

REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

THE NATIONAL ASSEMBLY

DATE: 23 MAR 2022

HGD (pm)

**OF**

TABLED  
BY:

LOM

CLERK-AT  
THE-TABLE:

142021

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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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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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**WAJIR SOUTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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**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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Shafee Hassan
2.	Sub-County Accountant	Francis Masha Iha
3.	Chairman NGCDFC	Abdiweli Mohamed
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 Headquarters**

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**(f) NGCDF Wajir South Constituency Contacts**

Telephone: (254) 729-224-379  
E-mail: cdfwajirsouth@ngcdf.go.ke  
Website: www.go.ke

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

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. First Community Bank  
Wajir Branch  
P.O Box 67-70200  
Wajir

**(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

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

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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The National Government Constituency Development Fund – Wajir South received kshs68,000,000 out approved budgets/allocation of kshs137,344,275.52 for the financial year 2019/2020. The constituency also received Kshs55,040,875.50 from the board as balances of financial year 2018-2019 . In total the constituency received ksh123,040,875.50 during the financial year. The total expenditure for the financial year is kshs 124,228,309.00.The constituency had a balance of ksh6,361,726.66 carried from previous financial year

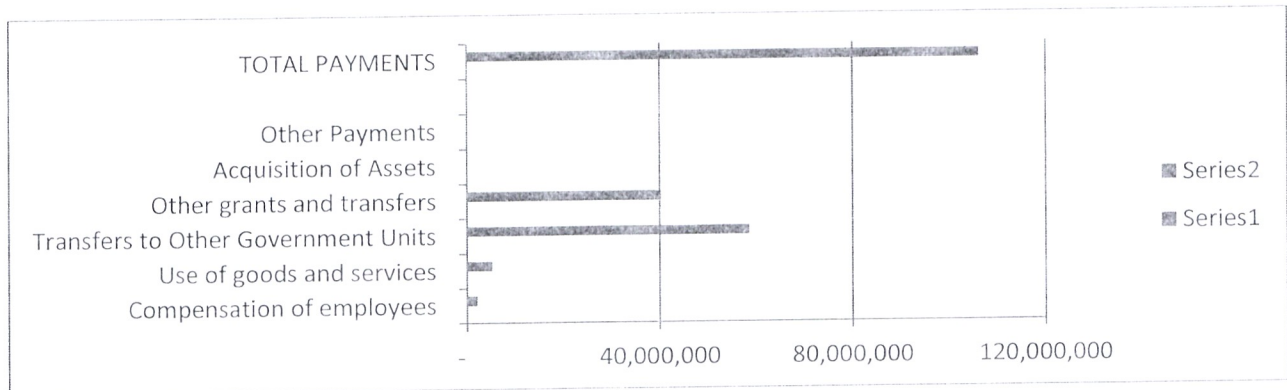
The Budget utilization on receipts and expenditure are as follows: -

Item	Receipts (Kshs)	Expenditure (Kshs)	Balances (Kshs)	%Utilization
1	123,040,875.50	124,228,309.00	(-)1,187,433.50	101%

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

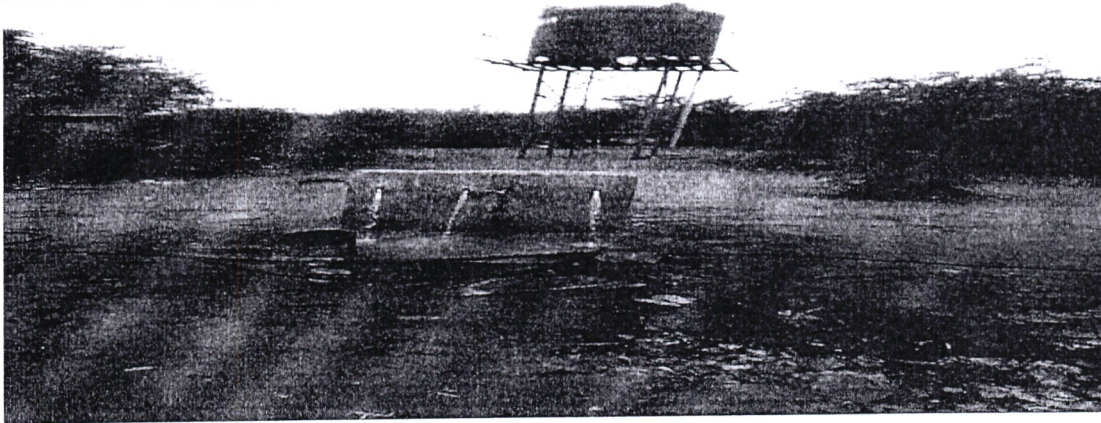
Item	Actual Expenditure (Kshs)
Compensation of Employees	2,499,304
Use of goods and services	7,327,505
Transfers to Other Government Units	92,479,000
Other grants and transfers	19,819,000
<b>Totals</b>	<b>124,228,309</b>

