



Enhancing Accountability

REPORT	
THE NATIONAL ASSEMBLY	
PARTICULARS	
OF	DATE: 21 OCT 2021
	DAY: Thursday
TABLED	LOMP
CLERK-AT THE-TABLE:	Mr. Maira Wanjiku

THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2019



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY
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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 North Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Mohamed Ibrahim jattani
2.	Sub-County Accountant	Rashid Ahmed
3.	Chairman NGCDFC	Yussuf A. Abdullahi
4.	Member NGCDFC	Halima Abdullahi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -WAJIR North 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 North Constituency Headquarters

P.O. Box 149 - 60200
Opposite customs offices Moyale
Along Nairobi – Addis abbaba Road
Moyale

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

(f) NGCDF WAJIR North Constituency Contacts

Telephone: (254) 729466330
E-mail: cdfWajirnorth.ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF WAJIR North Constituency Bankers

1. First Community Bank (Kenya) Limited
WAJIR Branch
P.O. Box 536 - 70300
WAJIR, Kenya

First community Bank (Kenya) Limited.
800088874

(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)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The budget performance against the actual amount was not impressive with 60% absorption rate for the financial year 2018/2019. However, for the amount receipt the absorption rate was 87% meaning the funds received during the year under review was properly utilized. This can be seen on page 9 (summary statement of appropriation) of the financial statement. Amount receipts was Ksh 108,784,483 out of Ksh 163,825,360 which was budget for the financial year 2018/2019.

During the financial year under review the constituency was able to issue bursary to deserving and needy student within the constituency with 97% distribution of the amount received as at 30/6/2019. Twenty-One projects were implemented and were complete and in use; 14 for primary schools and seven secondary schools project.

Constituents are well informed on the NG CDF function and coming forward with their proposal to improve the general wellbeing of residents. Peace and security are the major concern due scarce resource within the pastoral communities along the constituency boundary as a result of climatic changes.

All projects are of urgency in nature to constituency, hence it becomes difficult to implement them since funds are received quarterly and like in financial year 2018/2019 more than 50% of the budget was received in the financial year 2019/2020 thus interfering with annual constituency program.

To rip the maximum benefits to the residents NG CDF funds should be disbursed within the financial year to ensure smooth transformation of the area covered.

Programs and projects should be designed to mitigate the effect of climate change both in the short time and long term.

More public education should be carried out to encourage pastoralists to take their children to school to improve literacy levels.

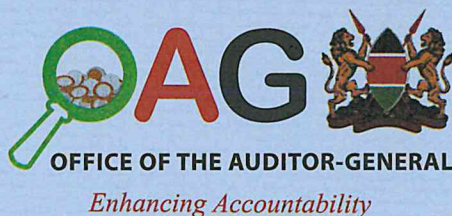
Sign



Yussuf Abdullahi
CHAIRMAN NGCDF COMMITTEE

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 NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir North Constituency set out on pages 6 to 39, which comprise the statement of financial assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and statement of appropriation- recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unexplained Difference in Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.15,778,196 as at 30 June, 2019. However, the cash book balance as at the same period reflects Kshs.7,937,850 resulting to an unexplained difference of Kshs.7,840,346. The Fund did not prepare bank reconciliation statement as at 30 June, 2019 to ascertain the source of the differences.

Consequently, the validity and accuracy of the cash and cash equivalents balance of Kshs.15,778,196 as at 30 June, 2019 could not be confirmed.

2. Transfer to Other Government Entities

2.1 Unsupported Expenditure on Construction of Classrooms

During the year ended 30 June, 2019, the Fund disbursed an amount of Kshs.6,100,000 to Haradul, Beramo and Bute Primary Schools for the construction of classrooms and renovation of one (1) dormitory as indicated below:-

Payee	PV No.	Description	Amount Kshs.
Haradula Primary School PMC	054 of 25/10/2018	Construction of one (1) Classroom	800,000
Beramo Primary School PMC	432C of 15/5/2019	Construction of five (5) Classrooms	2,100,000
Bute Primary School PMC	396 of 18/6/2019	Renovation of Boarding Wing	3,200,000
Total			6,100,000

However, the project files containing tender documents and other relevant supporting documents were not availed for audit review.

In the circumstances, the validity and completeness of the expenditure for the construction of classrooms of Kshs.6,100,000 as at 30 June, 2019 could not be confirmed.

