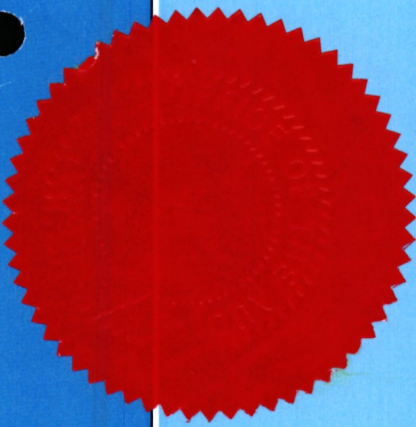
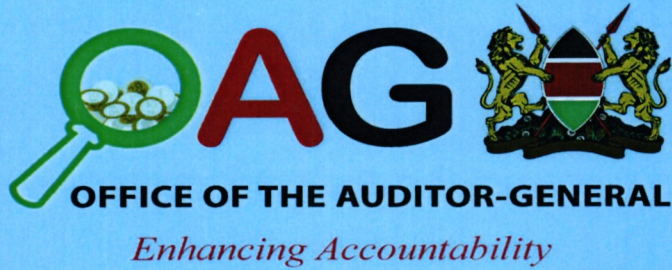


REPUBLIC OF KENYA



REPORT

PARLIAMENT
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THE NATIONAL ASSEMBLY	
P. 1	
DATE: 23 NOV 2022	DAY: Wednesday
TABLED BY: Majority Whip	
CLERK-AT-THE-TABLE: Christine	

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



WAJIR EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. Patriotism – we uphold the national pride of all Kenyans through our work
2. Participation of the people- We involve citizens in making decisions about programmes we fund
3. Timeliness – we adhere to prompt delivery of service
4. Good governance – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. Sustainable development – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	ABDISALAN BILLOW ABDI
2.	Sub-County Accountant	RASHID AHMED MOHAMED
3.	Chairman NGCDFC	HASSAN KASAI AHMED
4.	Member NGCDFC	AMINA AHMED ADAN

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Fiduciary Oversight Arrangements

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

a)Wajir east Constituency NGCDF Headquarters
P.O. Box 417-70200 ,
Opposite Wajir County Commissioners Office ,
Along Wajir –Garissa Highway

b)Wajir , KENYA Wajir East Constituency NGCDF Contacts
Telephone: (254) 708581358
E-mail: cdfwajireast@ngcdf.go.ke
Website: www.go.ke

c)Wajir East Constituency NGCDF Bankers
Kenya Commercial Bank
WAJIR EAST NGCDF
A/C NO. 1105254224
WAJIR BRANCH