Graphical representation of the expenditure components

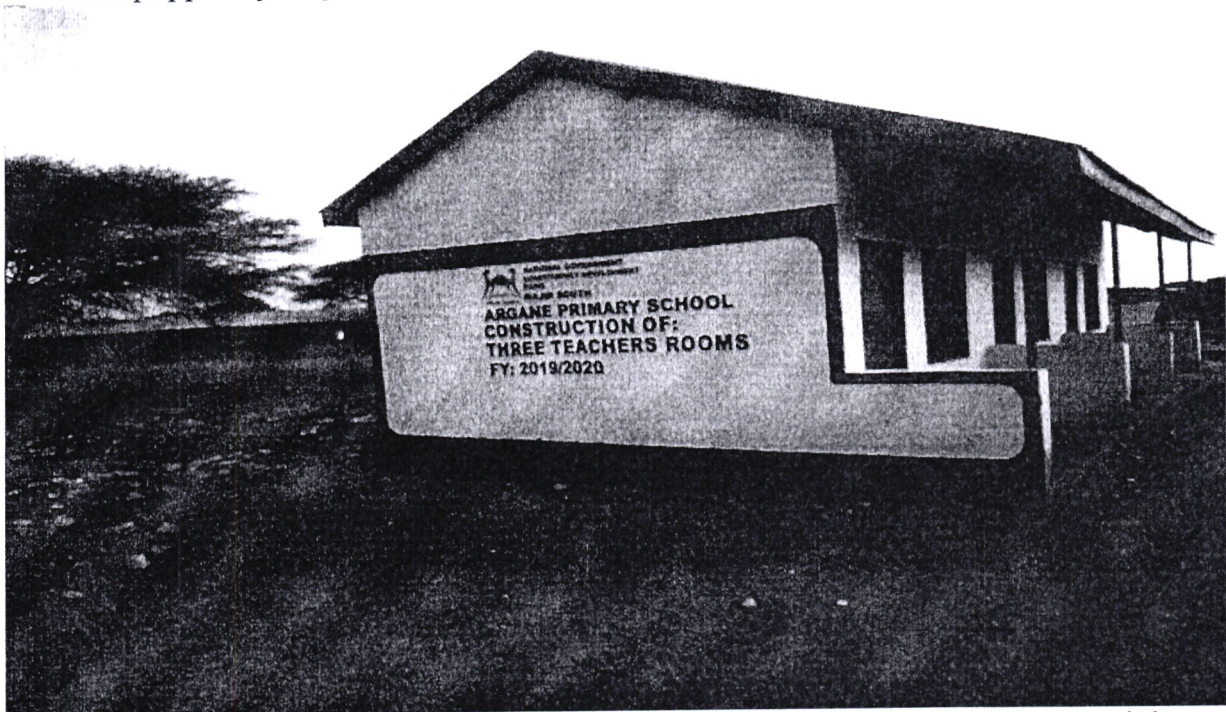


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**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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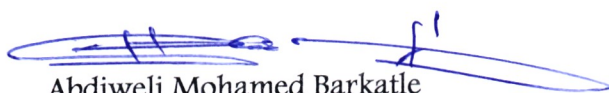


Water is basic component for establishment of schools. The above picture is A borehole drilled and equipped by Wajir south NG-CDF at Sheikh Omar girls secondary school



Construction of three teachers rooms at Argane Primary School. The houses improved the status and security of the teachers as they were living in shanties

The constituency is so extensive and routine supervision of the projects proves challenged and there were also reports on project vandalism the committee continuously engages the Project managements committee on project implementations and taking proper ownership of projects

  
Abdiweli Mohamed Barkatle  
CHAIRMAN NGCDF COMMITTEE



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

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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

The NGCDF-Wajir South Constituency's 2018-2022 strategic plans has identified seven (7) strategic themes and development objectives as a guide in developing the constituency. These are: **Education Infrastructure; Security; Youth and Sports; Environment; Emergency Support; Tracking of Results; and Institutional Strengthening.**

To address these strategic themes, the constituency has formulated a number of strategic objectives and activities in order to realize the community aspirations. Some of these include;

1. Improving access to quality education through expansion of schools through rehabilitation, renovation and construction of school infrastructure in various primary and secondary schools in the constituency.
2. Harnessing youth talent by funding youth sporting initiatives, creating awareness on the establishment of youth groups, creating awareness among the youth on seeking development fund loans, and promoting youth talent.
3. Promoting environment in the constituency by organizing tree planting days. In the NGCDF Act 2015, environmental activities may be considered as development projects, provided the allocation to such activities does not exceed two percent (2%) of the total allocation of the constituency in any financial year.
4. Catering for any unforeseen occurrences in the constituency
5. Enhancing security in the constituency by constructing chiefs' and sub-chiefs' offices, AP housing units; constructing/rehabilitating chiefs' offices, Police stations, and Police housing units, among other initiatives.
6. Improving the tracking of implementation NGCDF programmes. In the NG-CDF Act 2015, monitoring and evaluation of ongoing, projects and capacity building of various operatives has been considered as a development project provided that not more than three percent (3%) is allocated for this purpose; and
7. Promoting performance management and smooth running of the NGCDF office.

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified

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

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for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

No	Program	Objective	Activities	Indicators	Performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms/laboratories/staff houses/fencing in various primary and secondary schools in the constituency	Number of Physical school structure in various school around the constituency	Increased number of classrooms by 44, teacher houses by 6, Laboratories by 1, and fence by 2
2	Youth and Sports	To harness talent and empower youth	Funding of youth sporting initiatives	Number of Tournaments held	Talent identification
4	Environment	To promote environmental sustainability in the constituency	Purchase of tree seedlings and their planting/Organizing tree planting days	Numbers trees in various public institution	Afforestation and environmental conservancy
5	Security	To enhance security in the constituency	Construction/renovation of offices/houses for chiefs and Ass. Chiefs, police, Administration offices	Number of office & houses	Increased offices by 3
6	Tracking of results	To improve tracking of implementation NG-CDF programmes	Monitoring and Capacity Building of NG-CDFC's and PMC's/ Organizing regular projects monitoring field visits	Number of Routine monitoring & capacity Building exercise undertaken	Decreased number of PMCs/projects audit related issue

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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

**1. SUSTAINABILITY STRATEGY AND PROFILE**

The National Government Constituencies Development Fund Wajir South has been working over years to transform the lives of the constituents. In every financial year the constituency received funding from NG-CDF board. Wajir south national government constituency development committee in every two after a new parliament is sworn in calls every ward forums to collect the needs of respective wards in terms of project. This is to be achieved through the provision of services and coordination of activities geared towards the empowerment of Wajir South Constituency residents through prudent management, and effective and efficient utilization of the Fund. . All the NG-CDF projects are implemented by the project management committee with the assistance of the relevant department of Government officers in line with its strategic plan.

**2. ENVIRONMENTAL PERFORMANCE**

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

**3. EMPLOYEE WELFARE**

The constituency employees are competitively recruited and selection plays an important role in ensuring that the Service has the right staff and skills mix. The Constitution requires that recruitment and selection in Public Service organizations, be based on meritocracy, diversity, equity, non-discrimination, gender balance, consideration for persons with disabilities and minorities, in employment opportunities. Wajir South National Government Constituencies Development Fund is guided by the Constitution of Kenya, labour laws and the Norms and Standards for Management of Human Resources in the Public Service.

A conducive work environment and employee welfare programmes are prerequisites for enhanced organizational and individual performance and productivity. The staffs are constantly trained to improve their overall productivity. All constituency employees are employed on contract of three years renewable based individual performance , at the end of their contract 31% service gratuity is also paid to them

**MARKET PLACE PRACTICES-**

Wajir South National Government Constituencies Development Fund is a public sector institution involved in the management of public funds by implementing projects. The projects are implemented using structures defined under the NG-CDF Act 2015.

