

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 SEP 2019	DAY: WED.
TABLED BY: LEADER OF MAJORITY	
OF TABLE: LEAH MWAURA	

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
WAJIR WEST CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2018**





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NG-CDF) WAJIR WEST**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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



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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

### **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.

### **(a) Key Management**

The NGCDF Wajir West 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)



**(b) Fiduciary Management**

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mohamed M. Osmail
3.	Sub-County Accountant	Sammy Malova
4.	Chairman NGCDFC	Mohamed A. Mohamud
5.	Member NGCDFC	Kaha Mohamed Bulle.

**(b) Fiduciary Oversight Arrangements**

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

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

The physical and postal address of National Government Constituency Development Fund (NG-CDF) Wajir West is:

NG-CDF Wajir West Offices

Along Wajir -Griftu Road

P.O. BOX 23-70202 Griftu

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

Telephone: (+254) 0721 -827370

E-mail: wajirwest@ngcdf.go.ke

Website: www.ngcdf.go.ke



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

First Community Bank, Wajir branch

Account No. 80001203

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

**(f) Independent Auditors**

The Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(g) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200,

Nairobi, Kenya.

## II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN


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

During the Financial year under review, National Government Constituency Development Fund Wajir West Constituency was allocated a total of Kshs. 98,189,655. From the summary of appropriation statement, the overall budget performance stood at 41.1%. The absorption of funds on development expenditure was very low at 41.1%. The low performance is as a result of the general election which was held on 27th August 2017. The release of funds for the Financial year was delayed partly because the NG-CDFCs which manages the funds at a constituency level require parliamentary approval. The NG-CDFCs were approved by parliament and gazetted on 8th December 2017. This meant that the first half of the financial year 2017/2018 was lost.

However, all was not lost. The National Government Constituency Development Fund Wajir West has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. For instance, more than 900 needy and poor students in tertiary institutions benefitted from the bursary disbursement of 15Million. Secondly, to improve education infrastructure and hence access, Griftu primary school was fenced. In addition, five classrooms at Hadado Secondary school were renovated; Hon Khalif Girls Secondary school was connected to electricity and staff houses at Sabunley Secondary school completed. To set out a clear direction for the constituency, a five year strategic plan was prepared and launched.

The main emerging issue during the year under review was the long electioneering period leading up to the General election of August 2017. This meant that development projects either slowed down or stopped all together. The release of funds for the period under review was delayed by close to six months.

In conclusion, let me take this opportunity to sincerely register my appreciation to all those who have worked relentlessly in the entire Financial statements preparation process. In particular, I would thank the Fund Account Manager, Wajir West who has taken a lead role in the process and the support provided by the District Treasury, Wajir West.

  
Mohamed A. Mohamud  
CHAIRMAN NG-CDFC

CHAIRMAN  
NG-CDFC WAJIR WEST  
P. O. Box 23-70201  
GRIFTU, WAJIR COUNTY



### III. STATEMENT OF NG-CDF COMMITTEE MANAGEMENT RESPONSIBILITIES

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

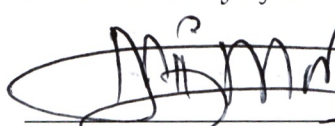
The Accounting Officer in charge of National Government Constituency Development Fund Wajir West is responsible for the preparation and presentation of the **NG-CDF Wajir West** financial statements, which give a true and fair view of the state of affairs of the NG-CDF Wajir West for and as at the end of the financial year (period) ended on June 30, 2017. 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 NG-CDF; (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 NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

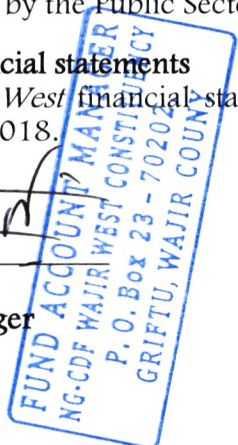
The Accounting Officer in charge of the NG-CDF Wajir West accepts responsibility for the *NG-CDF Wajir West* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF Wajir West* financial statements give a true and fair view of the state of *NG-CDF Wajir West* transactions during the financial year ended June 30, 2018, and of the *NG-CDF Wajir West* financial position as at that date. The Accounting Officer in charge of the *NG-CDF Wajir West* further confirms the completeness of the accounting records maintained for the *NG-CDF Wajir West*, which have been relied upon in the preparation of the *NG-CDF Wajir West* financial statements as well as the adequacy of the systems of internal financial control.

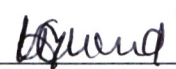
The Accounting Officer in charge of the *NG-CDF Wajir West* confirms that the NG-CDF Wajir West has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF Wajir West funds received during the year under audit were used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

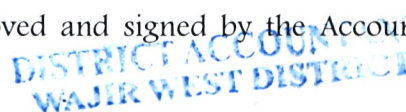
#### Approval of the financial statements

The *NG-CDF Wajir West* financial statements were approved and signed by the Accounting Officer on 26<sup>th</sup> July 2018.