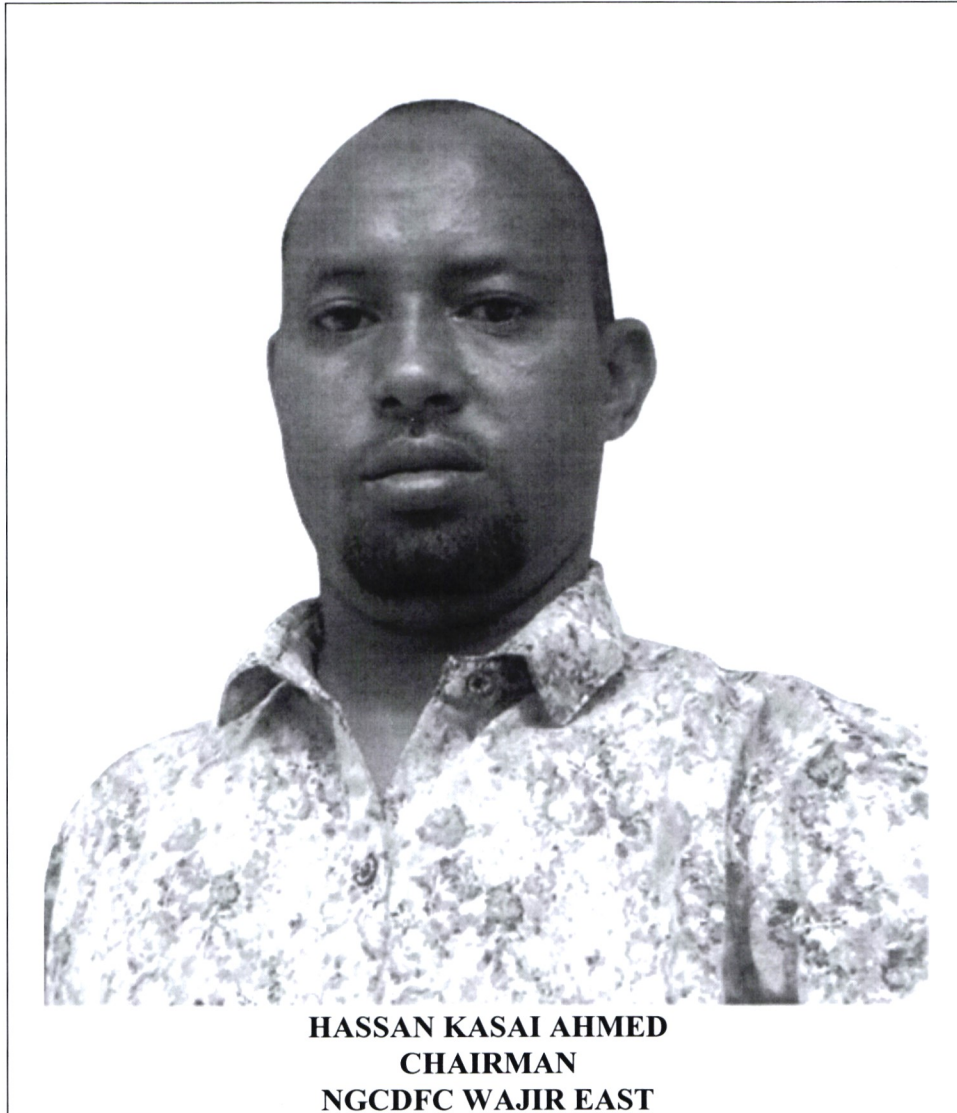
d) Independent Auditors

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

e)Principal Legal Adviser

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

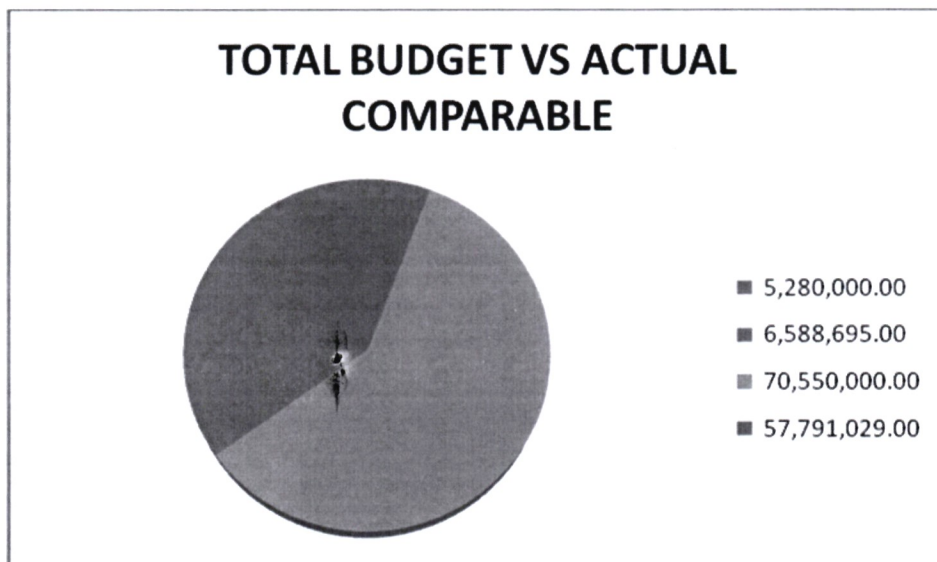
II. NG-CDFC CHAIRMAN'S REPORT



The Wajir East NGCDFC Presents in its financial statements a summary of the budget performance against actual amounts for current year based on economic classification and programs. The Wajir East NG-CDF have improved the Education and Security infrastructures However, there have been emerging political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project including the covid-19 pandemic. Other issues that affected the project implementation process included the late disbursement of funds and time lapse to approval of projects. However, NG CDF Wajir East managed to perform satisfactorily well in terms of ensuring development programs are undertaken despite the said challenges. Attached are pictorial representation of projects and a bar graph of approved budget against the actual expenditure and the absorption rate per expenditure categorization as incurred through the financial year 2020/2021.

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

During the year under review Wajir East NGCDF was allocated kshs 137,088,879 , the absorption rate stands at 66.8% the of funds ,the absorption rate was low due to late disbursement of funds by the NGCDF board and corona pandemic which has engulfed the country that slowed projects implementations .The funds disbursement was erratic and slow due the corona effect on the national economy .



For the Financial year under review against an allocated amount of Kenya kshs 137,008,769,kshs 88,080,000 was received that is approximately 64% fund before the closure of the financial year ,These and many other challenges are become impediment to the smooth implementation across the constituency .

Below are the images of project implemented by Wajir East NGCDF.



Signature

**HASSAN KASAI AHMED
CHAIRMAN NGCDF COMMITTEE**

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S
PREDETERMINED 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 key development objectives of Wajir East Constituency 2018-2022 plan are to:

- a) To mobilise more resources for community development.
- b) To improve school infrastructures to provide better learning environment.
- c) To increase Youth and Woman participation in development through sports and environment activities.
- d) To build capacity of the community to implement development projects.
- e) To address human resources deficiencies in the constituencies through bursary allocations both to secondary and tertiary institutions
- f) To improve security in the constituencies through development of security infrastructures.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all 	In FY 20/21 -we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per

Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

			levels	the attached schedules
Security	To improve security in the constituency	Increased construction of security infrastructures in the constituency	-The number of usable physical infrastructures built in the Police camps,DCC offices, chiefs office	In the Fy 2020/2021 we increased the number of police staff quarters ,Dcc Offices and residence, equipping of Dcc offices and residence ,construction of concrete walls
Environment	Improve the environment in the areas	Increased supply of tree seedling to various schools and security offices ,supply and installations of energy saving jikos	The numbers of seedlings supplied and trees planted .The number of usable energy saving jikos to schools	In the Fy 2020/2021 the number of tree planted and energy saving jikos supplied was increased.
Sports	Improve sports and youth Development in the constituency .	Increased supply of sports kitty to secondary and primary schools school	The numbers of school tournament and supply of sports kitty to schools in the constituency /	In the FY 2020/2021 increased the number of schools tournament and supply of sports kitty.
Emergency	Improve the emergency interventions in the constituency.	Increased number of emergency interventions including water trucking to schools, renovations of windblown roofs and supply of fuel subsidies to school boreholes.	The number of emergency interventions.	In the FY 2020/2021 increased water trucking, supply of fuel subsidies to schools and renovations of windblown roofs to schools classrooms.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Wajir East NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2020/2021 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

2. Environmental performance

- Wajir East NGCDF often supported students carry out environmental conservation activities e.g planting trees once in an academic calendar. This is environmental awareness is done on quarterly basis on every financial year .We make an agreements with the school to water and manage the supplied seedlings to avoid the premature death of the young plants .
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF. Wajir East NGCDF does youth somatisation on drugs abuse on quarterly basis and the same report is shared with the regional coordinator.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. Wajir East constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Wajir east constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Wajir East NGCDF Constituency is committed to fair and ethical market practises. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

5. Community Engagements-

Wajir East NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Wajir 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, 2021. 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 East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Wajir East Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Wajir East Constituency financial statements were approved and signed by the Accounting Officer on 10th September 2021.



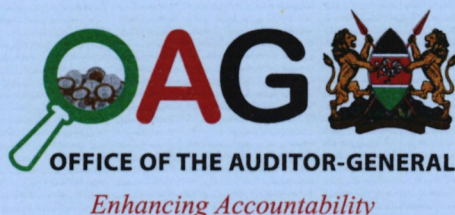
**Chairman NGCDF Committee
Name: Hassan Kasai Ahmed**



**Fund Account Manager
Name: Abdisalan Billow Abdi**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir East Constituency set out on pages 14 to 41, which comprise of the statement of financial assets and liabilities as at 30 June, 2021 and

the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Wajir East Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Emergency Expenses

The statement of receipts and payments reflects an amount of Kshs.57,791,029 under other grants and transfers as disclosed in Note 5 to the financial statements. Included in the amount is an expenditure of Kshs.5,720,000 on emergency projects. However, review of the project files and other tender documents revealed the following anomalies:

- i. Payments for water tracking services amounting to Kshs.1,600,000 were not supported with delivery notes, LSO, Invoices and quotations. It was therefore not possible to confirm how the water tracking services were procured. Further, there were no water tracking schedules or acknowledgment letters signed by head teachers as evidence of the delivery of water to various schools.
- ii. Payments for fuel worth Kshs.350,000 were not supported with delivery notes, LSO, invoices and quotations. It was therefore not possible to confirm how the fuel was procured and utilized.
- iii. There were no minutes of approval for utilization of emergency funds from the Constituency Committee. Further, no evidence was provided to confirm that the utilization of the emergency funds was reported to the Board within thirty (30) days of the occurrence as required by Section 20(2) of the National Government Constituencies Development Committee Regulations, 2016.
- iv. The emergency expenditure was not supported with minutes of the Constituency Committee contrary to the requirement of Section 12(5) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the accuracy and regularity of other grants and transfers of Kshs.57,791,029 could not be confirmed.