The Acquisition of goods, Services and Works is done in the most cost effective manner including the right price (lowest evaluated price), in the right quantities, at the right quality, from the right source, at the right

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

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time and delivered at the right place. Procurement is done in strict compliance with the Public Procurement and Asset Disposal Act 2015 and the Public Finance Management Act 2012. This process is initiated once funds have been received and hence there are no pending bills to suppliers or contractors.

Anticorruption clauses and penalties are part of the contract management documents. There is compliance with the Public Officers Ethics Act 2003 and Leadership and Integrity. All measures have been put in place to ensure there are no incidences of corruption. There are committees which have been constituted to deal with all complaints and reported cases of corruption in Wajir South NG-CDFC.

**a) Responsible competition practice.**

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects..

**b) Responsible Supply chain and supplier relations**

Payments to suppliers are done promptly upon presentation of requisite supporting documents.

**c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.**

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

**d) Product stewardship**

In order to safeguard consumer rights and interests, the Wajir South NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

**4. COMMUNITY ENGAGEMENTS**

At the level of project identification, the NG-CDFC Chairman calls for ward meetings to deliberate on development priorities of the ward. Here, there is community participation and consultation with local leaders as provided for under regulation 13 of the NG-CDF Regulations 2016. The notices for these meetings are published so as to reach as many constituents as possible. The community social investment undertaken by NG-CDF Wajir South is in the form of bursary where needy students are sponsored either fully or partially to complete their education.

To tap existing talent among the youth, there are sports tournaments organized by the relevant authorities with financial support from NG-CDF Wajir South. These tournaments also improve cohesion among the different communities living in the constituency.

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

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**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 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.

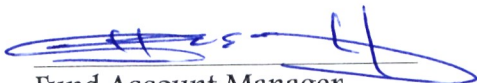
The Accounting Officer in charge of the NGCDF-Wajir South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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, 2020, and of the entity's financial position as at that date. The Accounting Officer in 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**

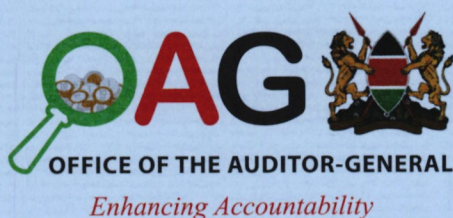
The NGCDF-Wajir South Constituency financial statements were approved and signed by the Accounting Officer on 28<sup>th</sup> August 2020.

  
Fund Account Manager  
Name: Shafee Hassan

  
Sub-County Accountant  
Name: Francis Masha Iha  
ICPAK Member Number: 13892

# REPUBLIC OF KENYA

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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, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir South Constituency set out on pages 13 to 44, which comprise of the statement of financial assets as at 30 June, 2020 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 the National Government Constituencies Development Fund - Wajir South Constituency as at 30 June, 2020 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 the Public Finance Management Act, 2012.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Wajir South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

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

## Other Matter

### 1. Budgetary Control and Performance

A review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget of Kshs.198,770,327 and actual receipts of Kshs.129,402,603 resulting to underfunding by Kshs.69,367,724 representing 65% of the budget. Further, the Fund spent an amount of Kshs.124,228,309 against a budgeted amount of Kshs.198,770,326 resulting to under expenditure of Kshs.74,542,017 representing 63% of the approved budget.

Failure to fully absorb the budget and utilize funds approved for development projects may have negatively affected service delivery to the constituents of Wajir South.

### 2. Projects Implementation Status

During the year under review, the Fund budgeted to implement a total of sixty-two (62) projects comprising of fifty-three (53) Education, two (2) emergency, six (6) security and one (1) sport project as analyzed below:

Project Category	Budget (Kshs.)	No. of Projects	Actual Expenditure (Kshs.)	No. of Projects Completed	No. of Projects not Implemented
Primary Schools	37,550,000	28	9,400,000	9	19
Secondary Schools	38,745,000	25	31,735,000	19	6
Emergency	7,198,241	2	7,000,000	2	0
Security	13,900,000	6	5,450,000	2	4
Sports	514,466	1	0	0	1
<b>Total</b>	<b>90,709,466</b>	<b>62</b>	<b>53,585,000</b>	<b>32</b>	<b>30</b>

From the analysis above, the Fund implemented only about 52% of the projects budgeted for leaving 48% of the budgeted projects not implemented.

Failure to implement projects to completion within the stipulated period may have denied the constituents of Wajir South the desired service delivery.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Transfers to Primary Schools

As disclosed in Note 4 to the financial statements, the statement of receipts reflects transfer to other government units of Kshs.92,479,000 representing transfers to various Project Management Committees for implementation of projects in various primary and secondary schools. However, audit review of payment records and

project files among other records revealed that expenditure amounting to Kshs.13,000,000 had the following anomalies:

- i) Project files for the projects did not contain confidential business questionnaires, form of tender, tender questionnaires and handing/taking over reports. It was therefore not possible to confirm whether the projects were procured in accordance with the Public Procurement and Asset Disposal Act, 2015.
- ii) Tender opening committee for some of the projects did not append their signatures or initials on some pages of the bills of quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015.
- iii) Contracts worth Kshs.12,335,000 were awarded without a professional opinion from the head of procurement as required by Section 84 of the Public Procurement and Asset Disposal Act, 2015.
- iv) Payment for projects worth Kshs.13,000,000 were not supported with Inspection and Acceptance Committee reports confirming the condition of the projects before payments were made contrary to the requirements of Section 48(3)(c) of Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the regularity and value for money on the expenditure Kshs.13,000,000 on transfers to primary schools could not be confirmed.

## **2. Implementation of Projects Under County Government Functions**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.19,819,000. Included in the transfers is an expenditure on emergency projects amounting to Kshs.9,100,000. Review of the payment vouchers and schedules presented for audit revealed that the Fund spent a total of Kshs.1,800,000 on water trucking services under the emergency allocation. However, the Fund did not provide justification for funding water projects which fall under the functions of county governments.

It was further not clear why water trucking was considered an emergency yet this is a foreseeable problem that is expected every year in the region. In addition, the utilization of the emergency reserve was not reported to the Board within thirty days of occurrence of the emergency as required under Section 20(2) of the National Government Constituencies Development Fund Act, 2015.

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

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

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

### **Conclusion**

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



## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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.