2.2 Unsupported Transfers to Secondary Schools Project

Included in the transfers to other Government units of Kshs.46,885,203 under Note 6 to the financial statements is an amount of Kshs.10,600,000 transferred to various Project Management Committees (PMCs) as transfers to secondary schools. However, a review of payment records and project files availed for audit review revealed that grants totaling Kshs.6,300,000 had the following anomalies: -

The project files availed for audit did not contain tender documents such as confidential business questionnaires, form of tender, tender questionnaires and project handing over report as required. It was therefore not possible to confirm whether the projects were procured in compliance with Public Procurement and Asset Disposal Act, 2015.

- i) The tender opening committee did not append their signature or initial on one or more pages of the bill of quantities and tender documents as required by Section 78 (9) of the Public Procurement and Asset Disposal Act, 2015. It was therefore not possible to ascertain that the minutes were the correct proceeding of the tender opening committees.

- ii) Tender evaluation minutes supporting the payments were not signed by the evaluation committee members contrary to the requirement of Section 80 (7) of the Public Procurement and Assets Disposal Act, 2015 which requires evaluation report to be signed by each members of the evaluation committee. Further, project files for some of the projects did not contain compliance documents such as certificates of corporation, VAT/PIN, NCA and Tax Compliance Certificates.
- iii) Bank statements and cash books for bank accounts held by various Project Management Committees (PMCs) were not maintained by the Fund.

In the circumstances, the validity and completeness of the expenditure on transfers to secondary schools project of Kshs.6,300,000 as at 30 June, 2019 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit institution (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 qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.173,647,882 and Kshs.118,607,000 respectively resulting to an under-funding of Kshs.55,040,877 or 32% of the budget. Similarly, the Fund spent Kshs.102,828,809 against an approved budget of Kshs.173,647,882 resulting to an under-expenditure of Kshs.70,819,073 or 41% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Wajir North Constituency

1.1 Projects Implementation

During the period under review, the Fund budgeted to implement sixty-eight (68) projects comprising of thirty-seven (37) on education, seven (7) on emergency and twenty-four (24) on security.

From the analysis above, the Fund implemented only about 60% of the projects budgeted for leaving 40% of the budgeted projects not implemented. Non-implementation of development projects affects service delivery to the constituents of Wajir North.

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 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. Transfer to Other Government Entities

1.1 Irregular Procurement of Perimeter Fence at Malaba Primary School

Included in the transfers to other Government units of Kshs.46,885,203 under Note 6 to the financial statements is an amount of Kshs.36,285,203 transferred to various Project Management Committees (PMCs) as transfers to primary schools out of which Kshs.4,798,803 was disbursed to Malaba Primary School Project Management Committee (PMC) for construction of a perimeter fence with gate and sentry box. However, examination of payment records and tender documents availed for audit revealed the following anomalies: -

The Project Management Committees (PMC) procured the projects through local notice instead of open tender in the dailies as required by Section 96 (2) of the Public Procurement and Asset Disposal Act, 2015.

There was no professional opinion on the procurement proceedings in the project file as required by Section 84 of the Public Procurement and Asset Disposal Act, 2015 and the PMC did not prepare a work plan for the project as required by MIN 2/10/2018 on tender notice and work plan dated 8 October, 2018.

In the circumstances, the value for money on procurement of perimeter fence of Kshs.4,798,803 as at 30 June, 2019 could not be ascertained.

1.2 Irregular Procurement of Primary School Desks Project

During the year under review, the Fund Committee directly awarded a contract to Salman and Siblings Company Limited for the supply of seven hundred and twenty (720) primary school desks at a contract sum of Kshs.3,952,800. The desks were

procured without competitive bidding contrary to the provisions of Section 36(1) of the National Constituencies Development Fund Act, 2015. It was further noted that the payment was not supported with an inspection and acceptance committee report as required by Section 48(4) (c) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the legality and value for money of the expenditure on procurement of primary school desks of Kshs.3,952,800 as at 30 June, 2019 could not be ascertained.