  
Mohamed Osmail  
Fund Account Manager



  
Sammy Malova  
Sub-County Accountant





# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir West Constituency set out on pages 7 to 31, which comprise the statement of financial assets as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Wajir West Constituency as at 30 June 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Wajir West Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Further, as required by Article 229(6) of the Constitution, except for the matter described in the Other Matter section of my report, based on the procedures performed, I confirm that,

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



nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

## Other Matter

### 1. Cash and Cash Equivalents

A review of the bank reconciliation statement for the month of June 2018 revealed that an amount of Kshs.215,891 was indicated as receipt in bank not in the cash book as detailed below:

<u>Date</u>	<u>Details</u>	<u>Kshs.</u>
01/12/2016	Overstated bank statement balance b/f	8,936
31/12/2016	Acc. Profit Distribution	206,955
	<b>Total</b>	<b><u>215,891</u></b>

The nature of overstatement and the account profit distribution totaling to Kshs.215,891 was explained to have resulted from profit distribution from the bank. No reason was given why the item remained outstanding in the reconciliation statement and has not been cleared.

### 2. Budget Control and Performance

A review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget amounting to Kshs.100,067,096. Out of which Kshs.2,321,900 was unspent balance from the financial year 2016/2017. The Budget utilization on receipts and expenditure are as follows: -

<b>Item</b>	<b>Budget Kshs.</b>	<b>Actual Kshs.</b>	<b>Variance Kshs.</b>	<b>% Utilization</b>
Receipts	100,067,096	43,405,172	56,661,924	57
Expenditure	100,067,096	41,083,272	58,983,824	59

The above analysis reflects actual receipts of Kshs.43,405,172 against budgeted amount of Kshs.100,067,096 resulting to an underfunding of Kshs.56,661,924 representing 57% of the funds budgeted for the year. Further, the Fund spent an amount of Kshs.41,083,272 against a budgeted amount of Kshs.100,067,096 resulting to under expenditure of Kshs.58,983,824 representing 59% of the approved budget. The under expenditure was recorded in all the components as detailed below:

<b>Item</b>	<b>Approved Budget Kshs</b>	<b>Actual Expenditure Kshs</b>	<b>Under Expenditure Kshs</b>	<b>% Difference</b>
Compensation of employees	3,011,076	1,904,589	1,106,487	37%
Use of goods and services	5,374,822	1,902,775	3,472,047	65%



Item	Approved Budget Kshs	Actual Expenditure Kshs	Under Expenditure Kshs	% Difference
Transfer to other Government Units	54,026,323	13,678,908	40,347,415	75%
Other grants and Transfers	37,654,875	23,597,000	14,057,875	37%
<b>Total</b>	<b>100,067,096</b>	<b>41,083,272</b>	<b>58,983,824</b>	<b>59%</b>

Failure to fully utilize the budget implies that the constituents of Wajir West may not have obtained the much need services.

### 3. Projects Status

According to the code list for the approved projects for the financial year 2017/2018, the Fund had budgeted to implement forty four ( 44) projects consisting of twenty six ( 26) primary school projects, fifteen (15) secondary school projects, two (2) Security projects, and one (1) strategic plan with a total allocation of Kshs.58,320,000. However, the financial statements and the supporting ledgers revealed that the Fund implemented one primary school project and the constituency strategic plan only. The remaining forty two (42) projects with a total allocation of Kshs.44,320,000 had not been implemented as detailed below: -

Entity	Project Details	Amount Kshs.
<b>Primary Schools</b>		
Boa Primary School	Construction of a staff house	1,000,000
Barmish Primary School	Construction to completion of one classroom and one toilet	1,000,000
Ganyurey Primary School	Construction to completion of one classroom	750,000
Adan Awale Primary School	Construction of Administration block	1,200,000
Kubeysurun Primary School	Construction to completion of two classrooms	1,500,000
Arbajahan Primary School	Renovation of 4 classrooms- floors, doors, windows and paint.	1,200,000
Kara Primary School	Construction to completion of one classroom	750,000
Dobley Primary School	Construction to completion of two classrooms	1,500,000
Lanqot Primary School	Construction to completion of two toilets	400,000
Lanqot Primary School	Construction to completion of three classrooms	2,280,000
Lanqot Primary School	Purchase and supply of 80 desks	280,000
Baji Primary School	Construction to completion of two classrooms	1,500,000
Lolkuta South Primary School	Construction to completion of two classrooms	1,500,000