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 applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

28 February, 2022

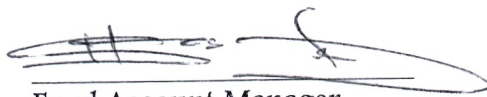
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
SOUTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

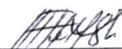
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	123,040,876	108,784,483
<b>TOTAL RECEIPTS</b>		<b>123,040,876</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,499,304	2,157,713
Use of goods and services	3	7,327,505	5,262,566
Transfers to Other Government Units	4	92,479,000	58,511,050
Other grants and transfers	5	19,819,000	40,274,450
Acquisition of Assets	6	2,103,500	25,000
<b>TOTAL PAYMENTS</b>		<b>124,228,309</b>	<b>106,230,779</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(1,187,434)</b>	<b>2,553,704</b>

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 28<sup>th</sup> August 2020 and signed by:



Fund Account Manager  
Name: Shafee Hassan



National Sub-County Accountant  
Name: Francis Masha Iha  
ICPAK Member Number: 13892

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

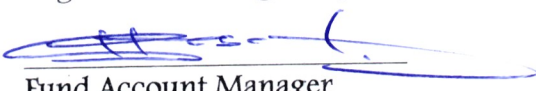
**Reports and Financial Statements**

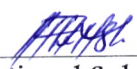
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	5,174,293	6,361,727
<b>Total Cash and Cash Equivalents</b>		<b>5,174,293</b>	<b>6,361,727</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,174,293</b>	<b>6,361,727</b>
<b>FINANCIAL LIABILITIES</b>			
<b>TOTAL FINANCIAL LIABILITES</b>			
<b>NET FINANCIAL ASSETS</b>		<b>5,174,293</b>	<b>6,361,727</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	8	6,361,727	3,783,023
Surplus/Deficit for the year		(1,187,434)	2,553,704
<b>NET FINANCIAL POSITION</b>		<b>5,174,293</b>	<b>6,336,727</b>

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 28<sup>th</sup> August 2020 and signed by:

  
Fund Account Manager  
Name: Shafee Hassan

  
National Sub-County Accountant  
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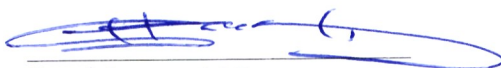
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR SOUTH CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	123,040,876	108,784,483
<b>Total receipts</b>		<b>123,040,876</b>	<b>108,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	2,499,304	2,157,713
Use of goods and services	3	7,327,505	5,262,566
Transfers to Other Government Units	4	92,479,000	58,511,050
Other grants and transfers	5	19,819,000	40,274,450
<b>Total payments</b>		<b>122,124,809</b>	<b>106,205,779</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted for:			
<b>Net cash flow from operating activities</b>		<b>916,067</b>	<b>2,578,704</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	(2,103,500)	-
<b>Net cash flows from Investing Activities</b>		<b>(2,103,500)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(1,187,434)</b>	<b>2,578,704</b>
Cash and cash equivalent at BEGINNING of the year	7	6,361,727	3,783,023
Cash and cash equivalent at END of the year		5,174,293	6,361,727

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 28<sup>th</sup> August 2020 and signed by:

  
Fund Account Manager  
Name: Shafee Hassan

  
National Sub-County Accountant  
Name: Francis Masha Iha  
ICPAK Member Number: 13892

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

**Reports and Financial Statements  
For the year ended June 30, 2020**

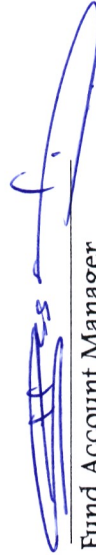
**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724.14	61,402,602.50	198,770,326.64	129,402,602.50	69,367,724.14	65%
	137,367,724.14	61,402,602.50	198,770,326.64	129,402,602.50	69,367,724.14	65%
<b>PAYMENTS</b>						
Compensation of Employees	2,990,546.00	2,151,410.32	5,141,956.32	2,499,304.00	2,642,652.32	49%
Use of goods and services	7,802,549.17	3,798,410.20	11,600,959.37	7,327,505.00	4,273,454.37	63%
Transfers to Other Government Units	76,295,000.00	50,844,000.00	127,139,000.00	92,479,000.00	34,660,000.00	73%
Other grants and transfers	50,279,628.97	2,505,281.64	52,784,910.61	19,819,000.00	32,965,910.61	38%
Acquisition of Assets		2,103,500.00	2,103,500.00	2,103,500.00	-	100%
<b>TOTALS</b>	137,367,724.14	61,402,602.16	198,770,326.30	124,228,309.00	74,542,017.30	63%

(a) *all the expenditure components were underutilised as indicated*

- i. Compensation of Employees was underutilized because unpaid service gratuity for last two financial years are factored in this component
- ii. Use of goods and services- this component was underutilized as kshs4,273,454.37 was not disbursed to constituency during the financial
- iii. Transfers to Other Government Units this component was underutilized as kshs4,660,000 was not disbursed to constituency during the financial
- iv. Other grants and transfers- this component was underutilized as kshs29,000,000 was not disbursed to constituency during the financial

NGCDF-Wajir South Constituency financial statements were approved on 28<sup>th</sup> August 2020 and signed by:



**Fund Account Manager**  
Name: Shafee Hassan



**Sub-County Accountant**  
Name: Francis Masha Iha  
ICPAK Member Number: 13892

Reports and Financial Statements  
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,990,546	2,151,410	5,141,956	2,499,304	2,642,652
1.2 Committee allowances	1,748,000	800,000	2,548,000	2,200,000	348,000
1.3 Use of goods and services	2,250,063	1,401,692	3,651,756	2,320,787	1,330,969
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,500,000	1,500,000	4,000,000	1,500,000	2,500,000
2.2 Committee allowances	600,000		600,000	600,000	-
2.3 Use of goods and services	704,486		704,486	600,000	104,486
<b>3.0 Emergency</b>					
3.1 Primary Schools		2,002,000	2,002,000	2,002,000	-
3.2 Secondary schools	7,198,241		7,198,241	7,198,000	241
<b>4.0 Bursary and Social Security</b>					
4.2 Secondary Schools	6,441,931		6,441,931	2,348,718	4,093,213
4.3 Tertiary Institutions	20,000,000		20,000,000	2,317,000	17,683,000
<b>5.0 Sports</b>					
5.1 Ibrahim ure Ward tournament	514,457		514,457		514,457
<b>6.0 Environment</b>					
6.1. Planting of trees at NG-CDF Office	100,000		100,000		100,000
6.2. Diff Secondary School		2,000,000	2,000,000	2,000,000	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

