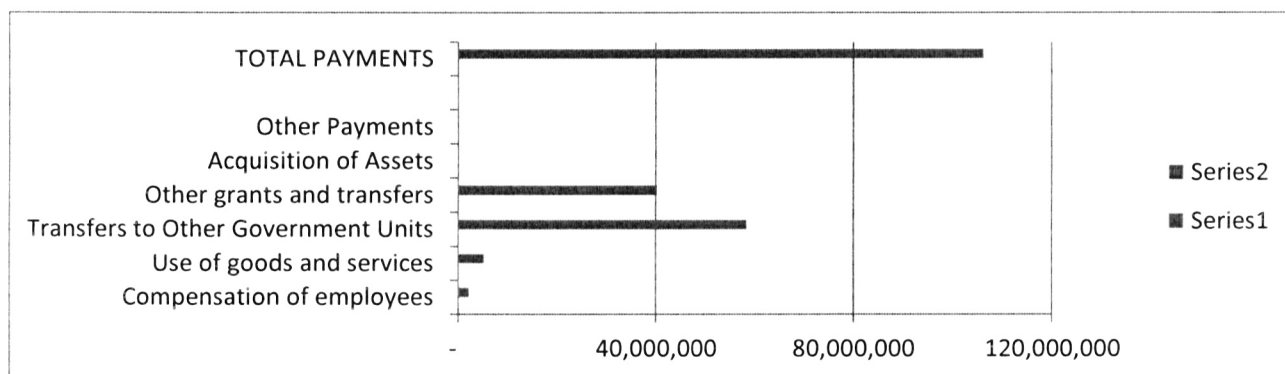
The Budget utilization on receipts and expenditure are as follows: -

Item	Receipts (Kshs)	Expenditure (Kshs)	Balances (Kshs)	% Utilization
1	108,784,483	106,205,779	2,578,704	98%

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

Item	Actual Expenditure (Kshs)
Compensation of Employees	2,157,713
Use of goods and services	5,262,566
Transfers to Other Government Units	58,511,050
Other grants and transfers	40,274,450
Acquisition of Assets	
Other Payments	
Totals	106,205,779

Graphical representation of the expenditure components



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR SOUTH CONSTITUENCY
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For the year ended June 30, 2019**



Husboy teachers houses impacted the life of teacher who were living in semi-permanent/thatched roof houses



Construction of three classrooms at Salalama Primary School. This is one of most populous and best performing school in the constituency. Three classrooms enhanced the quality education by decongesting the students per classroom.

The constituency is so extensive and routine supervision of the projects proves challenged. The committee is engaging the Project managements committee on follow of constant project implementations

**Abdiweli Mohamed Barkatle
CHAIRMAN NGCDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR SOUTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for 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.

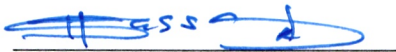
The Accounting Officer in charge of the NGCDF-Wajir South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, 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 *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

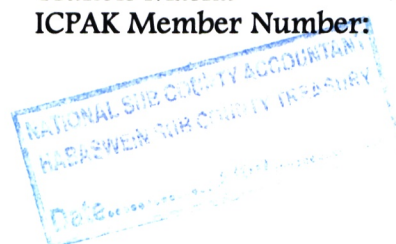
The NGCDF-Wajir South Constituency financial statements were approved and signed by the Accounting Officer on 7th September 2019



**Fund Account Manager
Shafee Hassan Odhwa**

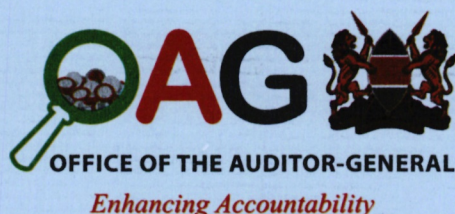


**Sub-County Accountant
Francis Masha
ICPAK Member Number:**



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 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir South Constituency set out on pages 1 to 34, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Wajir South Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Transfer to Other Government Entities

Included in the transfers to other Government entities of Kshs.58,511,050 under Note 6 to the financial statements is an amount of Kshs.23,987,050 transferred to various Project Management Committees (PMCs) reported as transfers to secondary schools. However, examination of payment records, project files and other documents supporting the transfer revealed that payments worth Kshs.5,277,000 were not supported with inspection and acceptance committee report contrary to the requirement of Section 48(3)c of Public Procurement and Asset Disposal Act, 2015 which require verification on the condition of the project to be done before payments are made.