<b>Entity</b>	<b>Project Details</b>	<b>Amount Kshs.</b>
Matho Primary School	Construction to completion of Administration block	1,200,000
Korija Primary School	Construction to completion of two classrooms	1,500,000
Hadado Primary School	Construction to completion of two classrooms	1,500,000
Waberi Girls Primary School	Construction to completion of Administration block	1,200,000
Adhibohol Primary School	Renovation of 4 classrooms- floors, doors, windows and paint.	1,200,000
Welathi Primary School	Construction to completion of Administration block	1,200,000
Shanta Abaq primary school	Purchase and supply of 40 desks	140,000
Turbani Primary School	Purchase and supply of 40 desks	140,000
Garabhanshinle Primary School	Purchase and supply of 40 desks	140,000
Isakhia Primary School	Purchase and supply of 40 desks	140,000
Kalkacha West Primary School	Renovation of 3 classrooms- Roofing, floors, windows and paint.	1,200,000
Gothey Primary School	Renovation of 2 classrooms- Roofing, floors, windows and paint.	900,000
<b>Secondary Schools</b>		
Wagalla Secondary School	Construction to completion of a dormitory	3,000,000
Wagalla Secondary School	Construction to completion of 2 classrooms	1,500,000
Hadado Secondary School	Renovation of administration block- floors, doors, windows and paint	1,500,000
Hadado Secondary School	Renovation of administration block- floors, doors, windows and paint	1,000,000
Laghbogol Secondary School	Construction to completion of one classroom	700,000
Sabunley Secondary School	Completion of staff houses- doors, windows, floors and paint	700,000
Arbajahan Secondary School	Purchase and supply of 50 chairs and 50 chambers	300,000
Arbajahan Secondary School	Renovation of 2 classrooms- floors, doors, windows and paint.	600,000
Arbajahan Secondary School	Construction of a double door pit latrine to completion.	400,000
Hon Khalif Girls Secondary	Complete electrical wiring of a dormitory	1,500,000

<b>Entity</b>	<b>Project Details</b>	<b>Amount Kshs.</b>
Ademsajida Mixed Secondary	Construction to completion of 2 classrooms	1,600,000
Wagalla Secondary School	Purchase & supply of Laboratory equipment	1,200,000
Hadado Secondary School	Purchase & supply of Laboratory equipment	1,200,000
Hon Khalif Girls Secondary	Purchase & supply of Laboratory equipment	1,200,000
Lagbogol Secondary School	Purchase & supply of Laboratory equipment	1,200,000
<b>Security Projects</b>		
Griftu AP Camp	Renovation of one staff house- floor, door, windows, paint work	1,200,000
Griftu AP Camp	Construction of a pit latrine to completion.	200,000
<b>Total</b>		<b>44,320,000</b>

Non-implementation of development projects affects delivery of goods and services to the constituents and the intended objectives were not realized.

## 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 to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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



## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to close operations, or have no realistic alternative but to do so.

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

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

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:

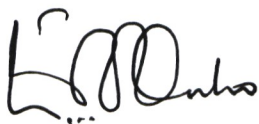
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**25 July 2019**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

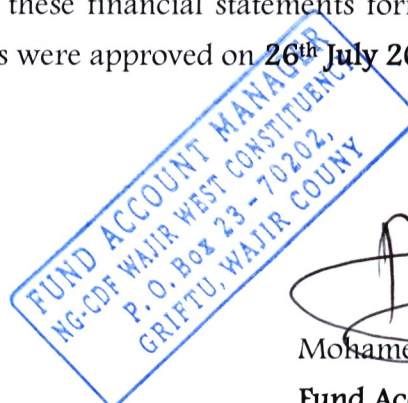
	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NG-CDF board-AIEs' Received	1	43,405,172.00	144,738,277.00
<b>TOTAL RECEIPTS</b>		<b>43,405,172.00</b>	<b>144,738,277.00</b>
<b>PAYMENTS</b>			
Compensation of employees	2	1,904,589.00	1,900,000.00
Use of goods and services	3	1,902,775.00	8,533,016.00
Transfers to Other Government Units	4	13,678,908.00	70,058,767.00
Other grants and transfers	5	23,597,000.00	64,483,809.00
Acquisition of Assets	6		
<b>Total Payments</b>		<b>41,083,272.00</b>	<b>144,975,590.00</b>
<b>SURPLUS/DEFICIT</b>		<b>2,321,900.00</b>	<b>237,313.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **26<sup>th</sup> July 2018** and signed by:

**DISTRICT ACCOUNTANT  
WAJIR WEST DISTRICT**

Sammy Malova

**Sub-County Accountant**



Mohamed Maalim Osmail

**Fund Account Manager**



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018

V. STATEMENT OF FINANCIAL POSITION

	Notes	2017-2018	2016-2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	4,199,341.00	1,877,441.00
Cash Balances (Cash at hand)		-	-
<b>Totals of Cash and Cash equivalents</b>		<b>4,199,341.00</b>	<b>1,877,441.00</b>
<b>CURRENT RECEIVABLES</b>			
Outstanding imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,199,341.00</b>	<b>1,877,441.00</b>
<b>REPRESENTED BY</b>			
Fund Balance b/fwd 1st July 2017	8	1,877,441.00	2,114,754.00
Surplus/Deficit for the year		2,321,900.00	(237,313.00)
<b>NET FINANCIAL POSITION</b>		<b>4,199,341.00</b>	<b>1,877,441.00</b>

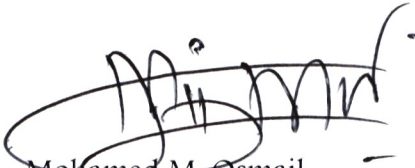
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The National Government Constituency Development Fund Wajir West financial statements were approved on **26<sup>th</sup> July 2018** and signed by:

DISTRICT ACCOUNTANT  
WAJIR WEST DISTRICT

  
Sammy Malova  
Sub-County Accountant

FUND ACCOUNT MANAGER  
NG-CDF WAJIR WEST CONSTITUENCY  
P. O. Box 23 - 70202,  
GRIFTU, WAJIR COUNTY



Mohamed M. Osmail  
Fund Account Manager



**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from CDF Board	1	43,405,172.00	144,738,277.00
Other Receipts		0.00	0.00
		<b>43,405,172.00</b>	<b>144,738,277.00</b>
Payments for operating expenses			
Compensation of Employees	2	1,904,589.00	1,900,000.00
Use of goods and services	3	1,902,775.00	8,533,014.00
Transfers to Other Government Units	4	13,678,908.00	70,058,767.00
Other grants and transfers	5	23,597,000.00	64,483,809.00
		<b>41,083,272.00</b>	<b>144,975,590.00</b>
Adjusted for:			
Adjustments during the year		0.00	0.00
<b>Net cash flow from operating activities</b>		<b>2,321,900.00</b>	<b>(237,313.00)</b>
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	0.00	0.00
<b>Net cash flows from Investing Activities</b>		<b>0.00</b>	<b>0.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>2,321,900.00</b>	<b>(237,313.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	8	<b>1,877,441.00</b>	<b>2,114,754.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>4,199,341.00</b>	<b>1,877,441.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Wajir West financial statements were approved on **26<sup>th</sup> July 2018** and signed by:

**DISTRICT ACCOUNTANT  
WAJIR WEST DISTRICT**

*Sammy Malova*  
Sammy Malova  
Sub-County Accountant

**FUND ACCOUNT MANAGER  
NG-CDF WAJIR WEST CONSTITUENCY  
P. O. Box 23 - 70222  
GRIFFU, WAJIR COUNTY**

*Mohamed M. Osmail*  
Mohamed M. Osmail  
Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018

VII. TRIAL BALANCE

TRIAL BALANCE AS AT 30 <sup>TH</sup> JUNE 2018			
		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	4,199,341.00	
<b>Payments</b>			
	Compensation of Employees	1,904,589.00	
	Use of goods and services	1,902,775.00	
	Transfers to Other Government Units	13,678,908.00	
	Other grants and transfers	23,597,000.00	
<b>Receipts</b>			
	Transfers from the Board		43,405,172.00
	<b>Fund Balance b/f</b>		1,877,441.00
	<b>TOTAL</b>	<b>45,282,613.00</b>	<b>45,282,613.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Wajir West financial statements were approved on 26<sup>th</sup> July 2018 and signed by:

**WAJIR WEST DISTRICT**

  
Sammy Malova  
Sub-County Accountant

FUND ACCOUNT MANAGER  
 NG-CDF WAJIR WEST CONSTITUENCY  
 P. O. Box 23 - 70202,  
 GRIFTU, WAJIR COUNTY

  
Mohamed M. Osmail  
Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

**VIII: SUMMARY STATEMENT OF APPROPRIATION**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,344.82	13,256,751	100,067,096	45,282,613	54,784,483	45.3%
Proceeds from Sale of Assets						
Other Receipts	-					
<b>TOTAL</b>	<b>86,810,344.82</b>	<b>13,256,751</b>	<b>100,067,096</b>	<b>45,282,613</b>	<b>54,784,483</b>	<b>45.3%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,508,000	503,076.00	3,011,076	1,904,589	1,106,487	63.3%
Use of goods and services	5,304,931	69,891.00	5,374,822	1,902,775	3,472,047	35.4%
Transfers to Other Government Units	44,420,000	9,606,323.00	54,026,323	13,678,908	40,347,415	25.3%
Other grants and transfers	34,577,414	3,077,461.00	37,654,875	23,597,000	14,057,875	62.7%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	-	-	
<b>TOTAL</b>	<b>86,810,344.82</b>	<b>13,256,751.00</b>	<b>100,067,096</b>	<b>41,083,272</b>	<b>58,983,824</b>	<b>41.1%</b>

From the summary of appropriation statement, the overall budget performance stood at 41.1%. The low absorption of funds is explained below:

- i. **Compensation of Employees** were below 90% because of provision for service gratuity. There is always a need to provide a provision of at least 3 months' staff salary. It usually takes at least 3 months before the next financial year funding is received.



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018

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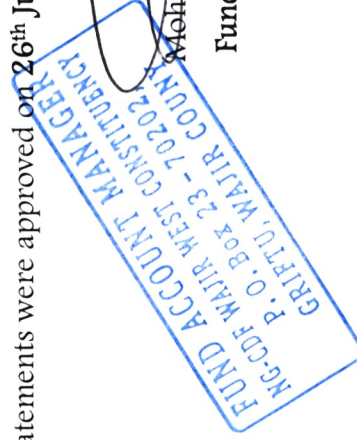
- ii. **Use of goods and services** were below 90% because funding from the NG-CDF Board delayed by 10 months hence delay in procurement and utilization of funds.
- iii. **Transfer to other government units** were below 90% because funding from the NG-CDF Board delayed by 10 months hence delay in procurement and utilization of funds.
- iv. **Other grants and transfers** were below 90% because funding from the NG-CDF Board delayed by 10 months hence delay in procurement and utilization of funds.