2. Casting Errors in the Financial Statements

Review and recasting of the financial statements revealed casting errors as analyzed in the table below:

Details	Figure as per Annex 1 and 3	Correct Figure after Recasting	Variance
	Kshs.	Kshs.	Kshs.
Sub-totals for compensation of employees, committee expenses and use of goods and services – 2019/2020	598,522	593,044	5,478
Sub-total for amounts due to other Government entities for 2020/2021	51,292,326	52,160,501	(868,175)
Sub-total for amounts due to other grants and other transfers – 2020/2021	14,244,140	15,406,212	(1,162,072)
Sub-total for amounts due to other grants and other transfers – 2019/2020	33,778,995	33,797,416	(18,421)
total PMC account balance for 2019/2020 at Annex 3	89,351	77,061	12,290

In the circumstances, the accuracy of balances presented in Annex 1 and Annex 3 could not be confirmed.

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 East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.209,816,907 and Kshs.140,179,724 respectively resulting to an under-funding of Kshs.69,637,183 or 33% of the budget. Similarly, the Fund spent Kshs.140,179,724 against an approved budget of

Kshs.209,816,907 resulting to an under-expenditure of Kshs.69,637,183 or 33% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Projects Implementation Status

During the year under review, the Fund budgeted to implement a total of one hundred and eight (108) projects comprising of seventy (72) on education, eighteen (18) on security, fifteen (15) on environment, one (1) on sports and two (2) under other categories. Out of the planned projects in various categories, the Fund managed to complete seventy-three (73) out of the one hundred and eight (108) projects approved for implementation during the year under review.

Non-implementation of development projects may have negatively affected service delivery to the public.

3. Unresolved Prior Year Matters

In the audit report of the previous year, a number of issues were raised under the Report on Financial Statements. However, Management has not resolved the issues nor disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Transfers to Secondary Schools

The statement of receipts and payments reflects an amount of Kshs.70,550,000 under transfers to other government units as reflected in Note 4 to the financial statements. Included in the amount is Kshs.26,870,000 transferred to Project Management Committees for implementation of projects in various secondary schools. However, review of payment records and project files among other records revealed that grants totalling to Kshs.9,335,000 had the following anomalies:

- i. Contracts amounting Kshs.2,435,000 were awarded to contractors who did not satisfy the mandatory requirements for award of the contracts as they did not have

valid business permits and valid tax compliance certificates as required by the evaluation criteria of the tenders.

- ii. Project files for projects amounting Kshs.4,035,000 provided for audit did not contain tender documents such as confidential business questionnaires, form of tender, tender questionnaires and handing 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.
- iii. Contracts amounting to Kshs.9,335,000 and awarded by Project Management Committees were not supported with procurement professional opinion as required by Section 84(1) of the Public Procurement and Asset Disposal Act, 2015.
- iv. Contracts amounting to Kshs.5,000,000 in respect of supply and delivery of chairs, lockers, bed and mattresses supplied to various schools were not supported with delivery reports, waybills or acknowledgement letter from the institution confirming the receipt of the items.
- v. Tender opening registers were not maintained by the Project Management Committees as required under Section 78(6) of the Public Procurement and Asset Disposal Act, 2015.

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

2. Security Projects

The statement of receipts and payments reflects an amount of Kshs.57,791,021 under other grants and transfers as reflected in Note 5 to the financial statements. Included in the amount of Kshs.27,335,000 transferred to Project Management Committees for implementation of security projects. However, review of payment records and project files among other records revealed that expenditure totalling to Kshs.8,850,000 on security projects had the following anomalies:

- i. There were no notification letters of regrets in the project files sent to unsuccessful bidders. This is contrary to the provisions of Section 87(3) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that when a person submitting the successful tender is notified under sub-section (1), the accounting officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof
- ii. Project files provided for audit did not contain tender documents such as confidential business questionnaires, form of tender, tender questionnaires and handing over reports. It was therefore not possible to confirm whether the projects were procured in accordance with the provisions of the Public Procurement and Asset Disposal Act, 2015.

- iii. Contracts awarded by Project Management Committees were not supported with a professional opinion contrary to the requirement of Section 162 of the Public Procurement and Asset Disposal Act, 2015.
- iv. Tender opening register was not maintained as required under Section 78(6) of the Public Procurement and Asset Disposal Act, 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Ownership Documents

Annex 2 to the financial statements on summary of fixed assets register reflects historical cost of land of Nil balance. Further, the Fund does not have a title deed or allotment letter as evidence of ownership. Lack of ownership documents for the land may expose the land to threats of grabbing. In addition, the parcel of land is not registered contrary to the provisions of Regulation 139(1)(a) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances the ownership of the parcel of land could not be confirmed.

2. Failure to Value the Assets

Annex 2 to the financial statements on summary of fixed assets register reflects historical cost of assets owned by the Fund of Kshs.8,686,941. Review of the maintained assets register revealed that most of the assets were acquired more than ten (10) years ago. However, the assets in question have not been revalued since acquisition contrary to the requirement by International Public Sector Accounting Standards.

In the circumstances, it was not possible to confirm whether the historical cost of assets reflected in the financial statements represents the fair value of those assets.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its 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 terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund'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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

20 September, 2022

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	160,767,724	83,760,000
TOTAL RECEIPTS		160,767,724	83,760,000
PAYMENTS			
Compensation of employees	2	5,280,000	4,983,827
Use of goods and services	3	6,558,695	5,185,609
Transfers to Other Government Units	4	70,550,000	49,383,684
Other grants and transfers	5	57,791,029	25,047,500
TOTAL PAYMENTS		140,179,724	84,600,620
SURPLUS/(DEFICIT)		20,588,000	(840,620)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir East Constituency financial statements were approved on 30th September 2021 and signed by:



Fund Account Manager

**Name: ABDISALAN
BILLOW**



**National Sub-County
Accountant**

**Name: RASHID AHMED
ICPAK M/No:17483**



**Chairman NG-CDF
Committee**

**Name: HASSAN KASAI
AHMED**

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	6	20,628,304	40,304
Total Cash and Cash Equivalents		20,628,304	40,304
TOTAL FINANCIAL ASSETS		20,628,304	40,304
REPRESENTED BY			
Fund balance b/fwd	7	40,304	880,923
Surplus/Deficit for the year	8	20,588,000	(840,620)
NET FINANCIAL POSITION		20,628,304	40,304

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir East Constituency financial statements were approved on 30th September 2021 and signed by:



Fund Account Manager
Name: ABDISALAN
BILLOW



**National Sub-County
Accountant**
Name: RASHID AHMED
ICPAK M/No: 17483



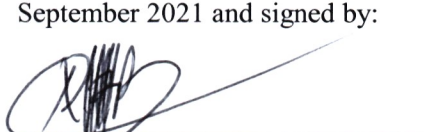
**Chairman NG-CDF
Committee**
Name: HASSAN KASAI
AHMED

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

IX. STATEMENT OF CASH FLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	160,767,724	83,760,000
Total receipts		160,767,724	83,760,000
Payments for operating activities			
Compensation of Employees	2	5,280,000	4,983,827
Use of goods and services	3	6,558,695	5,185,609
Transfers to Other Government Units	4	70,550,000	49,383,684
Other grants and transfers	5	57,791,029	25,047,500
Total payments		140,179,724	84,600,620
Total receipts less Payments		20,588,000	(840,620)
Cash flow from operating activities		20,588,000	(840,620)
Net cash flows from operating Activities		20,588,000	(840,620)
Cash flow from investing activities		-	-
Net cash flow from investing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	8	20,588,000	(840,620)
Cash and cash equivalent at BEGINNING of the year	7	40,304	880,923
Cash and cash equivalent at END of the year	6	20,628,304	40,304

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Wajir East Constituency financial statements were approved on 10th September 2021 and signed by:



Fund Account Manager
Name: ABDISALAN
BILLOW



National Sub-County
Accountant
Name: RASHID AHMED
ICPAK M/No:17483



Chairman NG-CDF
Committee
Name: HASSAN KASAI
AHMED

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget a	Adjustments B		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021			2020/2021	30/06/2021		
		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	40,304	72,687,724	209,816,907	140,179,724	69,637,183	67%
TOTALS	137,088,879	40,304	72,687,724	209,816,907	140,179,724	69,637,183	67%
PAYMENTS							
Compensation of Employees	5,280,000	0.00	0.00	5,280,000.00	5,280,000	0.00	100.0%
Use of goods and services	5,747,125.81	40,304	801,512	6,588,941.81	6,558,695	30,246.81	100.0%
Transfers to Other Government Units	67,220,076.50	0.00	54,622,250.2	121,842,326.7	70,550,000	51,292,326.7	58%
Other grants and transfers	54,771,206.9	0.00	17,263,961.8	72,035,168.7	57,791,029	14,244,139.7	80%
Other Payments	4,070,470.00	0.00	0.00	4,070,470.00	-	4,070,470.00	0.0%
TOTALS	137,088,879	40,304	72,687,724	209,816,907	140,179,724	69,637,183	66.8%

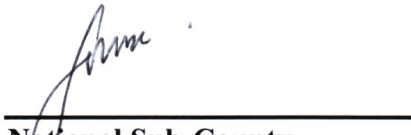
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	69,637,183
Less undisbursed funds receivable from the Board as at 30 th June 2021	49,008,879
	20,628,304
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	20,628,304


The NGCDF-Wajir East Constituency financial statements were approved on 10th September 2021 and signed by:



Fund Account Manager
Name: ABDISALAN
BILLOW



National Sub-County
Accountant
Name: RASHID AHMED
ICPAK M/No: 17483



Chairman NG-CDF
Committee
Name: HASSAN KASAI
AHMED

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,280,000.00	0	0	5,280,000.00	5,280,000.00	0
1.2 Committee allowances	1,442,000.00	0	0	1,442,000.00	1,442,000.00	0
1.3 Use of goods and services	1,000,005.00	40,304.00	801,512.00	1,841,821.00	1,841,819.45	1.55
SUB TOTALS	7,722,005.00	40,304.00	801,512.00	8,563,819.45	8,563,819.45	1.55
2.0 Monitoring and evaluation						
2.1 Capacity building	1,769,479.31	0	0	1,769,479.31	1,769,479.31	0
2.2 Committee allowances	535,645.50	0	0	535,646.50	505,396.24	30,250.26
2.3 Use of goods and services	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
SUB TOTALS	3,305,120.81	0.00	0.00	3,305,125.81	3,274,875.55	30,250.26
3.0 Emergency						
3.1 Primary Schools	7,192,206.90	0	0	7,198,241.38	5,720,000.00	1,478,241.38
SUB TOTALS	7,192,206.90	0.00	0.00	7,198,241.38	5,720,000.00	1478241.38
4.0 Bursary and Social Security						
4.2 Secondary Schools	10,979,000.00	0	0.00	10,979,000.00	10,979,000.00	0
4.3 Tertiary Institutions	10,000,000.00	0	0.00	10,000,000.00	10,000,000.00	0
SUB TOTALS	20,979,000.00	0.00	0.00	20,979,000.00	20,979,000.00	0
5.0 Sports	2,400,000.00	0	0	2,400,000.00	1,037,029.00	1,362,971
6.0 Environment	2,700,000.00	0	73,961.80	2,773,961.80	2,720,000.00	1,210,000
SUB TOTALS	5,100,000.00	0.00	73,961.80	5,173,961.80	3,757,029.00	2,572,971
7.0 Primary Schools						