7.0 Primary Schools Projects (List all the Projects)					
7.1 Diff Primary School	2,100,000			2,100,000	2,100,000
7.2 Gerille Primary School	300,000			300,000	300,000
7.3 Welgaras Primary School	300,000			300,000	300,000
7.4 Gulettere Primary School	1,000,000			1,000,000	1,000,000
7.5 Alangonder Primary School	1,300,000			1,300,000	1,300,000
7.6 Ibrahim ure Primary School	3,300,000			3,300,000	3,300,000
7.7 Elado Primary School	1,400,000			1,400,000	1,400,000
7.8 Argane Primary School	1,300,000			1,300,000	-
7.9 Hubsoy Primary School	2,000,000			2,000,000	100,000
7.10 Ohiyo Primary School	1,300,000			1,300,000	1,300,000
7.11 Leheley Primary School	1,400,000			1,400,000	-
7.12 Banane-shantiaral Primary School	1,000,000			1,000,000	1,000,000
7.13 Lambaraha Primary School	1,000,000			1,000,000	1,000,000
7.14 Sarif Primary School	1,000,000			1,000,000	1,000,000
7.15 Dalsan Primary School	2,000,000			2,000,000	2,000,000
7.16 Dagahley Primary School	1,400,000			1,400,000	-
7.17 Shimbirbul Primary School	700,000			700,000	700,000
7.18 Shidley Primary School	1,300,000			1,300,000	-
7.19 Waregder Primary School	1,300,000			1,300,000	1,300,000
7.20 Qanjara Primary School	2,000,000			2,000,000	100,000
7.21 Kibilay Primary School	2,000,000			2,000,000	2,000,000
7.22 Bula Juu Primary School	2,000,000			2,000,000	2,000,000

**Reports and Financial Statements  
For the year ended June 30, 2020**

7.23 Habaswein Primary School	1,400,000		1,400,000	1,400,000		1,400,000		1,400,000
Ndege Primary School	700,000		700,000	700,000		700,000		-
Tesorie Primary School	1,300,000		1,300,000	1,300,000		1,300,000		1,300,000
Abakore Primary School	700,000		700,000	700,000		700,000		700,000
Dadajabula Primary School	700,000		700,000	700,000		700,000		700,000
Getwap Primary School	1,350,000		1,350,000	1,350,000		1,350,000		1,350,000
Agtalehel Primary School FMC		2,000,000	2,000,000	2,000,000		2,000,000		-
Burder Primary School FMC		1,500,000	1,500,000	1,500,000		1,500,000		-
Dardar Primary School FMC		1,300,000	1,300,000	1,300,000		1,300,000		-
Salalma Primary School FMC		1,500,000	1,500,000	1,500,000		1,500,000		-
Salalma Primary School FMC		64,000	64,000	64,000		64,000		-
Noieya Primary School FMC		1,300,000	1,300,000	1,300,000		1,300,000		-
Haralawayo Primary School FMC		3,300,000	3,300,000	3,300,000		3,300,000		-
Warsdarasime Primary School FMC		1,300,000	1,300,000	1,300,000		1,300,000		-
Karu Primary School FMC		200,000	200,000	200,000		200,000		-
Diff Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Diff Oldam Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Alioismail Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Wajir bor South Primary School FMC		1,300,000	1,300,000	1,300,000		1,300,000		-
Mathahlisah Primary School FMC		1,300,000	1,300,000	1,300,000		1,300,000		-
Eyrib Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Madina Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Abakdere Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-
Alidumal Primary School FMC		1,000,000	1,000,000	1,000,000		1,000,000		-

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

**Reports and Financial Statements  
For the year ended June 30, 2020**

Handaki Primary School FMC		1,000,000	1,000,000	1,000,000	-
Wasso Primary School FMC		2,000,000	2,000,000	2,000,000	-
Kulalei Primary School FMC		1,300,000	1,300,000	1,300,000	-
Karu Primary School FMC		2,000,000	2,000,000	2,000,000	-
Habaswein Primary School FMC		1,000,000	1,000,000	1,000,000	-
Welgaras Primary School FMC		1,000,000	1,000,000	1,000,000	-
Billibubur Primary School FMC		2,000,000	2,000,000	2,000,000	-
Sala Primary School FMC		1,000,000	1,000,000	1,000,000	-
Abaghalul Primary School FMC		1,300,000	1,300,000	1,300,000	-
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
Diff Secondary School	1,000,000		1,000,000		1,000,000
Burder Secondary School	2,000,000		2,000,000		2,000,000
Burder Secondary School	4,000,000		4,000,000	4,000,000	-
Sheikh Omaar Girls Secondary School	500,000		500,000	500,000	-
Sheikh Omaar Girls Secondary School	4,000,000		4,000,000	4,000,000	-
Sheikh Omaar Girls Secondary School	3,500,000		3,500,000	3,500,000	-
Sheikh Omaar Girls Secondary School	2,500,000		2,500,000	2,500,000	-
Sheikh Omaar Girls Secondary School	2,000,000		2,000,000	2,000,000	-
Sheikh Omaar Girls Secondary School	3,500,000		3,500,000	3,500,000	-
Sheikh Omaar Girls Secondary School	1,000,000		1,000,000		1,000,000
Sheikh Omaar Girls Secondary School	3,000,000		3,000,000	3,000,000	-
Abakore Mixed Day	1,000,000		1,000,000		1,000,000

**Reports and Financial Statements  
For the year ended June 30, 2020**

Secondary School								
Snr Chief Ogle Girls Secondary School	1,000,000				1,000,000			1,000,000
Burder Secondary School	795,000				795,000		795,000	-
Sheikh Omaar Girls Secondary School	795,000				795,000		795,000	-
Diff Secondary School	795,000				795,000		795,000	-
Leheley Primary School	795,000				795,000		795,000	-
Biyamthow day Boarding Secondary School	795,000				795,000		795,000	-
Inshaallah Secondary School	795,000				795,000		795,000	-
Abakore Mixed day Secondary School	795,000				795,000		795,000	-
Sabuli Mixed Secondary School	795,000				795,000		795,000	-
Habaswein Mixed Day Secondary School	795,000				795,000		795,000	-
Snr Chief Ogle Girls Secondary School	795,000				795,000		795,000	-
Habaswein Boys Secondary	795,000				795,000		795,000	-
Habaswein Boys Secondary	1,000,000				1,000,000		1,000,000	1,000,000
Sheikh Omar Girls Secondary School.pmc		2,500,000			2,500,000		2,500,000	-
Sheikh omar Girls Secondary School PMC		2,000,000			2,000,000		2,000,000	-
Sheikh omar Girls Secondary School PMC		280,000			280,000		280,000	-
Sheikh omar Girls Secondary School PMC		4,000,000			4,000,000		4,000,000	-
Sabuli Mixed Secondary School FMC		700,000			700,000		700,000	-
Abakore Mixed Secondary School FMC		300,000			300,000		300,000	-
Sheikh omar Girls Secondary School FMC		5,000,000			5,000,000		5,000,000	-
<b>9.0 Security Projects</b>					-		-	-
Diff Deputy County Commissioner	4,000,000				4,000,000		4,000,000	4,000,000
Salalma Assistant Chief	1,300,000				1,300,000		1,300,000	1,300,000