The NG-CDF Wajir West financial statements were approved on 26<sup>th</sup> July 2018 and signed by:

DISTRICT ACCOUNTANT  
WAJIR WEST DISTRICT

  
Sammy Malova

Sub-County Accountant

  
FUND ACCOUNT MANAGER  
NG-CDF WAJIR WEST CONSTITUENCY  
P. O. Box 23 - 70202  
GRIFTU, WAJIR COUNTY

  
Mohamed Maatim Osmail

Fund Account Manager



## **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 West Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

### **a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

### **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.

### **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 30<sup>th</sup> 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the Entity.

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Funds**

Unutilized funds consist of bank balances in the constituency account and previous year(s)



balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

#### **14. Errors**

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

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

**15. Related Party Transactions**

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018**

**X. NOTES TO THE FINANCIAL STATEMENTS**

GFS CODES	1 TRANSFERS FROM CDF BOARD			
		Description	2017 - 2018	2016 - 2017
			Kshs	Kshs
1330407	Normal Allocation	A892542	5,500,000.00	61,993,027.00
		A896785	37,905,172.00	500,000.00
				348,698.00
				4,094,828.00
				36,853,449.00
				40,948,275.00
		<b>TOTAL</b>	<b>43,405,172.00</b>	<b>144,738,277.00</b>
2110000	2 COMPENSATION OF EMPLOYEES			
			2017-2018	2016-2017
			Kshs	Kshs
	2110201	Basic wages of contractual employees	1,856,589.00	1,658,400.00
	2120101	Employer Contribution to NSSF	48,000.00	43,200.00
	2710120	Gratuity		198,400.00
		<b>Total</b>	<b>1,904,589.00</b>	<b>1,900,000.00</b>
2200000	3 USE OF GOODS AND SERVICES			
			2017-2018	2016-2017
			Kshs	Kshs
	2210100	Utilities, supplies and services	63,475.00	123,521.00
	2210200	Communication, supplies and services	90,000.00	186,000.00
	2210300	Domestic travel and subsistence	448,400.00	3,044,200.00
	2210500	Printing, advertising and information supplies & services		
	2210600	Rentals of Produced assets	140,000.00	1,620,000.00
	2210700	Training Expenses		1,260,000.00
	2210800	Hospitality supplies and services		
	2210802	Other Committee expenses	1,008,000.00	1,433,200.00
	2210809	Committee Allowance		
	2211100	Office and general supplies and services	152,900.00	866,093.00
	2220200	Routine maintenance – other assets		
		<b>Total</b>	<b>1,902,775.00</b>	<b>8,533,014.00</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018**

2630200	<b>4 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
			<b>2017-2018</b>	<b>2016-2017</b>
			<b>Kshs</b>	<b>Kshs</b>
	2630204	Transfers to primary schools	9,992,980.00	57,167,865.00
	2630205	Transfers to secondary schools	3,685,928.00	12,890,902.00
		<b>TOTAL</b>	<b>13,678,908.00</b>	<b>70,058,767.00</b>
2640000	<b>5 OTHER GRANTS AND OTHER PAYMENTS</b>			
			<b>2017-2018</b>	<b>2016-2017</b>
			<b>Kshs</b>	<b>Kshs</b>
	2640101	Bursary –Secondary	154,000.00	5,346,400.00
	2640102	Bursary –Tertiary	14,929,000.00	19,622,700.00
	2640504	Water		6,900,525.00
	2640507	Security/ others	4,000,000.00	22,968,397.00
	2640508	Roads		16,600.00
	2640509	Sports		502,340.00
	2640510	Environment		
	2640200	Emergency Projects (Specify)	4,514,000.00	9,126,847.00
		<b>Total</b>	<b>23,597,000.00</b>	<b>64,483,809.00</b>
3100000	<b>6 ACQUISITION OF ASSETS</b>			
	<b>Non Financial Assets</b>		<b>2017-2018</b>	<b>2016-2017</b>
	31110302	Refurbishment of Buildings	-	-
		<b>Total</b>		
	<b>7 Bank Balances (cash book bank balance)</b>			
			<b>2017-2018</b>	<b>2016-2017</b>
			<b>(30/06/2018)</b>	<b>(30/06/2017)</b>
			<b>Kshs</b>	<b>Kshs</b>
		First Community Bank, Wajir Branch 80001203, KHS.	4,199,341.37	1,877,441.37
		<b>Total</b>	<b>4,199,341.37</b>	<b>1,877,441.37</b>
	<b>8 BALANCES BROUGHT FORWARD</b>			
			<b>2017-2018</b>	<b>2017-2018</b>
			<b>(01/07/2017)</b>	<b>(01/07/2016)</b>
			<b>Kshs</b>	<b>Kshs</b>
		Bank Accounts	1,877,441.37	2,114,754.00
		Imprests	-	-
		<b>Total</b>	<b>1,877,441.37</b>	<b>2,114,754.00</b>
	<b>9. OTHER DISCLOSURES</b>			
	<b>9.1 OTHER PENDING PAYABLES (See Annex 1)</b>			
			<b>2017-2018</b>	<b>2016-2017</b>



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST  
CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2018**