Further, the bill of quantities of the winning bidder for the installation of laboratory fitting at Abakore Secondary School was not properly filled since it was not dated, signed and stamped by the bidder.

In addition, tender opening committee members did not append their signatures on the tender documents as required by the law.

In the circumstances, the probity of the expenditure on transfers to secondary schools of Kshs.5,277,000 as at 30 June, 2019 could not be ascertained.

2. Unconfirmed Other Grants and Other Payments

Included in other grants and other payments balance of Kshs.40,274,450 under Note 7 to the financial statements is an amount of Kshs.18,742,200 incurred on payment of bursary to tertiary institutions. However, examination of payment records and other supporting documents revealed that bursaries amounting to Kshs.3,457,000 were not acknowledged through the official receipts or acknowledgement letters by the beneficiary institutions. In the absence of the receipts or acknowledgement letters from the institutions, it was not possible to confirm whether the payments were made to the institutions.

In the circumstances, the probity of the expenditure on bursary of Kshs.3,457,000 as at 30 June, 2019 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budget Control and Performance

The summary statement of appropriation: recurrent and development combined reflects a final receipts budget and actual on comparable basis amount of Kshs.167,608,381 and Kshs.112,567,506, respectively, resulting to underfunding of Kshs.55,040,875 or 33%. Further, the Fund's approved expenditure budget was Kshs.167,608,381 while the actual expenditure was Kshs.106,227,016, resulting to under expenditure of Kshs.61,381,365

or 37% of the budget. Consequently, planned activities of the Fund may possibly not have been implemented, thus affecting service delivery to Wajir South constituents.

2. Delayed Project Implementation

During the financial year under review, the Fund allocated Kshs.125,665,394 for ninety-one (91) projects in various sectors including education, environment, sports and security. The Project Implementation Status presented for audit review revealed that fifty-one (51) projects were completed and forty (40) projects had not started as detailed below: -

Project Category	Projects Budgeted for	Projects Completed	Projects Not started
Sports	2	2	-
Education	84	46	38
Security	4	3	1
Environment	1	-	1
Total	91	51	40

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

3. Un-updated Fixed Assets Register

The summary of fixed assets register attached at Annex 4 to the financial statements reflect the value of the fixed assets of Kshs.9,826,140. However, the fixed assets register presented for audit review indicated assets worth Kshs.9,801,140 resulting to an unexplained difference of Kshs.25,000. In addition, the fixed assets register availed for audit review did not indicate the nature, classification, codes or serial number of the disclosed assets.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

17 September, 2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

WAJIR SOUTH CONSTITUENCY


Reports and Financial Statements

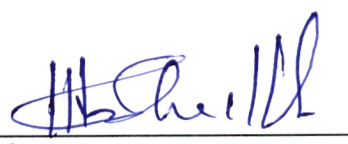
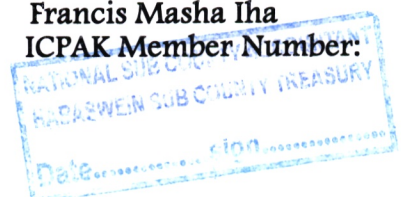
For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		38,874
TOTAL RECEIPTS		108,784,483	43,444,046
PAYMENTS			
Compensation of employees	4	2,157,713	1,452,423
Use of goods and services	5	5,262,566	7,042,193
Transfers to Other Government Units	6	58,511,050	17,154,469
Other grants and transfers	7	40,274,450	25,720,519
Acquisition of Assets	8	-	25,000
Other Payments	9	-	-
TOTAL PAYMENTS		106,205,779	51,394,604
SURPLUS/(DEFICIT)		2,578,704	(7,950,558)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir South Constituency financial statements were approved on 7th September 2019 and signed by:


Fund Account Manager
Shafee Hassan Odhwa:



Sub-County Accountant
Francis Masha Iha
ICPAK Member Number:


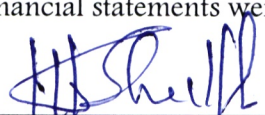
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For the year ended June 30, 2019**

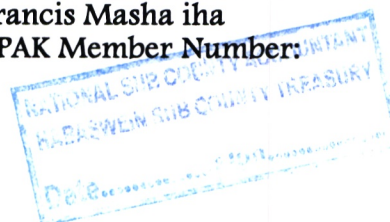
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,361,727	3,783,023
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,361,727	3,783,023
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,361,727	3,783,023
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd		3,783,023	11,733,581
Surplus/Defict for the year	13	2,578,704	(7,950,558)
Prior year adjustments	14		
NET FINANCIAL POSITION		6,361,727	3,783,023

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir South Constituency financial statements were approved on 7th September 2019 and signed by:


Fund Account Manager
Shafee Hassan Odhwa:


Sub-County Accountant
Francis Masha iha
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

WAJIR SOUTH CONSTITUENCY

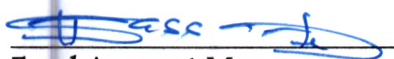
Reports and Financial Statements

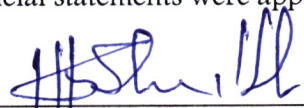
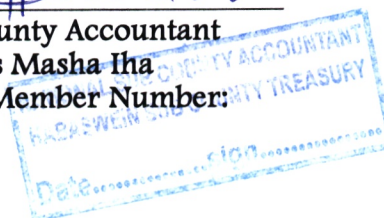
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 – 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	108,784,483	43,405,172
Other Receipts	3		38,874
Total receipts		108,784,483	43,444,046
Payments			
Compensation of Employees	4	2,157,713	1,452,423
Use of goods and services	5	5,262,566	7,042,193
Transfers to Other Government Units	6	58,511,050	17,154,469
Other grants and transfers	7	40,274,450	25,720,519
Other Payments	9	-	
Total payments		106,205,779	51,369,604
Total Receipts Less Total Payments			
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		-	
Net cash flow from operating activities		2,578,704	(7,925,558)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		(25,000)
Acquisition of Assets	9		(25,000)
Net cash flows from Investing Activities		2,578,704	(7,950,558)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,578,704	(7,950,558)
Cash and cash equivalent at BEGINNING of the year	13	3,783,023	11,733,581
Cash and cash equivalent at END of the year		6,361,727	3,783,023

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir South Constituency financial statements were approved on 7th September 2019 and signed by:


Fund Account Manager
Shafee Hassan Odhwa

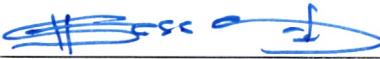

Sub-County Accountant
Francis Masha Iha
ICPAK Member Number:


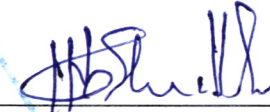

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	109,040,876	58,567,506	167,608,381	112,567,506	55,040,875	67%
Proceeds from Sale of Assets			-	-	-	
Other Receipts			-	-	-	
TOTAL RECEIPTS	109,040,876	58,567,506	167,608,381	112,567,506	55,040,875	67%
PAYMENTS			-		-	
Compensation of Employees	2,493,784	2,813,823	5,307,607	2,157,713	3,149,894	41%
Use of goods and services	5,688,896	6,325,396	12,014,291	5,262,566	6,751,725	44%
Transfers to Other Government Units	57,931,793	37,381,392	95,313,185	58,511,050	36,802,135	61%
Other grants and transfers	41,399,152	9,056,206	50,455,358	40,274,450	10,180,908	80%
Acquisition of Assets	1,527,251	2,313,662	3,840,913	-	3,840,913	0%
Other Payments		677,027	677,027		677,027	0%
TOTAL	109,040,876	58,567,506	167,608,381	106,205,779	61,402,602	63%