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

**Reports and Financial Statements  
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Office						
Aktalehel Chief Office	1,300,000		1,300,000			1,300,000
Leheley Police	1,800,000		1,800,000			1,800,000
Sabuli Deputy County Commissioner	2,000,000		2,000,000			2,000,000
Burder Assistant Deputy County Commissioner	2,125,000		2,125,000		2,125,000	-
Habaswein Deputy County Commissioner	3,500,000		3,500,000		3,325,000	175,000
<b>10.0 Acquisition of assets</b>			-			-
11.3 Purchase of furniture and equipment		2,035,640	2,035,640		2,035,640	-
11.4 Purchase of computers		67,860	67,860		67,860	-
<b>TOTAL</b>	<b>137,367,724</b>	<b>61,402,602</b>	<b>198,770,326</b>		<b>124,228,309</b>	<b>74,542,017</b>

## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Wajir 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 30<sup>th</sup> June 2020, 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.

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

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**For the year ended June 30, 2020**

**SIGNIFICANT ACCOUNTING POLICIES**

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**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.



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

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**SIGNIFICANT ACCOUNTING POLICIES**

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**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 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 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 2020.

**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**

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**For the year ended June 30, 2020**

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		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 B041073	1	55,040,876	
AIE NO B041242	2	4,000,000	
AIE NO B047766	3	5,000,000	
AIE NO B041350	4	18,000,000	
AIE NO B104181	5	15,000,000	
AIE NO B096517	6	26,000,000	
<b>TOTAL</b>		<b>123,040,876</b>	<b>108,784,483</b>

**2. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,140,800	1,960,121
Pension and other social security contributions (Gratuity)	21,000	85,992
Employer Contributions Compulsory national social security schemes	337,504	111,600
<b>Total</b>	<b>2,499,304</b>	<b>2,157,713</b>

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Allowances	4,359,000	3,367,000
Utilities, supplies and services	-	9,576
Water & Sewerage Charges		31,100
Domestic travel and subsistence	85,400	267,000
Printing, advertising and information supplies & services	-	250,000
Rentals of produced assets	375,000	740,000
Training expenses	1,000,000	-
Bank service commission and charges	28,105	20,000
Office and general supplies and services	1,186,200	27,890
Other operating expenses	-	300,000
Fuel , oil & lubricants	118,800	250,000
Routine maintenance – other assets	175,000	-
<b>Total</b>	<b>7,327,505</b>	<b>5,262,566</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	45,964,000	34,524,000
Transfers to secondary schools (see attached list)	46,515,000	23,987,050
<b>Total</b>	<b>92,479,000</b>	<b>58,511,050</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	952,000	9,777,000
Bursary – tertiary institutions (see attached list)	2,317,000	18,742,200
Security projects (see attached list)	5,450,000	3,800,000
Sports projects (see attached list)	-	3,714,000
Environment projects (see attached list)	2,000,000	-
Emergency projects (see attached list)	9,100,000	4,241,250
<b>Total</b>	<b>19,819,000</b>	<b>40,274,450</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Construction of Buildings	-	25,000
Purchase of Office Furniture and General Equipment	796,420	-
Purchase of ICT Equipment, Software and Other ICT Assets	203,580	-
Purchase of Specialised Plant, Equipment and Machinery	1,103,500	-
<b>Total</b>	<b>2,103,500</b>	<b>25,000</b>

**7. BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>First Community Bank, Wajir Branch. Wajir South NG-CDF-A/C no.0009535102</i>	5,174,293	6,361,727
<b>Total</b>	<b>5,174,293</b>	<b>6,361,727</b>

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

**Reports and Financial Statements  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	6,361,727	3,783,023
<b>Total</b>	<b>6,361,727</b>	<b>3,783,023</b>

**9. OTHER IMPORTANT DISCLOSURES**

**9.1: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,642,652.32	3,149,894
Use of goods and services	4,273,454.34	6,751,725
Amounts due to other Government entities (see attached list)	34,660,000	36,802,135
Amounts due to other grants and other transfers (see attached list)	32,965,911	10,180,908
Acquisition of assets	-	3,840,913
Others ( <i>specify</i> )	-	677,027
<b>Total</b>	<b>74,542,017</b>	<b>61,402,602</b>

**9.2: PMC account balances (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	2,200,917	122,628
<b>Total</b>	<b>2,200,917</b>	<b>122,628</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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**ANNEX 1 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Salaries & Gratuity	2,642,652.32		
Use of goods & services	Office & committee Expenses	4,273,454.34		
<b>Amounts due to other Government entities</b>				
Diff Primary School	Construction of two classrooms	2,100,000		
Gerille Primary School	Construction of Two door pit latrine	300,000		
Welgaras Primary School	Construction of Two door pit latrine	300,000		
Gulettere Primary School	Construction of One classroom	1,000,000		
Alangonder Primary School	Construction of one classroom	1,300,000		
Ibrahim ure Primary School	Construction of a 70 bed Dormitory	3,300,000		
Elado Primary School	Renovation of four classrooms	1,400,000		
Ohiyo Primary School	Construction of one classroom- and Two door pit latrine	1,300,000		
Banane-shantatal Primary School	Construction of one Classroom	1,000,000		
Lambaraha Primary School	Construction of one Classroom	1,000,000		
Sarif Primary School	Construction of Two door pit	1,000,000		



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	latrine - a Kitchen and store			
Dalsan Primary School	Construction of two classrooms	2,000,000		
Shimbirbul Primary School	Renovation of two classrooms	700,000		
Waregder Primary School	Construction of one classroom- and Two door pit latrine	1,300,000		
Qanjara Primary School	Construction of two classroom-	100,000		
Kibilay Primary School	Construction of two classrooms	2,000,000		
Bula Juu Primary School	Construction of two	2,000,000		
Tesorie Primary School	Construction of 3 teachers houses	1,300,000		
Habaswein Primary School	Renovation of four classrooms	1,400,000		
Abakore Primary School	Renovation of two classrooms	700,000		
Dadajabula Primary School	Renovation of two classrooms	700,000		
Getwap Primary School	Construction of one classroom/toilets	1,350,000		
<b>SECONDARY SCHOOL PROJECTS</b>				
Diff Secondary School	Construction of a school Kitchen	1,000,000		
Burder Secondary School	Construction of two classrooms	2,000,000		
Sheikh Omaar Girls Secondary School	Purchase of 70	1,000,000		