**Wajir East Constituency
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Projects									
7.1 Catholic Primary School	600,000.00	0	0	0	600,000.00	0	0	600,000.00	600,000
7.2CatholicSpecialbPrimary Sch.	400,000.00	0	0	0	400,000.00	0	0	400,000.00	400,000
7.3 Gumaray Primary School	1,600,000.00	0	0	0	1,600,000.00	0	0	1,600,000.00	1,600,000
7.4 Hodhan Primary School	3,200,000.00	0	0	0	3,200,000.00	0	3,040,000.00	3,040,000.00	160,000
7.5 Jugbaru Primary School	3,200,000.00	0	0	0	3,200,000.00	0	3,040,000.00	3,040,000.00	160,000
7.6 Konton Primary School	1,200,000.00	0	0	0	1,200,000.00	0	1,200,000.00	1,200,000.00	0
7.7 lambib Primary School	1,400,000.00	0,00	0	0	1,400,000.00	0	1,400,000.00	1,400,000.00	0
7.8 Qarsa Primary School	1,800,000.00	0	0	0	1,800,000.00	0	1,000,000.00	1,000,000.00	800,000
7.9 Township Primary School	3,200,000.00	0	0	0	3,200,000.00	0	3,040,000.00	3,040,000.00	160,000
8.0 Volunteer Primary School	1,500,000.00	0	0	0	1,500,000.00	0	1,500,000.00	1,500,000.00	1,500,000
8.1 Waberi Primary School	1,000,000.00	0	0	0	1,000,000.00	0	1,000,000.00	1,000,000.00	1,000,000
8.2 Wajir Girls Primary School	900,000.00	0	0	0	900,000.00	0	900,000.00	900,000.00	900,000
8.3 Ahmed Liban Primary school	1,600,000.00	0	0	0	1,600,000.00	0	1,600,000.00	1,600,000.00	1,600,000
8.3 Bahati Primary School	800,000.00	0	622,250.20	0	1,496,212.00	1,496,212.00	1,496,212.00	1,496,212.00	0
8.4Balatwein Primary School	1,600,000.00	0	0	0	1,600,000.00	0	1,600,000.00	1,600,000.00	1,600,000
8.5Handaki Primary School	900,076.56	0	0	0	900,076.56	0	900,076.56	900,076.56	900,076.56
8.6 Makaror Primary School	900,000.00	0	0	0	900,000.00	0	523,788.00	523,788.00	376,212
8.7 Township Primary School	900,000.00	0	0	0	900,000.00	0	900,000.00	900,000.00	900,000
8.8 Catholic Primary School	3,300,000.00	0	0	0	3,300,000.00	0	3,300,000.00	3,300,000.00	3,300,000
8.9 Catholic Special Pry School	3,600,000.00	0	0	0	3,600,000.00	0	3,600,000.00	3,600,000.00	3,600,000
9.0 Halanle Primary School	2,600,000.00	0	0	0	2,600,000.00	0	2,600,000.00	2,600,000.00	2,600,000
9.1 Afarshanle Primary School	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000.00	1,800,000.00	1,800,000
9.2 Balatwein Primary School	1,200,000.00	0	0	0	1,200,000.00	0	1,200,000.00	1,200,000.00	1,200,000
9.3 Catholic Primary School	4,700,000.00	0	0	0	4,700,000.00	0	4,700,000.00	4,700,000.00	4,700,000
9.4 Volunteer Primary School	1,200,000.00	0	0	0	1,200,000.00	0	1,200,000.00	1,200,000.00	1,200,000
9.2Riba primary School	0	0	1,500,000.00	0	1,500,000.00	1,500,000.00	1,425,000.00	1,425,000.00	75,000

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
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9.3 Qahira Primary School	0	0	1,600,000.00	1,520,000.00	1,520,000.00	0
9.4 Afarshanle Primary School	0	0	2,000,000.00	2,000,000.00	1,900,000.00	100,000
9.5 Boji garas Primary School	0	0	900,000.00	900,000.00	855,000.00	45,000
9.6 Waberi Pry School	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
9.7 Wajir Girls Primary School	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
9.8 Wajir bor Primary School	0	0	100,000.00	100,000.00	100,000.00	0
9.9 Wajir primary School	0	0	100,000.00	100,000.00	100,000.00	0
10.0 Halanle Primary School	0	0	100,000.00	100,000.00	100,000.00	0
10.1 Got Ade Primary School	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
10.2 Wajir east Primary School desks PMC	0	0	2,000,000.00	2,000,000.00	2,000,000.00	0
10.3 Wajir east Primary School desks PMC	0	0	3,000,000.00	3,000,000.00	3,000,000.00	0
10.4 Qahira Primary School	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
10.5 Wajir east Primary School desks PMC	0	0	1,500,000.00	1,500,000.00	1,500,000.00	0
10.6 Halanle Primary School	0	0	3,000,000.00	3,000,000.00	2,850,000.00	150,000
10.7 Kajaja Primary School	0	0	1,000,000.00	1,000,000.00	500,000.00	500,000
10.8 Rahma Primary School	0	0	100,000.00	100,000.00	100,000.00	0
10.9 Salama Primary School	0	0	1,600,000.00	1,600,000.00	1,520,000.00	80,000
10.10 Arabakheyramsa Pry Sch	0	0	1,400,000.00	1,400,000.00	1,400,000.00	0
10.11 Volunterr Primary School	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
10.12 Jugbaru Primary school	0	0	1,600,000.00	1,600,000.00	1,520,000.00	80,000
SUBTOTALS	45,100,076.56	0.00	31,122,250.20	76,216,288.56	43,680,000.00	32,536,288.56
11.0 Secondary School						
11.1 Ahmed liban Sec. School	1,500,000.00	0	0	1,500,000.00	0	1,500,000
11.2 Furaha Girls Sec .school	1,600,000.00	0	0	1,600,000.00	0	1,600,000
11.3 Riba Girls Sec. School	2,000,000.00	0	0	2,000,000.00	0.00	2,000,000
11.4 Wajir High School	1,800,000.00	0	0	1,800,000.00	0	1,800,000

**Wajir East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

11.5.Hon D.M Amin Girls Sec School	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000.00
11.6 Jugbaru Girls Secondary School	1,600,000.00		21	0	1,600,000.00	1,520,000.00	80,000
11.7 Waberi Mixed day Sec Sch.	1,800,000.00	0	0	0	1,800,000.00	1,200,000.00	600,000
11.8 Ahmedliban Sec School	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000
11.9 Waberi Girls Sec. School	1,120,000.00	0	0	0	1,120,000.00	0	1,120,000
12.0.0Ahmedliban Sec school	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000
12.1Sabunley Sec School	2,000,000.00	0	0	0	2,000,000.00	0	2,000,000
12.2Khorofharar Sec School	1,500,000.00	0	0	0	1,500,000.00	1,500,000.00	0
12.3 Waberi Mixed Day Sec	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000
12.4 Riba Girls Sec School	0	0	1,600,000.00	0	1,600,000.00	1,520,000.00	80,000
12.5 Khorofharar Sec School	0	0	2,000,000.00	0	2,000,000.00	1,900,000.00	100,000
12.6Hon D.M girls Sec School	0	0	2,400,000.00	0	2,400,000.00	2,280,000.00	120,000
12.7 Riba Girls Sec School	0	0	2,700,000.00	0	2,700,000.00	2,565,000.00	135,000
12.8 Riba Girls Sec school	0	0	1,600,000.00	0	1,600,000.00	1,600,000.00	939,212.06
12.9Khorofharar Sec School	0	0	2,000,000.00	0	2,000,000.00	1,900,000.00	100,000
13.0Waberi Mixed Day Sec sc	0	0	1,000,000.00	0	1,000,000.00	1,000,000.00	0
13.1Wajir Bor Secondary Sch	0	0	900,000.00	0	900,000.00	900,000.00	0
13.2 Jogbaru Girls Sec Sch	0	0	1,300,000.00	0	1,300,000.00	1,235,000.00	0
13.3Riba Girls Secondary Sch	0	0	2,000,000.00	0	2,000,000.00	1,900,000.00	100,000
13.4 Wajir Bor Sec School	0	0	2,000,000.00	0	2,000,000.00	2,000,000.00	0
13.5Wajir Girls Sec school	0	0	1,000,000.00	0	1,000,000.00	1,000,000.00	0
13.6Khorofharar Sec School	0	0	3,000,000.00	0	3,000,000.00	2,850,000.00	150,000
SUB TOTALS	22,120,000.00	0.00	23,500,000.00	0.00	45,620,000.00	26,870,000.00	16,685,000
14.0 Security Projects							
14.1 Khororof Deputy County Commissioners Residence	3,800,000.00	0	0	0	3,800,000.00	3,800,000.00	0
14.2Khorofharar Chiefs Office	1,200,000.00	0	0	0	1,200,000.00	0	1,200,000