2. Other Grants and Other Payments

2.1 Irregularities in Procurement of Emergency Projects

Included in the other grants and other payments balance of Kshs.42,911,682 under Note 7 to the financial statements is an expenditure of Kshs.4,750,000 incurred on emergency projects, out of which Kshs.2,100,000 was not properly supported as follows:-

2.1.1 Contract to Supply Diesel

Contract for the supply of 11,428.8 liters of diesel as fuel subsidy to various boreholes within the Constituency was awarded to Maalim Enterprise and General Supply at a contract sum of Kshs.1,600,000. However, review of the tender documents for the bidders revealed the following;

- (i) The Company did not have mandatory compliance document such as valid tax compliance certificate, certificate of corporation and PIN/VAT certificates.
- (ii) There were no requisitions letters from area chiefs or water user's association on the needs for the fuel subsidy. Further, there were no schedules/acknowledgment letter signed by either chief or local elders as an evidence of the delivery of fuels to various centers.
- (iii) There were no minutes of approval for utilization of emergency funds from NG-CDFC. Further, no evidence was also availed to confirm that the utilization of the emergency funds was also reported to the board within thirty days of the occurrence as required by Section 20 sub section (2) of the National Government Constituencies Development Fund Regulation, 2016.

2.1.2 Re-Roofing of Classrooms at Danaba Primary School

A project for re-roofing five (5) classrooms at Danaba Primary School was awarded to a local company for sum of Kshs.500,000. However, the following was noted:

- (i) The Project file containing the mandatory compliance documents such as tax certificate, PIN, certificate of corporation and NCA registration certificate was not provided for audit review.

- (ii) There were no minutes of approval for utilization of emergency funds from NG-CDF Committee. Further, no evidence was availed to confirm that the utilization of the emergency funds was reported to the Board within thirty days of the occurrence as required by Section 20 sub-section (2) of the National Government Constituencies Development Fund Regulations, 2016.

In view of the above, the legality and value for money of the expenditure on emergency projects of Kshs.2,100,000 as at 30 June, 2019 could not be ascertained.

3. Failure to Maintain a Fixed Assets Register

Annex 3 to the financial statements is the summary fixed assets which reflects Kshs.9,889,900 being total assets owned by the Fund as at 30 June, 2019. However, the Fund did not maintain a fixed assets register contrary to Section 143 of the Public Finance Management Regulations, 2015 which states that the accounting officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In the absence of detailed fixed assets register, it was not possible to ascertain the balances and the make-up of the fixed assets disclosed.

The Management is therefore in breach of the Act.

In the circumstances, it was not possible to confirm the completeness, accuracy and existence of the assets balance of Kshs.9,889,900 as at 30 June, 2019.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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 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 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

05 October, 2021

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

STATEMENT OF WAJIR NORTH 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 WAJIR North shall prepare financial statements in respect of WAJIR North. 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 NORTH Constituency is responsible for the preparation and presentation of the WAJIR North financial statements, which give a true and fair view of the state of affairs of the WAJIR North for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the WAJIR North; (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 WAJIR North; (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 NORTH Constituency accepts responsibility for the WAJIR North 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 WAJIR North's financial statements give a true and fair view of the state of WAJIR North transactions during the financial year ended June 30, 2019, and of the WAJIR North financial position as at that date. The Accounting Officer charge of the NGCDF-WAJIR NORTH Constituency further confirms the completeness of the accounting records maintained for the WAJIR North, which have been relied upon in the preparation of the WAJIR North financial statements as well as the adequacy of the systems of internal financial control.

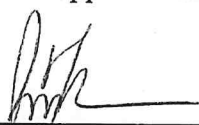
The Accounting Officer in charge of the NGCDF-WAJIR NORTH Constituency confirms that the WAJIR North has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the WAJIR North funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the WAJIR North 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 NORTH Constituency financial statements were approved and signed by the Accounting Officer on 30th June 2019



Fund Account Manager
Name: MOHAMED I JATTANI



Sub-County Accountant
Name: RASHID AHMED
ICPAK Member Number:



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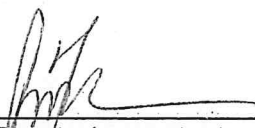
III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	45,005,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	45,005,172
PAYMENTS			
Compensation of employees	4	2,322,472	1,739,795
Use of goods and services	5	7,632,452	3,678,000
Transfers to Other Government Units	6	46,885,203	1,900,000
Other grants and transfers	7	42,911,682	24,990,000
Acquisition of Assets	8	-	-
Other Payments	9	3,077,000	4,000,000
TOTAL PAYMENTS		102,828,809	36,307,795
SURPLUS/(DEFICIT)		5,955,674	8,697,377

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30th June 2019 and signed by:



Fund Account Manager
Name: MOHAMED I. JATTANI



Sub-County Accountant
Name: RASHID AHMED
ICPAK Member Number:




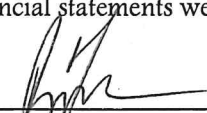
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,778,196	13,557,715
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,778,196	13,557,715
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,778,196	13,557,715
FINANCIAL LIABILITIES			
Accounts Payable		-	-
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		15,778,196	13,557,715
REPRESENTED BY			
Fund balance b/fwd	13	9,822,522	11,481,898
Surplus/Defict for the year		5,955,674	2,075,817
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		15,778,196	13,557,715

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30th June 2019 and signed by:


Fund Account Manager
Name: MOHAMED I. JATTANI

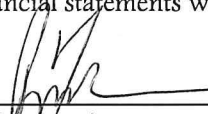

Sub-County Accountant
Name: RASHID AHMED
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
WAJIR NORTH CONSTITUENCY
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V. STATEMENT OF CASHFLOW			
CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	108,784,483	45,005,172
Other Receipts	3	-	-
Total receipts		108,784,483	45,005,172
Payments			
Compensation of Employees	4	(2,322,472)	(1,739,795)
Use of goods and services	5	(7,632,452)	(3,678,000)
Transfers to Other Government Units	6	46,885,203	(1,900,000)
Other grants and transfers	7	42,911,682	(24,990,000)
Other Payments	9	3,077,000	(4,000,000)
Total payments		102,828,809	(36,307,795)
Total Receipts Less Total Payments		5,955,674	8,697,377
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		5,955,674	8,697,377
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		5,955,674	8,697,377
Cash and cash equivalent at BEGINNING of the year	13	9,822,522	1,125,145
Cash and cash equivalent at END of the year		15,778,196	9,822,522

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30th June 2019 and signed by:


Fund Account Manager
Name: MOHAMED JATTANI


Sub-County Accountant
Name: RASHID AHMED
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – WAJIR
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**VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

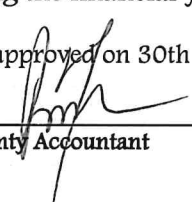
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	64,607,006.15	173,647,882.15	118,607,000	55,040,877	68.3%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
Total receipts	109,040,876	64,607,006.15	173,647,882.15	118,607,000	55,040,877	66.8%
PAYMENTS						
Compensation of Employees	3,572,000	535,037	4,107,037	2,322,472	1,784,565	56.5%
Use of goods and services	5,534,663	4,842,304	10,376,967	7,632,452	2,744,515	73.5%
Transfers to Other Government Units	62,635,000	52,125,152.15	114,760,152.5	46,885,203	67,874,949.5	40.8%
Other grants and transfers	37,299,212	7,019,938	44,319,150	42,911,682	1,407,468	96.8%
Acquisition of Assets	-	2,500	2,500	-	2,500	0.0%
Other Payments	-	82,075	82,075	3,077,000	(2,994,925)	374.9%
TOTALS	109,040,876	64,607,006.15	173,647,882.15	102,828,809	70,819,073	45.4%

Adjustment is made up of the opening balance as at 1st July 2018 of Kshs. 9,822,522 and amount due from the Board form NG-CDFB as at the end of financial year 2017-2018 of Kshs. 54,784,484.

From the above statement items underutilized below 50% are as a result of late disbursement of funds from National Government Constituency Development Fund Board in time. Projects from the financial year 2017/2018 where given priority as funding from that financial year was received during this current financial year hence not much done concerning the financial year 2018/2019 budgeted items.

The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30th June 2019 and signed by:


Fund Account Manager


Sub-County Accountant

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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees' Salaries	3,000,000	394,293.00	3,394,293	2,322,472	677,528
Goods and Services	6,413,679	1,987,349.46	8,401,028.46	7,632,452	768,576.46
Sub-Total	9,413,679	2,381,642.46	11,795,321.46	9,954,924	1,840,397.46
2.0 Emergency					
Emergency	1,788,993	1,442,458.45	3,231,451.90	-	3,231,451.90
Wajir Plaza Service Station	-	450,000.00	450,000.00	450,000.00	-
Damaba Primary School Mgt Comm	500,000		500,000.00	500,000.00	-
Funabua Primary School	850,000		850,000.00	850,000.00	-
Dugo General Suppliers Contractors	1,000,000		1,000,000.00	1,000,000.00	-
Maaling Enterprises	800,000		800,000.00	800,000.00	-
Maalims Enterprise	800,000		800,000.00	800,000.00	-
Ajawa Primary School	350,000		350,000	350,000	
Sub-Total	6,088,993	1,892,458	7,981,452	4,750,000.00	3,231,451.90
3.0 Bursary and Social Security Programme					
Bursary Secondary Schools	11,000,000	2,000.00	11,002,000.00	8,235,000	2,767,000
Bursary Tertiary Schools	10,260,219	470,586.21	10,730,805.09	10,192,800	538,005.09
Bursary Special Schools	-	-	0.00	-	-
Social Security Programmes -NHIF	6,000,000	-	6,000,000.00	-	6,000,000.00
Sub-Total	27,260,219	472,586	27,732,805	18,427,800	9,305,005