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

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Abakore Mixed Day Secondary School	Double Decker metallic beds	1,000,000		
Snr Chief Ogle Girls Secondary School	Construction of one	1,000,000		
Habaswein Boys Secondary	Construction of a school Kitchen	1,000,000		
Hubsoy Primary School-ogle10	Computer Laboratory	110,000		
	Classrooms retention			
	<b>Sub-Total</b>	<b>34,660,000.00</b>		
	<b>Amounts due to other grants and other transfers</b>			
Emergency	Unforeseen occurrences	241		
<b>BURSARY</b>				
Bursary Secondary School	fees	3,943,212.71		
Bursary Tertiary School	Fees	17,833,000.		
Sports Activities	Tournament	514,457		
Environmental Activities	Trees Planting	100,000		
Diff Deputy County Commissioner	Construction of offices	4,000,000		
Salalima Assistant Chief Office	Chief office	1,300,000		
Aktalehel Chief Office	Chief office	1,300,000		
Leheley Police	Offices/armoury room	1,800,000		
Sabuli Deputy County Commissioner	offices	2,000,000		
Habaswein Deputy County Commissioner	Fence wall	175,000		
	<b>Sub-Total</b>	<b>32,965,910.64</b>		
	<b>Sub-Total</b>	<b>74,542,017.30</b>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY**  
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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Sub-Total		74,542,017.30		
Grand Total		74,542,017.30		

**NATIOAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR SOUTH CONSTITUENCY**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	NOT VALUED			
Buildings and structures	6,800,000			6,800,000
Office equipment, furniture and fittings	1,690,640	359,030		2,049,670
ICT Equipment, Software and Other ICT Assets	885,500	640,970		1,526,470
Other Machinery and Equipment	380,000	1,103,500		1,483,500
<b>Total</b>	<b>9,756,140</b>	<b>2,103,500</b>		<b>11,859,640</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR  
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**ANNEX 2–PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Sheikh Omar Girls Secondary School	Equity	1360279706036	2,198,110	
Sheikh Omar Girls Secondary School	FCB	8001094401	1,807	
Burder Security PMC	FCB	8001143701	1,000	
<b>Total</b>			<b>2,200,917</b>	

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

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**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)
1.0	<p><b>Unspent Funds – Kshs. 6,361,727</b> Included in the summary statement of appropriation are 2018/2019 financial year actual receipts from NGCDF Board totaling Kshs. 112,567,506 against approved amount totaled Kshs. 167,608,381 thus falling short of the budget for the year by Kshs. 55,040,875.</p> <p>During the financial year ended 30 June 2019, the NGCDF Wajir South had an unspent fund in their bank totaling Kshs. 6,361,727 as shown in the statement of Assets and Liabilities which the Fund did not utilize fully</p>	<p><input type="checkbox"/> The Kshs55,040,875 reported report as shortfall of constituency disbursement was occasioned by generally a slow disbursement of funds from treasury to national government constituency development fund Board . The NG-CDF Board disburse fund immediately to constituencies when they received from national treasury</p> <p><input type="checkbox"/> The unutilized fund of Kshs6,361,727 reported in financial statements were component of compensation of employees/Service gratuity, Goods and services , committee allowances which can only be utilized as need arises</p>	Fund Account Manager	Resolved	

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

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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)
2.0	<p><b>Transfer to Other Government Entities</b> Disclosed under note 6 to the financial statements are transfers to other government entities amounting to Kshs. 58,511,050 audit examination of payment vouchers and other supporting documents revealed the following anomalies: -</p> <p>A. Procurement of Secondary School Projects - Kshs. 11,577,000 During the year under review, National Government Constituency Development Fund – Wajir South disbursed Grants totaling Kshs. 23,987,050 to various Project Management Committees (PMCs) for renovation of classrooms and laboratories, installation of laboratory fittings, purchase and supplies of</p>	<p>I. The errors and omissions in the project management file(s) noted by the audit review are due low understanding of procurement procedures /requirements. These omissions are just an oversight. However, on scrutiny of mentioned file, we have noted the head teacher who is also a secretary to the PMC had signed and stamped the pages of BQs. The margin of errors and omissions of the PMCs have greatly improved over years as we have been capacity building PMCs on every financial year. The NG-CDF Committee will ensure continuous support and training of the PMCs so to minimize such errors</p> <p>II. Before payments are made to the contractors the NG-CDF committee with the technical officers do a routine monitoring and evaluation to ascertain the</p>	Fund Account Manager	Resolved	

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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)
	<p>laboratory equipment, desk and drilling of boreholes in various secondary schools within the Constituency. However, review of payment vouchers and project files among other records revealed the grant totaling Kshs. 11,577,000 had following anomalies: -</p> <p>i. In some cases, the BQs of the winning bidder was not properly filled as it was not dated, signed and stamped by the bidders, further tender opening committee did not append their signature on the tender documents as required by the law. further, the summary page of the BQs were not witnessed and also signed by the evaluation committees.</p> <p>ii. Some of the payments were not supported with Inspection and Acceptance Committee report that verify the</p>	<p>progress of the projects based on this report the NG-CDF Committee authorizes payment of projects. Herewith provided copy of M&amp;E report</p> <p>III. The only mandatory compliance document as per the set criteria for evaluation in all projects was duly filled, signed and stamped business questionnaire form and this was provided in all projects files</p> <p>IV. As per NG-CDF ACT section 27(1) all project were proposed by the community. Herewith provided a copy of ward forum reports. The furniture were verified and received by respective head teacher of each Secondary school. Attached copies of signed and stamped goods received note</p> <p>V. The engineer usually prepares quantified BQs which indicates the market rates of each item for every</p>			