		<b>Kshs</b>	<b>Kshs</b>
	Amounts due to other government entities (see attached list)	40,347,415.00	1,236,781.00
	Amounts due to other grants and other transfers (see attached list)	14,057,875.00	171,173.00
	Others- Use of Goods and Services	3,472,047.00	-
	Gratuity & Compensation of employees	1,106,487.00	469,487.00
	<b>Total</b>	<b>58,983,824.00</b>	<b>1,877,441.00</b>
<b>9.2 SUMMARY OF FIXED ASSETS (See Annex 2)</b>			
		<b>2017-2018</b>	<b>2016 - 2017</b>
		<b>Kshs.</b>	<b>Kshs.</b>
	Historical cost of Fixed Assets	20,342,280.00	20,342,280.00
	<b>Total</b>	<b>20,342,280.00</b>	<b>20,342,280.00</b>
<b>9.3 PMC ACCOUNT BALANCES (See Annex 3)</b>			
		<b>2017-2018</b>	<b>2016-2017</b>
		<b>Kshs.</b>	<b>Kshs.</b>
	PMC Account Balances (see attached list)	22,953.00	25,588.00
<b>9.4 AMOUNT DUE FROM THE BOARD</b>			
		<b>2017-2018</b>	<b>2016-2017</b>
		<b>Kshs.</b>	<b>Kshs.</b>
	Amount due from the board	54,784,483.00	0

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND WAJIR WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 1: OTHER ACCOUNTS PAYABLE**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance
Gratuity	Provision for staff service gratuity	503,075.00		0	503,076.00
Compensation of employees	Basic wages o contractual employees	558,867.68		0	558,867.68
Use of Goods & Services	Use of Goods and Services- car hires	36,385.80		0	36,385.80
<b>Sub-Total</b>		<b>1,098,328.48</b>			<b>1,098,329.48</b>
<b>Amounts due to other Government entities</b>					
Adan Awale Primary School	Construction of 2 complete toilets	300,000		292,995	7,005
Adan Awale Primary School	Complete fencing of the school with cedar post	2,000,000		1,893,000	107,000
Showli Primary School	Construction of one complete classroom	700,000		693,000	7,000
Garse Khoftu Primary School	Renovation of 4 Classrooms- floors, doors and windows	1,200,000		1,192,674	7,326
Kukale Primary School	Renovation of 6 Classrooms-floors, doors and windows.	1,600,000		1,589,927	10,073
Bulla Hagar Primary School	Construction of 2 complete classrooms	1,400,000		1,323,000	77,000
Baregothey Primary School	Construction of 2 complete classrooms	1,400,000		1,322,918	77,082
Garabhanshinle Primary	Construction of 2 complete classrooms	1,400,000		1,320,000	80,000
Maunau Primary School	Complete fencing of the school with cedar post	3,000,000		2,843,000	157,000
Shanta abaq Fry School	Renovation of four classrooms- floors, doors and windows	800,000		792,880	7,120
Shanta abaq Fry School	Construction of a complete gate	300,000		293,000	7,000
Hudhila Primary School	Construction of 2 complete classrooms	1,400,000		1,323,000	77,000
Isakhia Primary School	Construction of 2 complete classrooms	1,400,000		1,322,966	77,034
Biliq Primary School	Construction of 2 complete classrooms	1,400,000		1,323,000	77,034



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LMD Primary School	Construction of one complete classroom	700,000	657,995	42,005
Guticha Primary School	Construction of one complete classroom	700,000	657,900	42,100
Fatuma Noor Primary School	Construction of 2 complete classrooms	1,400,000	1,32,983	77,017
Sheikh Ahmed Garweyne Pry	Construction of 2 complete classrooms	1,400,000	1,322,991	77,009
Turbani Primary School	Construction of 2 complete classrooms	1,400,000	1,322,991	77,009
Qara Primary School	Construction of one complete classroom	700,000	657,990	42,010
Lanqot Primary School	Construction of 2 complete classrooms	1,400,000	1,323,000	77,000
Laghbogol Primary School	Renovation of two classrooms- floors, doors and windows.	600,000	593,000	7,000
Griftu Primary School	Fencing of the school with concrete posts and chainlink	10,000,000	9,992,980.00	7,020.00
Arbajahan Secondary school	Completion of administration block- doors, windows	1,000,000	993,000	7,000
Arbajahan Secondary school	Completion of a dormitory- doors, windows	1,000,000	993,000	7,000
Laghbogol Secondary school	Completion of a dormitory- doors, windows.	1,000,000	993,000	7,000
Laghbogol Secondary school	Construction of one classroom	700,000	0	700,000
Hadado Secondary School	Renovation of 5classrooms	1,500,000	1,492,933	7,067
Hon Khalif Girls Secondary	Electrical Wiring of the school	1,500,000	1,492,995	7,005
<b>Sub-Total</b>		<b>43,300,000</b>		<b>1,957,873</b>
<b>Amounts due to other grants and other transfers</b>				
Bursary - Secondary	Bursary to Secondary Schools	1,000,000	154,000	846,000
Bursary- Tertiary	Bursary to Tertiary Institutions	15,000,000	14,929,000	71,000
Griftu Administration Police	Fencing of the AP camp with concrete posts and chainlink	8,000,000	7,999,980	20
Wagalla Police Station	Fencing of the AP camp with concrete posts and chainlink	4,000,000	3,999,986	14
Laghbogol ACC's Office	Construction of a complete new office block	1,300,000	1,232,919	67,081
Adhibohol public toilets	Construction of four complete public toilets	1,000,000	942,950	57,050