The overall of underutilization of all components of expenditures was occasioned by piecemeal disbursement of fund from NG-CDF board

The NGCDF-Wajir South Constituency financial statements were approved on 7th September 2019 and signed by:


 Fund Account Manager
 Shafee Hassan Odhwa


 Sub-County Accountant
 Francis Masha Iha
 ICPAK Member Number:


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY
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For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,493,784	2,159,747	4,653,531	2,178,950	2,474,581
1.2 Committee allowances	1,248,000	398,000	1,646,000	1,382,000	264,000
1.3 Use of goods and services	1,569,669		1,569,669	1,155,566	414,103
2.0 Monitoring and evaluation					
2.1 Capacity building	1,500,000	1,300,000	2,800,000	1,152,000	1,648,000
2.2 Committee allowances	600,000	600,000	1,200,000	600,000	600,000
2.3 Use of goods and services	771,226	565,824	1,299,813	973,000	364,050
3.0 Emergency					-
3.1 Primary Schools	5,738,933	568,966	6,307,899	4,241,250	2,066,649
4.0 Bursary and Social Security					-
4.1 Secondary Schools	9,000,000	1,310,200	10,310,200	10,310,000	200
4.2 Tertiary Institutions	17,260,219	965,800	18,226,019	18,225,200	819
5.0 Sports					
5.1 Diff Secondary School	500,000		500,000	500,000	-
5.2 Abakore Secondary School	500,000		500,000	500,000	-
5.3 Sabuli Secondary School	500,000		500,000	500,000	-
5.4 InshaAllah Secondary School	500,000		500,000	500,000	-
5.5 Constituency Tournament		1,736,207	1,736,207	1,714,000	22,207
6.0 Environment					
6.1 Diff Secondary School	2,000,000		2,000,000		2,000,000
7.0 Primary Schools Projects					
(List all the Projects)					
7.1 Agtalahel Primary School	400,000		400,000	400,000	-
7.2 Geriile Primary School	400,000		400,000	400,000	-
7.3 Diff Olddam primary school	400,000		400,000	400,000	-

Reports and Financial Statements

For the year ended June 30, 2019

7.4 Abaqmadobe Primary School	400,000		400,000	400,000	-
7.5 Meygag Primary School	400,000		400,000	400,000	-
7.6 Ibrahim Ure Primary School	400,000		400,000	400,000	-
7.7 Shimbrilbul Primary School	400,000		400,000	400,000	-
7.8 Welari Primary School	400,000		400,000	400,000	-
7.9 Buroni Primary School	400,000		400,000	400,000	-
7.10 Gulletdere Primary School	400,000		400,000	400,000	-
7.11 Abulgab Primary School	200,000		200,000	200,000	-
7.12 Karu Primary School	200,000		200,000		200,000
7.13 Salaama Primary School	1,563,793		1,563,793	1,500,000	63,793
7.14 Ibrahim Ure Primary School	100,000		100,000	100,000	-
7.15 Diff Olddam primary school	1,000,000		1,000,000		1,000,000
7.16 Diff Primary School	1,000,000		1,000,000		1,000,000
7.17 Alioismail Primary School	1,000,000		1,000,000		1,000,000
7.17 Madina Primary School	1,000,000		1,000,000		1,000,000
7.18 Abaghalul Primary School	1,300,000		1,300,000		1,300,000
7.19 Waradarasima Primary School	1,300,000		1,300,000		1,300,000
7.20 Dardar Primary School	1,300,000		1,300,000		1,300,000
7.21 Abaqdere Primary School	1,000,000		1,000,000		1,000,000
7.22 Welgaras Primary School	1,000,000		1,000,000		1,000,000
7.23 Nooleye Primary School	1,300,000		1,300,000		1,300,000
7.24 Wajir Bor South Primary School	1,300,000		1,300,000		1,300,000
7.25 Handaki Primary School	1,000,000		1,000,000		1,000,000
7.26 Alidumal Primary School	1,000,000		1,000,000		1,000,000
7.27 Eyrib Primary School	1,000,000		1,000,000		1,000,000
7.28 BilinBurbur Primary School	2,000,000		2,000,000		2,000,000
7.29 Sala Primary School	1,000,000		1,000,000		1,000,000
7.30 Waso Primary School	2,000,000		2,000,000		2,000,000
7.31 Karu Primary School	2,000,000		2,000,000		2,000,000
7.32 Haralawayo Primary School	3,300,000		3,300,000		3,300,000
7.33 Salalmaa Primary School	1,500,000		1,500,000		1,500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