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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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)
	<p>condition of the project before payments were made contrary to the requirement of section 48(3) c of Public Procurement and Disposal Act, 2015.</p> <p>iii. Mandatory compliance document such as signed and stamp form of tender was not also provided for all projects though it's part of mandatory criteria for evaluation of tender.</p> <p>iv. Grants disbursement of Kshs. 6,300,000 for the purchase and supply of various office furniture were not supported with requisition letters from the respective schools on the needs for the tables, metallic cabinet, executive chair, executive tables and metallic fabric chairs. Further, the furniture's supplied were not received by the schools</p>	<p>project. This is the basis the PMCs use to evaluate bidders pricing. However, these BQs are in place with respective PMCs and can be verified .</p> <p>The NG-CDF Committees will instruct all PMCs in future to avail the Quantified BQs by the engineers together with project files</p> <p>I. Payments certificates are mainly used in construction projects as the document verified by the resident engineer to keep account of the work completed and approved by the contractor. All projects files were supported with these documents therefore invoices were deemed immaterial</p> <p>II. The NG-CDF Committee through a minute resolution ref NG-CDFC/Wajir South/3/07/018 and</p>			

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	<p>vide counter receipt vouchers</p> <p>v. It was also noted that there was no cost estimate prepared by engineer to act as a guide to the evaluation committees on determining as to whether the bidders quoted price were reasonable thus without engineers estimates the tenders could have been awarded at inflated price.it was therefore not clear how the fund arrive at the figure.</p>	<p>subsequent letter from Fund account manager have instructed PMCs to use Wajir county prequalified list of suppliers/contractors. The PMCs were using the attached document. There is no qualified procurement officer by the national government stationed in the constituency, considerably where the project managements committees can liaise for professional opinions. The NG-CDF committee are planning to mitigate this by employing a qualified procurement officer to help the PMCs onward</p> <p>III. The omission was just an oversight, herewith provided a copy of minutes</p> <p>IV. The omission was just an oversight, herewith provided copies of certificate</p> <p>i. The bursary sub-committees are mandated to do bursary applications vetting. During vetting</p>			
5.0	Other Grants and Other Payments - Kshs. 16,075,000		Fund Account Manager	Resolved	

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	<p>Disclosed under note 7 to the financial statements are other grants and other payments amounting to Kshs. 40,274,450 transferred to various Project Management Committees for bursaries and implementation of various security, environmental and emergency projects within the Constituency. Audit examination of payment vouchers and other supporting documents revealed the following anomalies</p> <p>A. Bursary for Tertiary Institutions - Kshs.6,325,000</p> <p>Grants and other payments balance of Kshs. 18,742,200 as disclosed in Note 7 to the financial statement is an expenditure on bursary to tertiary institutions. Audit Examination of payment</p>	<p>applicants are checked on proof of residency, family financial background, orphan, disability and many other such criteria can only be evaluated by the sub-committees who are residents. The sub-committees invited district education office to the meeting but due other engagements could not attend the meetings. The bursary sub-committee made a recommendations through a minute resolution that was effected, the list of beneficiaries was signed and endorsed by the chairman of committee in line with sub-committee recommendations</p> <p>ii. The office maintains a bursary register, however. The register was not among requisite documents in the management representation letter and couldn't be provided during audit review as the exercise was carried</p>			

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	<p>vouchers and other records amounting to Kshs. 6,325,000 revealed the following anomalies</p> <p>i. The bursary sub-committee established did not incorporate two other members of whom one must be an area education officer or a representative of the ministry of education as required by NG- CDF Board circular ref Vol 1/111 dated 13th September 2010. Further, there was no report shown that the NG-CDF ratified the list of beneficiaries forwarded by the bursary sub-committee as required by the same circular. No reason has been provided for not adhering to the guideline issued by the NG-CDF Board which come to effect on 2010.</p> <p>ii. National Government Constituencies Development Fund</p>	<p>out outside the station. provided herewith copy of bursary register</p> <p>iii. 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 Most of the acknowledgments receipts and making effort to get the others. Herewith provided copies of acknowledgment receipts</p>			

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	<p>Management did not maintained register to record bursary application forms issued and received back.</p> <p>iii. Out of the Kshs. 18,225,200 paid as bursaries to the needy students, an amount of Kshs. 6,325,000 had not been acknowledged through 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 and that the funds were awarded to needy students.</p>				
	<p><b>B. Secondary School Bursary Expenses – Kshs. 9,750,000</b> Examination of payment vouchers and acknowledgement file revealed that the NG-CDF Wajir South Constituency disbursed a</p>	<p><input type="checkbox"/>The omission was just an oversight, herewith provided a copy of minutes</p>	Fund Account Manager	Resolved	

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	<p>sum of Kshs. 9,750,000 in respect of bursaries to beneficiaries in various secondary learning institutions. However, records on establishment of vetting committees, its minutes/ report to show procedures followed in awarding the bursary and minutes of resolution of the CDFC to make the payment were not made available for audit verification. The propriety of the bursary expenditure totaling Kshs. 9,750,000 could not be confirmed.</p>				
<p><b>C. Unaccounted for Emergency Funds</b> Included in the other grants and other payments balance of Kshs. 40,274,450 as disclosed in Note 7 to the financial statement is an expenditure of Kshs. 4,241,250 spent on emergency projects out of which Kshs. 1,241,250 was not properly supported as follows. i. A bulk fuel register to record the fuel purchased was not updated and detail order and work tickets for fuel amounting to Kshs.</p>	<p>I. Provided herewith copy updated emergency fuel register II. Provided herewith copies waybill for water trucking services III. The reporting was done through project implementation status report that's reported on quarterly basis to</p>	Fund Account Manager	Resolved		

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	<p>500,000 was not provided for audit review.</p> <p>ii. There were no water tracking schedules/acknowledgment letter signed by either chief, local elders or water supplies officer as an evidence of the delivery of water to various centers.</p> <p>iii. There was also no evidence availed to confirm that the utilization of the emergency fund was also reported to the board within thirty days of the occurrence as required by Section 20 sub section (2) of the NG-CDF Regulation, 2016.</p>	<p>the board. Provided a copy of PISR</p>			
4.0	<p><b>Summary of Fixed Asset Register</b></p> <p>Scrutiny of financial statement presented for audit revealed that NGCDF-Wajir South declared a total asset at cost value Kshs.9,826,140 but the Fixed Asset Register presented for audit review does not indicated a cost value of</p>	<p>➤ The fixed asset presented for audit was not updated. provided herewith updated fixed assets register</p>	Fund Account Manager	Resolved	

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	Kshs.9,801,140 resulting in a difference of Kshs.25,000. In addition, the Fixed Asset Register does not indicate categories of assets as Land, Transport Equipment, Office Equipment, Furniture and Fittings as summarized in the annex 4 of the summary of fixed asset register attached to the financial statements.				