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Griftu public toilets	Construction of four complete public toilets	800,000		752,992	47,008
Emergency	Responding to emergency situations	4,568,965.52		4,514,000	54,965.52
<b>Sub-Total</b>		<b>35,668,966</b>			<b>1,143,139</b>
<b>Grand Total</b>		<b>80,067,294.48</b>			<b>4,199,341.37</b>

**UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Use of Goods and Services	Office Administration and M & E	3,376,724.55	-	Funds not yet received from NG-CDF board as at 30th June 2018.
<b>Sub-Total</b>		<b>3,376,724.55</b>		
<b>Amounts due to other government entities</b>				
Boa Primary School	Construction of a staff house	1,000,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Barnish Primary School	Construction to completion of one classroom and one toilet	1,000,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Ganyurey Primary School	Construction to completion of one classroom	750,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Adan Awale Primary school	Construction of Administration block	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Kubeysurun Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Arbajahan Primary school	Renovation of 4 classrooms- floors, doors, windows and paint.	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Kara Primary School	Construction to completion of one classroom	750,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Dobley Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Lanqot Primary School	Construction to completion of two toilets	400,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.



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Lanqot Primary School	Construction to completion of three classrooms	2,280,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Lanqot Primary School	Purchase and supply of 80 desks	280,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Baji Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Lolkuta South Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Matho Primary School	Construction to completion of Administration block	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Korija Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Hadado Primary School	Construction to completion of two classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Waberi Girls Primary School	Construction to completion of Administration block	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Adhibohol Primary School	Renovation of 4 classrooms- floors, doors, windows and paint.	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Welathi Primary School	Construction to completion of Administration block	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Shanta Abaq primary school	Purchase and supply of 40 desks	140,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Turbani Primary School	Purchase and supply of 40 desks	140,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Garabhanshinle Primary	Purchase and supply of 40 desks	140,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Isakhia Primary School	Purchase and supply of 40 desks	140,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Kalkacha West Primary	Renovation of 3 classrooms- Roofing, floors, windows and paint	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Gothey Primary School	Renovation of 2 classrooms- Roofing, floors, windows and paint	900,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Wagalla Secondary school	Construction to completion of a dormitory	3,000,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Wagalla Secondary school	Construction to completion of 2 classrooms	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Hadado Secondary School	Renovation of administration block- floors, doors, windows and paint	1,000,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Arbajahan Secondary school	Purchase and supply of 50 chairs and 50 chambers	300,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.

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Arbajahan Secondary school	Renovation of 2 classrooms- floors, doors, windows and paint.	600,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Arbajahan Secondary school	Construction of a double door pit latrine to completion.	400,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Ademajida Mixed Secondary	Construction to completion of 2 classrooms	1,600,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Wagalla Secondary school	Purchase & supply of Laboratory equipment	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Hadado Secondary School	Purchase & supply of Laboratory equipment	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Hon Khalif Girls Secondary	Purchase & supply of Laboratory equipment	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Lagbogol Secondary school	Purchase & supply of Laboratory equipment	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
<b>Sub-Total</b>		<b>38,520,000.00</b>		
<b>Amounts due to other grants and other transfers</b>				
Griftu AP Camp	Renovation of one staff house- floor, door, windows, paint work	1,200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Griftu AP Camp	Construction of a pit latrine to completion.	200,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Bursary for Secondary	Payment of bursary to needy students in secondary schools.	8,608,448.27	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Bursary for Tertiary	Payment of bursary to needy students in colleges and universities	810,344.84	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Sports Activities	Organizing and holding sports tournaments within the constituency.	1,500,000.00	-	Funds not yet received from NG-CDF board as at 30th June 2018.
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	568,965.51	-	Funds not yet received from NG-CDF board as at 30th June 2018.
<b>Sub-Total</b>		<b>12,887,78.62</b>		
<b>Grand Total</b>		<b>54,784,483.17</b>		



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ANNEX 2- SUMMARY OF FIXED ASSETS

Asset Class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land (Unregistered)	500,000.00	-	-	500,000.00
Buildings and structures	17,111,280.00	-	-	17,111,280.00
Office equipment, furniture and fittings	2,211,000.00	-	-	2,211,000.00
ICT equipment, software and other ICT assets	520,000.00	-	-	520,000.00
<b>Total</b>	<b>20,342,280.00</b>			<b>20,342,280.00</b>

FIXED ASSETS REGISTER

Land

Asset Name / Description	Asset No	Asset Serial No	Acquisition date	Cost (Ksh)	Current condition	Physical Location
5 Acres of unregistered but fenced Land	CDF/036/01	Nil	2008	500,000	Good	CDF Office

Buildings and Structures

Asset Name / Description	Asset No	Asset Serial No	Acquisition date	Cost (Ksh)	Current condition	Physical Location
Modern Office block made up of 5 offices, conference halls, 4 toilets and 2 bathrooms and an external twin VIP Latrine	CDF/036/01	Nil	2008, 2009 and 2016	11,938,000	Good	CDF Office
Water tank with stand	CDF/036/01	Nil	2010	500,000	Good	CDF Office
Two bedroom staff house	CDF/036/01	Nil	2009 and 2010	4,673,280	Good	CDF Office
				<b>17,111,280</b>		