7.34 Kualey Primary School	1,300,000		1,300,000		1,300,000
7.35 Burder Primary School	1,500,000		1,500,000		1,500,000
7.36 Madahlibah Primary School	1,300,000		1,300,000		1,300,000
7.37 Diff Olddam primary school	520,000		520,000	520,000	-
7.38 Salaama Primary School	260,000		260,000	260,000	-
7.39 Agtalahel Primary School	130,000		130,000	130,000	-
7.40 Waradarasima Primary School	130,000		130,000	130,000	-
7.41 Abaqmadobe Primary School	130,000		130,000	130,000	-
7.42 Abaqdere Primary School	156,000		156,000	156,000	-
7.43 Rababale Primary School	156,000		156,000	156,000	-
7.44 Elado Primary School	260,000		260,000	260,000	-
7.45 Qoqar Primary School	156,000		156,000	156,000	-
7.46 brahim Ure Primary School	260,000		260,000	260,000	-
7.47 Handaki Primary School	156,000		156,000	156,000	-
7.48 Eyrib Primary School	156,000		156,000	156,000	-
7.49 Laghboghol South Primary School	156,000		156,000	156,000	-
7.50 Bananey Shnataral Primary School	130,000		130,000	130,000	-
7.51 Abore Primary School	156,000		156,000	156,000	-
7.52 Karu Primary School	208,000		208,000	208,000	-
7.53 Haralawayo Primary School	208,000		208,000	208,000	-
7.54 DarDar primary School	104,000		104,000	104,000	-
7.55 Shidley Primary School	156,000		156,000	156,000	-
7.56 Habaswein Primary School	1,000,000		1,000,000		1,000,000
7.57Agtalahel Primary School		1,800,000	1,800,000	1,800,000	-
7.58 Geriile Primary School		1,800,000	1,800,000	1,800,000	-
7.59 Diff Olddam primary school		1,800,000	1,800,000	1,800,000	-
7.59 Abaqmadobe Primary School		1,800,000	1,800,000	1,800,000	-
7.60 Meygag Primary School		1,800,000	1,800,000	1,800,000	-
7.61 Ibrahim Ure Primary School		1,800,000	1,800,000	1,800,000	-
7.62 Shimbrilbul Primary School		1,800,000	1,800,000	1,800,000	-
7.63 Welari Primary School		1,800,000	1,800,000	1,800,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

7.64 Buroni Primary School		1,800,000	1,800,000	1,800,000	-
7.65 Gulletdere Primary School		1,800,000	1,800,000	1,800,000	-
7.66 Hubsoy Primary School		1,500,000	1,500,000	1,500,000	-
7.67 Abulgab Primary School		900,000	900,000	900,000	-
7.68 Karu Primary School		900,000	900,000	900,000	-
7.69 Burder ward Primary School		600,000	600,000	600,000	-
7.70 Diff Primary School		500,000	500,000	500,000	-
7.71 Salalmaa Primary School		1,736,207	1,736,207	1,736,000	207
7.72 Ibrahim Ure Primary School		1,000,000	1,000,000	1,000,000	-
7.73 Agtalahel Primary School	2,000,000		2,000,000		2,000,000
8.0 Secondary Schools Projects					
(List all the Projects)					
8.1 Dagahley Secondary school	400,000		400,000		400,000
8.2 Sabuli mixed Secondary School	500,000		500,000	200,000	300,000
8.3 Dagahley Secondary school	2,280,000		2,280,000		2,280,000
8.4 Abakore Secondary School	300,000		300,000		300,000
8.5 InshaAllah Secondary School	700,000		700,000	700,000	-
8.6 Biyamathow Secondary School	700,000		700,000	700,000	-
8.7 Sabuli mixed Secondary School	700,000		700,000	700,000	-
8.8 Abakore mixed Secondary School	700,000		700,000	700,000	-
8.9 Habaswein mixed Secondary School	700,000		700,000	700,000	-
8.10 Habaswein Boys Secondary School	700,000		700,000	700,000	-
8.11 Snr Chief Ogle girls Secondary School	700,000		700,000	700,000	-
8.12 Leheley Secondary School	700,000		700,000	700,000	-
8.13 Diff Secondary Secondary School	700,000		700,000	700,000	-
8.14 Snr Chief Ogle Grils Secondary School	4,000,000		4,000,000		4,000,000
8.14 Dagahley Secondary school		2,100,000	2,100,000		2,100,000
8.15 Abakore day secondary School		1,500,000	1,500,000	1,500,000	-
8.16 Sabuli mixed Secondary School		1,300,000	1,300,000	1,000,000	300,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