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14.3 Khororof Deputy County Commissioners Office	1,000,000.00	0	0	0	1,000,000.00	1,000,000.00	0
14.4 Khororof Deputy County Commissioners Residence	1,000,000.00	0	0	0	1,000,000.00	0	1,000,000
14.5 Khororof Deputy County Commissioners Office	3,800,000.00	0	0	0	3,800,000.00	1,800,000.00	2,000,000
14.6 Wajir East OCPD officer commanding police Division Office	900,000.00	0	0	0	900,000.00	0	900,000
14.7 Riba Police Post	1,800,000.00	0	0	0	1,800,000.00	0	1,800,000
14.8 Khororof Deputy Commissioner's office	2,667,000.00	0	0	0	2,667,000.00	2,200,000.00	467,000
14.9 Khororof Deputy Commissioner's office	3,333,000.00	0	0	0	3,333,000.00	0	3,333,000
15.0 Khoror Harar Deputy commissioner residence	2,000,000.00	0	0	0	2,000,000.00	2,000,000.00	0
14.6 Wajirbor Security PMC	0	0	0	1,800,000.00	1,800,000.00	1,710,000.00	90,000
14.7 Riba Police post	0	0	0	1,600,000.00	1,600,000.00	1,520,000.00	80,000
14.7 Riba Security PMC	0	0	0	1,600,000.00	1,600,000.00	1,520,000.00	80,000
14.8 Wajir bor Security PMC	0	0	0	4,800,000.00	4,800,000.00	4,560,000.00	240,000
14.9 Wajir Bor Security PMC	0	0	0	2,000,000.00	2,000,000.00	1,900,000.00	100,000
15.1 Wajirbor Security PMC	0	0	0	1,300,000.00	1,300,000.00	1,235,000.00	65,000
15.3Khotofharar DCC office PMC	0	0	0	90,000.00	90,000.00	90,000.00	0
15.3 Khorofharar Security PMC	0	0	0	4,000,000.00	4,000,000.00	4,000,000.00	0
SUB TOTALS	21,500,000.00	0.00	0.00	17,190,000.00	38,690,000.00	27,335,000.00	11,355,000
NG-CDF office/ Others							
17.0 Construction of NGCDF office(Concrete wall)	2,500,000.00	0	0	0	2,500,000.00	0	2,500,000
17.1 Wajir East sub-county Education Office	1,570,470.00	0	0	0	1,570,470.00	0	1,570,470
SUB TOTALS	4,070,470.00	0.00	0.00	0.00	4,070,470.00	0.00	4,070,470.00
GRAND TOTALS	137,088,879.31	40,304.00	72,687,724.00	209,816,907.00	140,179,724.00	69,637,183	

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Wajir East 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

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Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

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

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convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30ST June 2021 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

I. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
NGCDF Board		
AIE NO B047278		2,000,000.00
AIE NO B047345		13,760,000.00
AIE NO B041240		4,000,000.00
AIE NO B104179		20,000,000.00
AIE NO B049200		6,000,000.00
AIE NO B104179		15,000,000.00
AIE NO B096515		23,000,000.00
AIE NO. B138912	15,000,000.00	
AIE NO. B104689	19,000,000.00	
AIE NO. A823743	33,809,724.10	
AIE NO. B104979	1,558,000.00	
AIE NO. B124689	9,000,000.00	
AIE NO. B119678	8,500,000.00	
AIE NO. B126033	12,000,000.00	
AIE NO. B128310	6,900,000.00	
AIE NO. B132364	6,000,000.00	
AIE NO. B132071	6,000,000.00	
AIE NO. B119717	12,000,000.00	
AIE NO.B 103120	11,000,000.00	
AIE NO. B140764	13,000,000.00	
AIE NO B126325	7,000,000.00	
TOTAL	160,767,724	83,760,000

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2. COMPENSATION OF EMPLOYEES

Description	2020-2021	2019-2020
	Kshs	Kshs
Basic Wages of Employees	5,280,000.00	4,983,827.00
TOTAL	5,280,000.00	4,983,827.00

3. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	1,956,205	2,503,000
Utilities, supplies and services	58,520	490,806
Communication, supplies and services	546,940	0.00
Domestic travel and subsistence	433,600	400,000
Training expenses	1,708,800	206,000
Office and general supplies and services	1,854,630	1,410,000.00
Other operating expenses	0.00	175,803
Total	6,558,695	5,185,609

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	43,680,000	27,948,684
Transfers to secondary schools (see attached list)	26,870,000	21,435,000
TOTAL	70,550,000	49,383,684

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,979,000	0.00
Bursary – tertiary institutions (see attached list)	10,000,000	40,000
Security projects (see attached list)	27,335,000	13,900,000
Sports projects (see attached list)	1,037,029	1,490,000
Environment projects (see attached list)	2,720,000	405,000
Emergency projects (see attached list)	5,720,000	9,212,500
Total	57,791,029	25,047,500

6. CASH BOOK BANK BALANCE

BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
WAJIR EAST NGCDF	20,628,304	40,304
Total	20,628,304	40,304

7. BALANCES BROUGHT FORWARD

	Kshs (1/7/2020)	Kshs (1/7/2019)
	40,304	880,923
Bank accounts	40,304	880,923
Total	40,304	880,923

9. PMC ACCOUNT BALANCES

	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	243,924	89,351
Total		

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10. OTHER IMPORTANT DISCLOSURES

10.1: UNUTILIZED FUND (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of Employees	0.00	764,162.00
Goods and Services	30,246.8	(759,527.24)
Amounts due to other Government entities (see attached list)	51,292,326.7	35,356,111.50
Amounts due to other grants and other transfers (see attached list)	14,244,139.70	33,778,395.31
Acquisition of assets	0.00	2,600,000
Others	4,070,470	75,000
TOTAL	69,637,183	71,814,141.87