Office Equipment, Furniture & Fittings

Asset Name / Description	Asset No	Asset Serial No	Acquisition date	Cost (Ksh)	Current condition	Physical Location
Office chairs (plastic)	CDF/036/01-7	Nil	2007	10,000	Working but old	CDF Office
Office cabinet	CDF/036/01-6	Nil	2006, 2008 and 2014	200,000	Working but one old	CDF Office
Conference tables	CDF/036/01-12	Nil	2008	200,000	Good	CDF Office
Conference chairs	CDF/036/01-50	Nil	2008 and 2014	590,000	Good condition Some broken	CDF Office
Medium density office chair	CDF/036/01-3	Nil	2014	45,000	Good	CDF Office
Beddings for staff house	4beds, 4 mattresses & 5 seater sofa set	Nil	2011	700,000	Good condition	CDF staff house
Elemax SH 7600 EXS petrol genset	CDF/036/01	SH 7600 EXS	2010	260,000	Working	CDF Office
Nashuatec 1505 copier	CDF/036/01	1505/36	2010	186,000	Working	CDF Office

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		402907				
HD Kangaroo Stapler	CDF/036/01	Nil	2010	10,000	Working	CDF Office
HD Kangaroo Bunch	CDF/036/01	Nil	2010	10,000	Working	CDF Office
				<b>2,211,000</b>		

**ICT Equipment, Software and other ICT Assets**

Asset Name / Description	Asset No	Asset Serial No	Acquisition date	Cost (Ksh)	Current condition	Physical Location
HP laserjet printer P2055d	CDF/036/02	CNCJH39310	2010	Donated by CDF board	Good	CDF Office
HP Desktop computer	CDF/036/02	CNC0052kvz	2010	Donated by CDF board	Good	CDF Office
UPS power com	CDF/036/01	40079870905	2010	Donated by CDF board	Good	CDF Office
HP laserjet printer 1018	CDF/036/01	CNC1C23303	2008	40,000	Good	CDF Office
HP Laptop	CDF/036/01	5cb41619xv	2014	90,000	Good	CDF Office
Toshiba laptop	CDF/036/02	ZD173006s	2014	90,000	Good	CDF Office
HP Desktop computer	CDF/036/003	6cm4080g2f	2014	90,000	Good	CDF Office
HP Desktop computer	CDF/036/04		2014	90,000	Good	CDF Office
HP projector	CDF/036/01		2014	120,000	Good	CDF Office
				<b>520,000</b>		



**ANNEX 3. PMC BANK BALANCES AS AT 30TH JUNE 2018**

PMC	Bank	Account Number	Bank Balance 2016/2017 30.06.2017	Bank Balance 2015/16 30.06.2018
Hon Khalif Girls Secondary School	FCB	80005015	992	105
Hadado Secondary School	FCB	80007591	12,172	12,223
Griftu Primary School PMC	FCB	80001021	0	3,980
Sabunley Secondary School	FCB	800005090	9,789.13	9,280.13
<b>TOTAL</b>			<b>22,953.13</b>	<b>25,588.13</b>

**XI. 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 ( <i>Name and designation</i> )	Status: (Resolve Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
ISS.1	Lack of Functional Internal audit and Constituency Audit Committee.	<p>NG-CDF Wajir West has no independent internal audit unit. It relies on the Internal Audit department at the NG-CDF Board and the Internal Audit Officers at the District Treasury.</p> <p>NG-CDF Wajir West will in consultation with the Internal Auditor General and the Chief Executive Officer of the NG-CDF Board see to it that these functions are strengthened and a functional internal audit set up to conduct internal audits at least on a quarterly basis. We will also put in place a Constituency Audit Committee for NG-CDF Wajir West.</p>	FAM	Resolved	
ISS.2	Unsupported Emergency expenses	Three (3) temporary work tickets for three private trucks used during water trucking have been availed to the audit team.	FAM	Resolved	



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ISS.3	<p>Procurement of Security Projects</p> <p>i. Payment was made without certificate of practical completion</p> <p>ii. Minutes of the NG CDF Committee approving the payment is not supporting the expenditure.</p>	<p>Certificate of Practical Completion and Minutes of the NG-CDF Committee approving the payment availed to the audit team.</p>	FAM	Resolved	
ISS.4	<p>Procurement of Primary School Projects.</p> <p>i. One or more pages of BQs were not signed by the tender committee as required by sec(78)(9) of procurement Act.</p> <p>ii. There were no evaluation reports attached to the payment voucher or availed for audit review hence there is no evidence to show the bidders were properly evaluated.</p>	<ul style="list-style-type: none"> <li>➤ The members of the committee opening the tenders each sign on the tender opening minutes.</li> <li>➤ The tender evaluation reports are prepared by at least three members. The Sub-county public works officer is usually the secretary to these committees because of his technical background in building works. The report is signed by all the members of the evaluation committee.</li> <li>➤ The members of the committee awarding the tenders each sign on the tender award minutes.</li> <li>➤ Copies of these minutes and evaluation reports availed to the audit team.</li> </ul>	FAM	Resolved	