8.17 Elbay Secondary School		1,000,000	1,000,000	1,000,000	-
8.18 Diff Secondary School		300,000	300,000	300,000	-
8.19 Snr Chief Ogle Girls Secondary School		9,010,345	9,010,345	9,010,050	295
8.20 Sabuli mixed Secondary School	100,000	4,677,027	4,777,027	4,677,000	100,027
9.0 Security Projects					-
9.1 Bulla juu chiefs office	100,000		100,000	100,000	-
9.2 Leheley Administration Police Camp	300,000		300,000	300,000	-
9.3 Diff District Headquarters	5,000,000		5,000,000		5,000,000
9.4 Bulla juu chiefs office		1,200,000	1,200,000	1,200,000	-
9.5 Leheley Administration Police Camp		1,200,000	1,200,000	1,200,000	-
9.6 Leheley sub-county Headquarters		1,000,000	1,000,000	1,000,000	-
10.0 Acquisition of assets					-
10.1. Purchase of furniture and equipment	1,527,251	576,421	2,103,672		2,103,672
TOTAL	109,040,875	58,567,506	167,645,618	106,243,016	61,402,602.03

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Wajir 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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and 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.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO B005018	1	43,405,173	
AIE NO B005223	2	11,379,310	
AIE NO B030156	3	10,000,000	
AIE NO B006256	4	12,000,000	
AIE NO B042643	5	11,000,000	
AIE NO A699005	6	8,000,000	
AIE NO B0047068	7	13,000,000	
AIE NO A892541	1		5,500,000
AIE NO A892909	2		37,905,172
TOTAL		108,784,483	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019 Kshs	2017-2018 Kshs
Interest Received	-	38,874
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere		-
Total		38,874

4. COMPENSATION OF EMPLOYEES

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	1,960,121	1,432,457
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity – paid	111,600	-
- Accrued	-	-
Employer Contribution to NSSF	85,992	19,966
Total	2,157,713	1,452,423

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
WAJIR SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, supplies and services	9,576	21,920
Electricity		
Water & sewerage charges	31,100	
Office rent		
Communication, supplies and services		
Domestic travel and subsistence	267,000	
Printing, advertising and information supplies & services		
Rentals of produced assets	250,000	100,000
Training expenses	740,000	
Hospitality supplies and services		
Other committee expenses	1,985,000	2,800,400
Committee allowances	1,382,000	
Insurance costs		
Specialised materials and services		
Office and general supplies and services	27,890	
Fuel , oil & lubricants	250,000	90,550
Other operating expenses	300,000	4,029,323
Bank service commission and charges	20,000	
Security operations		
Routine maintenance - vehicles and other transport equipment		
Total	5,262,566	7,042,193

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	34,524,000	4,154,469
Transfers to secondary schools (see attached list)	23,987,050	13,000,000
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		
TOTAL	58,511,050	17,154,469