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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance
		2020/21	2019/20
1. Compensation of employees	Payments of NGCDF staff salaries	0.00	816,173.00
2. Committee Expenses	Payments of Committee allowances	0.00	375,391.00
3. Use of goods & services	Supply of office stationeries	30,246.80	(598,520)
Sub totals		30,246.80	598,522.00
Amounts due to other Government entities			
1. Primary School Projects	Construction works for Primary School Projects	0.00	14,988,197.80
2. Secondary School Projects		0.00	20,397,913.00
3. Catholic Primary School	Digging and capping of one well	600,000	0.00
4. Catholic Special Primary Sch.	Supply and installation two 100,000 litres elevated Water tank	400,000	0.00
5. Catholic Primary School	Renovation of four classrooms	1,600,000	0.00
6. Gumaray Primary School	Construction of two classrooms	160,000	0.00
7. Hodhan Primary School	Construction of 4 classrooms	160,000	0.00
8. Jugbaru Primary School	Construction of 4 classrooms	800,000	0.00
9. Qarsa Primary School	Renovation of three classrooms .	160,000	0.00
10. Township Primary School	Construction of 4 classrooms	1,500,000	0.00
11. Volunteer Primary School	Renovation of administrative blocks of 3 rooms doors, windows, floors , roofs and Walls	1,000,000	0.00
12. Waberi Primary School	Renovation of two room staffrooms, installation of doors and windows.	900,000	0.00
13. Wajir Girls Primary School	Construction of two door toilets	1,600,000	0.00
14. Ahmed Liban Primary school	Construction of two classrooms	1,600,000	0.00
15. Balatwein Primary School	Construction of two classrooms	900,076.56	0.00

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16. Handaki Primary School	Construction of two door toilets with septic tank	376,212	0.00
17. Makaror Primary School	Construction of two door toilets with septic tank	900,000	0.00
18. Catholic Primary School	Renovation of 6 classrooms	3,300,000	0.00
19. Catholic Primary School	Construction of 8 door pit latrines with septic tank	3,600,000	0.00
20. Halanle Primary School	Construction of five door toilets with septic tank.	2,600,000	0.00
21. Afarshanle Primary School	Construction of 4 door toilets with septic tank	1,800,000	0.00
22. Balatwein Primary School	Construction of two door toilets with septic tank and Water Tank .	1,200,000	0.00
23. Catholic Primary School	Construction of 10 door toilets with septic tanks	4,700,000	0.00
24. Volunteer Primary School	Construction of 3 door pit latrines with Septic tank .	1,200,000	0.00
25. Riba primary School	Renovation of three classrooms	75,000	0.00
26. Afarshanle Primary School	Construction of two classrooms	100,000	0.00
27. Boji garas Primary School	Construction of two door toilet	45,000	0.00
28. Waberi Pry School	Construction of 4 door toilets	90,000	0.00
29. Wajir Girls Primary School	Construction of 4 door toilets	90,000	0.00
30. Got Ade Primary School	Construction of 4 door toilets	90,000	0.00
31. Qahira Primary School	Construction of 4 door toilets	90,000	0.00
32. Halanle Primary School	Construction of fence	150,000	0.00
33. Kajaja Primary School	Construction of two door toilets with septic tank	500,000	0.00
34. Salama Primary School	Construction of two classrooms	80,000	0.00
35. Volunterr Primary School	Renovation of two classrooms	90,000	0.00
36. Jugbaru Primary school	Construction of two classrooms	80,000	0.00
37. .Furaha Girls Sec .school	Construction of two classrooms	1,500,000	0.00

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38. Riba Girls Sec. School	Construction of two classrooms	1,600,000		0.00
39. Riba Girls Sec. School	Construction of kitchen and store	2,000,000		0.00
40. Wajir High School	Renovation of 4 classrooms	1,800,000		0.00
41. Hon D.M Amin Girls Sec School	Supply Lab Equipments.	1,800,000		0.00
42. Jugbaru Girls Secondary School	Construction of three door toilets	80,000		0.00
43. Waberi Mixed day Sec Sch.	Renovation of administration block	600,000		0.00
44. .Ahmedliban Sec School	Construction of kitchen and store	1,800,000		0.00
45. Waberi Girls Sec. School	Supply of lockers and chairs	1,120,000		0.00
46. Ahmedliban Sec school	Construction of 4 door toilets with septic	1,800,000		0.00
47. Sabunley Sec School	Construction of 4 door toilets with septic tank	2,000,000		0.00
48. Riba Girls Sec School	Construction of two classrooms	1800,000		
49. Riba Girls Sec School	Construction of two classrooms	80,000		0.00
50. Khorofharar Sec School	Renovation of kitchen and store	100,000		0.00
51. .Hon D.M girls Sec School	Construction of two classrooms	120,000		0.00
52. Riba Girls Sec School	Construction of classrooms	135,000		0.00
53. Riba Girls Sec School	Construction of Kitchen and store	939,212.06		
54. Khorofharar Sec School	Renovation of classrooms	100,000		0.00
55. Riba Girls Secondary Sch	Construction of staff qauters	100,000		0.00
56. .Khorofharar Sec School	Renovation of dormitory	150,000		0.00
Sub-Total		51,292,326.00		35,356,111.50
Amounts due to other grants and other transfers				
1. Bursary Secondary Schools	Bursary Wards To needy and bright students	0.00		10,000,000.00
2. Bursary–Tertiary institutions	Bursary Wards To needy and bright students	0.00		9,960,000.00

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Security Projects	Construction works for security Projects	0.00	13,327,416.00
Sports	Supply of sports kits	0.00	510,000.00
1. Khorofharar Chiefs Office	Renovation of three rooms office	1,200,000	0.00
2. Khororof Deputy County Commissioners Residence	Completion of Concrete perimeter Wall	1,000,000	0.00
3. Khororof Deputy County Commissioners Office	Completion of Concrete Perimetre wall	2,000,000	0.00
4. Wajir East OCPD officer commanding police Division Office	Renovation of two rooms OCPD Wajir East Office	900,000	0.00
5. Riba Police Post	Construction of 4 door toilets with septic tank	1,800,000	0.00
6. Khororof Deputy Commissioner's office	Electrification works in the deputy County commissioners office	467,000	0.00
7. Khororof Deputy Commissioner's office	Construction of 7 door flash toilets with septic tank and Water tanks	3,333,000	0.00
8. Wajirbor Security PMC	Construction of four door toilets with septic tank	90,000	0.00
9. Riba Police post	Construction of 2 staff quarters	80,000	0.00
10. Riba Security PMC	Construction of 2 staff quarters	80,000	0.00
11. Wajir bor Security PMC	Construction of chain link fence and gate	240,000	0.00
12. Wajir Bor Security PMC	Construction of chain link fence and gate	100,000	0.00
13. Wajir Bor Security	Construction of 2 staff quarters	65,000	0.00
14. Sports tournament	Carrying out Wajir East Sports Tournament	1,362,971.00	0.00
15. Environmental Activities	Supply of trees seedlings and Supply of energy saving jikos	1,210,000.00	0.00