7. **OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,777,000	7,562,500
Bursary – tertiary institutions (see attached list)	18,742,200	13,590,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	3,800,000	
Sports projects (see attached list)	3,714,000	
Environment projects (see attached list)		
Emergency projects (see attached list)	4,241,250	4,568,019
Total	40,274,450	25,720,519

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8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	25,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul 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 Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	25,000

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
First Community Bank, Habaswein Branch A/c No. 9535102 Ksh	6,361,727	3,783,023
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	6,361,727	3,783,023
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	3,783,023	11,733,581
Cash in hand		-
Imprest		-
Total	3,783,023	11,733,581
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019 Kshs	2017-2018 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<u>-</u>	<u>-</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	<u>-</u>	<u>-</u>

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	3,149,894	2,089,400
Use of goods and services	6,751,725	2,972,933
Amounts due to other Government entities (see attached list)	36,802,135	37,610,345
Amounts due to other grants and other transfers (see attached list)	10,180,908	13,582,200
	3,840,913	
Acquisition of assets		2,312,628
Others (<i>specify</i>)	677,027	--
	<u>61,402,602.03</u>	<u>58,528,632</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	-	-
	-	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	C	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (<i>specify</i>)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Employees' salaries, gratuity and NSSF	3,149,894	2,089,400	
Use of goods & services	Fuel, committee allowances , office expenses	6,751,725	2,972,933	
Amounts due to other Government entities				
7.15 Diff Olddam primary school		1,000,000		
7.16 Diff Primary School		1,000,000		
7.17 Alioismail Primary School		1,000,000		
7.17 Madina Primary School		1,000,000		
7.18 Abaghalul Primary School		1,300,000		
7.19 Waradarasima Primary School		1,300,000		
7.20 Dardar Primary School		1,300,000		
7.21 Abaqdere Primary School		1,000,000		
7.22 Welgaras Primary School		1,000,000		
7.23 Nooleye Primary School		1,300,000		
7.24 Wajir Bor South Primary School		1,300,000		
7.25 Handaki Primary School		1,000,000		
7.26 Alidumal Primary School		1,000,000		
7.27 Eyrib Primary School		1,000,000		
7.28 BilinBurbur Primary School		2,000,000		
7.29 Sala Primary School		1,000,000		
7.30 Waso Primary School		2,000,000		
7.31 Karu Primary School		2,000,000		
7.32 Haralawayo Primary School		3,300,000		
7.33 Salalmaa Primary School		1,500,000		
7.34 Kualey Primary School		1,300,000		
7.35 Burder Primary School		1,500,000		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
7.36 Madahlibah Primary School		1,300,000		
7.37 Habaswein Primary School		1,000,000		
7.71 Salalmaa Primary School		207		
7.73 Agtalahel Primary School		2,000,000		
8.1 Dagahley Secondary school		400,000		
8.2 Sabuli mixed Secondary School		300,000		
8.3 Dagahley Secondary school		2,280,000		
8.4 Abakore Secondary School		300,000		
8.14 Snr Chief Ogle Grils Secondary School		4,000,000		
8.14 Dagahley Secondary school		2,100,000		
8.16 Sabuli mixed Secondary School		300,000		
8.19 Snr Chief Ogle Girls Secondary School		295		
8.20 Sabuli mixed Secondary School		100,027		
7.12 Karu Primary School		200,000		
7.13 Salaama Primary School		63,793		
Sub-Total				
Amounts due to other grants and other transfers				
9.3 Diff District Headquarters	Construction of Chain-link fence	5,000,000		
9.4 Emergency	Unforeseen occurrences	2,066,649		
9.5.sports-diff secondary School	Solar System	2,000,000		
Sub-Total				
Sub-Total				
Acquisition of assets				
Purchase of furniture and equipment	Purchase of furniture and equipment	2,103,672		
Others (specify)				

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	Sub-Total	2,103,672		
	Grand Total	61,402,602.03		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	6,800,000			6,800,000
Buildings and structures				
Transport equipment	2,657,140			2,657,140
Office equipment, furniture and fittings	369,000			369,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	9,826,140			9,826,140

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19
Shimbirbul Primary School	FCB	80010432	1,037
Bron Primary School	FCB	80010935	637
Hubsoy Primary School	FCB	70002957	2,170
Gerille Primary School	FCB	80005668	1.00
Agtalchel Primary School	FCB	80004134	2,267
Meygags Primary School	FCB	80010310	0
Ibrahim Ure Primary School	FCB	70002964	1,945
Gulletdere Primary School	FCB	80005578	505
Abdulgab Primary School	FCB	80008442	154
Karu Primary School	FCB	70000996	2,301
Diff Primary School	FCB	80005540	450
Salalma Primary School	FCB	80005457	526
Ibrahim Ure Primary School	FCB	70002964	1,945
Wajir South Desk PMC	FCB	80010849	1,000
Snr Chief Ogle Girls Secondary School	FCB	70000908	3,385
Diff Secondary School	FCB	80010849	450
Abakore Secondary School	FCB	80009314	285
InshaAllah Secondary	FCB	70001977	22
Habaswein mixed Secondary School	FCB	70000848	45
Habaswein Boys Secondary School	FCB	70001150	92
Leheley Secondary School	FCB	80010427	137
Lehery AP Camp	FCB	80010396	2,637
Lehery Security PMC	FCB	80010427	137
Wajir South Security PMCs	FCB	80010233	100,500
Wajir South Sports PMC	FCB	80010409	00
Total			122,628

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2.1 Payment of Bursaries to Needy Students Kshs. 21,152,500	Included in Other Grants and Other Payments balance of KSh.25,720,519 reflected under note 7 to the financial statement is an expenditure of KSh.7,562,500 and Kshs.13,590,000 incurred on payment of bursary for secondary schools and tertiary institutions respectively totaling to Kshs.21,152,500. However, examination of payment records availed for audit revealed that the expenditure was not supported with acknowledgement letters or receipts from the learning institutions. The payments were also not supported with minutes of the National Government Constituency Development Fund Committee meetings approving the payments	The learning institutions are paid through cheques. Some institutions acknowledge receipts of the bursary payments only when the cheques mature with a promise of either sending receipts via postal address or going back to the institutions to collect receipts when cheques payment goes through and latter is quite costly. However, we have received some of the acknowledgments receipts and making effort to get the others. Herewith also attached Committee Minutes authorizing the payments	Fund Account Manager	Waiting Feedback	
4.3.1 Rental	Included in the Use of	The quotations and details of	Fund Account	Waiting	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
of produced Assets – Kshs.100,000	Goods is balance of Kshs.7,042,193 under note 5 to the financial statement is Kshs.100,000 spent on car hire services. Examination of payment voucher and supporting documents relating to the expenditure revealed that the services were directly procured without quotations contrary to section 106 of the Public Procurement and Assets Disposal Act, 2015. It was not clear how the supplier, AbdiweliBarkatle was selected to provide car hire services. Further, temporary work ticket and the vehicle logbook for the hired car were not availed for audit review. The National Government Constituency	the car hire services were in place during the audit review however, failure to provide was just an oversight. Provided Herewith is the three copies quotations, logbook of the hired vehicle and work ticket of the journey	Manager	Feedback	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Development Fund Committee minutes approving the payment was not signed by members present. Please explain				
4.4 Projects Status	According to the code list for the approved projects for the F/Y 2017/2018, the NG-CDF Wajir South had budgeted to implement thirty two (32) projects consisting of; seventeen (17) Primary Schools projects, nine (9) Secondary school projects, one (1) Security projects, and five (5) other projects with a total allocation of Kshs.60,041,207. However, the Financial statements and the supporting ledgers revealed that the National Government Constituency Development Fund – Wajir South	The committee can only spend or disburse what they have received. During the financial the committee received ksh43,405,172.00 out of kshs109,923,235 and has utilized accordingly. Delay in implementations of the above listed projects was due committee not fully funded by the board	Fund Account Manager	Waiting Feedback	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	implemented only two (2) secondary school projects and one (1) constituency strategic plan. The remaining projects with a total allocation of Kshs.51,936,207 had not been implemented as detailed below				