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16. Emergency	Catering of emergency unforeseen occurrences	1,478,241.38	0.00
Sub-Total		14,244,139.70	33,778,395.31
Acquisition of assets	Supply of computers and furniture to Wajir east NGCDF office	0.00	2,600,000.00
Others -NGCDF Office Project	Other operating expenses	0.00	75,000
1. Wajir East NGCDF Office	Construction of concrete wall at Wajir East NGCDF office	2,500,000.00	0.00
2. Wajir East Sub County Education –Children Office	Renovation of office works	1,570,470.00	0/00
Sub-Total		4,070,470.00	2,675,000.00
Grand Total		69,637,182.90	71,814,141.87

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost B/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	Not Valued	0	0	0
Buildings and structures	5,000,000.00	0	0	5,000,000.00
Transport equipment	0	0	0	0
Office equipment, furniture and fittings	3,186,941.00	0	0	3,186,941.00
ICT Equipment, Software and Other ICT Assets	500,000.00	0	0	500,000.00
Total	8,686,941.00	0	0	8,686,941.00

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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance	Bank Balance
			2020/21	2019/2020
1. Wajir East School Desks PMC	KCB Wajir Branch	1104776294	0	1364.15
2. Kutulo Girls Primary School	KCB Wajir Branch	1124172564	0	126
3. Konton Primary School	KCB Wajir Branch	1268806951	0	438
4. Bulla Elmi Primary School	KCB Wajir Branch	1259519708	0	1640
5. Kajaja II Primary School	KCB Wajir Branch	1104660032	0	503.5
6. Konton Primary School	KCB Wajir Branch	1124172564	0	126
7. WajirPTPMC	KCB Wajir Branch	1237131723	0	2210
8. Kajaja II Primary School	KCB Wajir Branch	1104660032	0	503.5
9. Volunterr secondary School	KCB Wajir Branch	1256957097	0	1495
10. Wajir East School Desks PMC	KCB Wajir Branch	1237131123	0	2210
11. Kalakacha Primary School	KCB Wajir Branch	1105935558	0	1152.2
12. Riba Girls Secondary School	KCB Wajir Branch	1252093535	0	6941
13. Shalatey Secondary School	KCB Wajir Branch	118242140	0	40551
14. Jugbaru Secondary School	KCB Wajir Branch	1105560112	0	5,555.75
15. Volunteer Secodary School	KCB Wajir Branch	1256957097	0	1495
16. Riba Security PMC	KCB Wajir Branch	1239076673	0	7280
17. Khorofharar DCC Residence PMC	KCB Wajir Branch	1272007987	0	1735
18. Khorofharar DCC office PMC	KCB Wajir Branch	1272007987	0	1735
19. Riba Primary School PMC	KCB Wajir Branch	1105532631	7,560.00	0

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20. Qahira Primary School PMC	KCB Wajir Branch	1104776294	10,500.00	0
21. Boji Garas Primary School PMC	KCB Wajir Branch	1124172564	10,200.00	0
22. Waberi Primary School PMC	KCB Wajir Branch	1268806951	10,150.00	0
23. Wajir Girls Primary School PMC	KCB Wajir Branch	1259519708	13,650.00	0
24. Halanle Primary School PMC	KCB Wajir Branch	1104660032	25,000.00	0
25. Wajir bor Primary PMC	KCB Wajir Branch	1124172564	12,000.00	0
26. Volunteer Primary School PMC	KCB Wajir Branch	1237131723	12,350.00	0
27. Township Primary School PMC	KCB Wajir Branch	1104660032	13,950.00	0
28. Hodhan Primary School PMC	KCB Wajir Branch	1256957097	12,980.00	0
29. Jogbaru Primary School PMC	KCB Wajir Branch	1237131723	14,000.00	0
30. Wajir East Primary School Desks PMC	KCB Wajir Branch	1105935558	10,000.00	0
31. Riba girls secondary School	KCB Wajir Branch	1252093535	20,000.00	0
32. Hon D.M secondary school	KCB Wajir Branch	1238151723	15,000.00	0
33. khorofharar Secondary School	KCB Wajir Branch	1258896958	13,200.00	0
34. Wajir bor secondary School	KCB Wajir Branch	1269826951	1,750.00	0
35. Jogbaru Secondary School	KCB Wajir Branch	1288506751	2,100.00	0
36. Wajir Girls secondary School PMC	KCB Wajir Branch	1298876958	2352.2	0
37. Wajir bor AP camp security PMC	KCB Wajir Branch	1267706655	5,165.00	0
38. Riba police camp PMC	KCB Wajir Branch	1278806111	4,567.00	0
39. khorofahar DCC office PMC	KCB Wajir Branch	1268806671	12,450.00	0
40. Khorofharar DCC residence PMC	KCB Wajir Branch	1297606951	15,000.00	0
Total			243,924.00	89,351.00

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
I.	Incorrect Bank Reconciliation - The statement of Assets and Liabilities Reflects Kshs 40,304 in respect to cash and cash equivalent as at 30 th June 2020, However the bank reconciliation reflects kshs 567,500 in respective of un-presented cheques which include stale cheques of kshs 275,000. This will effect the accuracy and validity of the cash and cash equivalents of kshs 40,304.	The management has responded to the above query, Most of the outstanding un-presented cheques were bursary cheques awaiting clearance and the same was cleared from the bank .For the few stale cheques it was reversed and replacement was done .therefore the accuracy and validity of the cash and cash equivalent is not effected ..	Respond made to the auditors .	3 moths
II.	Budget control and performance A summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs 156,414,523 and kshs 84,640,923 respectively resulting to a budget shortfall of 71,773,600.00 or 46% of the budget .The underfunding and underperformance effected the planned activities and may have impacted negatively on service delivery to the resident of Wajir East Constituency .	The budget under utilisation was due to the underfunding by NGCDF board .NGCDF board just like any other public institution was effected by poor flow of funds from the national treasury due to economic meltdown as result of Covid 19 epidemic .The same balance is disbursed subsequent financial year so that it does not create unnecessary deals on project implementation.	Respond made to the Auditors and matter resolved.	3 months

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III.	Project files for projects worth 15,850,000 availed for audit did not contain documents such as confidential business questionnaires, form of tender, tender questionnaires and handing over reports	The tender documents in question were contained in the PMC file and copies of the same were availed to the auditors in response the query.	Not resolved waiting the auditors response.	Next three months
IV.	Tender documents for contracts worth 9.450,000 were not signed by the tender opening committees.	The tender committees signed the tender registers and copies of the same were availed to the auditors in response to the above query.	Not resolved waiting the auditors response.	Next three months
V.	Contracts worth 9,450,000.00 were awarded without professional opinions	Copies of professional were availed in response to the auditors query.	Not Resolved	Next three months.
VI.	Chairs and lockers worth 6,650,000 supplied to various schools were not supported with delivery reports /acknowledgements letters.	Copies of delivery notes duly signed by the school was retrieved from the PMC file and attached to the audit response.	Not Resolved	Next three months.