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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4.0 Sports					-
Sport Kits	-	1,736,206.90	1,736,206.90	1,734,000.00	2,206.90
Sub-Total	-	1,736,206.90	1,736,206.90	1,734,000.00	2,206.90
5.0 Primary School Projects					-
Batalo Primary School	1,500,000		1,500,000.00		1,500,000.00
Basanicha Primary School	1,300,000		1,300,000.00		1,300,000.00
Chalalaqa primary school	1,800,000	2,000,000.00	3,800,000.00	2,000,000.00	1,800,000.00
Malaba Primary School	400,000	4,850,345.00	5,250,345.00	4,798,803.00	451,542.00
Qarsasare Primary School	2,700,000	1,600,000.00	4,300,000.00	1,600,000.00	2,700,000.00
Serayu Primary school	900,000		900,000.00		900,000.00
Haradula Primary school	1,300,000		1,300,000.00	800,000.00	500,000.00
Ogorji Primary School	1,500,000		1,500,000.00	334,000.00	1,166,000.00
Chabicha Primary school	1,300,000		1,300,000.00		1,300,000.00
MILSADED Primary School	1,500,000		1,500,000.00		1,500,000.00
Beramu Primary School	2,100,000	3,400,000.00	5,500,000.00	5,500,000.00	0.00
Ajawa Primary School	2,100,000	3,200,000.00	5,300,000.00	350,000.00	4,950,000.00
Qudama Primary school	1,500,000		1,500,000.00		1,500,000.00
Idhoroble Primary School	1,800,000		1,800,000.00		1,800,000.00
Dugo Primary School	1,500,000	330,000.00	1,830,000.00		1,830,000.00
Bute Primary school	3,200,000		3,200,000.00	1,500,000.00	1,700,000.00
Korondile Primary School	2,100,000	500,000.00	2,600,000.00	900,000.00	1,700,000.00
Gurar Primary School	1,800,000		1,800,000.00		1,800,000.00
Buna Primary School	3,000,000		3,000,000.00		3,000,000.00
Suraya Primary school		40,000.00	40,000.00		40,000.00
Kunjure Primary school		100,000.00	100,000.00		100,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Balatul Amin Primary school		800,000.00	800,000.00		800,000.00
Garakilo Primary School		1,600,000.00	1,600,000.00	1,600,000.00	0.00
Watiti Primary School		2,330,000.00	2,330,000.00	2,000,000.00	330,000.00
RaBSU Primary School		800,000.00	800,000.00	800,000.00	0.00
Tularoba Primary school		1,600,000.00	1,600,000.00	1,600,000.00	0.00
Ingiriri Primary School		1,200,000.00	1,200,000.00	1,200,000.00	0.00
Bute arid zone primary		1,200,000.00	1,200,000.00	3,200,000.00	- 2,000,000.00
Purchase of desks		3,300,000.00	3,300,000.00	5,152,400.00	- 1,852,400.00
Operations manager FCB	1,300,000		1,299,999.90	3,200,000.00	- 1,900,000.10
			0.00		0.00
Sub-Total	34,600,000	28,850,345.00	63,450,344.90	36,285,203.00	26,915,141.90
6.0 Secondary School Projects					-
Bute Boys Secondary school	6,100,000		6,100,000.00		6,100,000.00
Bute Girls Secondary school	1,100,000	1,200,000.00	2,300,000.00	1,200,000.00	1,100,000.00
Bute Mix Day Secodnary school	1,400,000	2,400,000.00	3,800,000.00	3,800,000.00	-
Bute Girls Secondary school	700,000		700,000.00	700,000.00	-
Danaba Day Seondary School	1,900,000	1,600,000.00	3,500,000.00	2,200,000.00	1,300,000.00
Buna Girls Sec school			0.00	2,700,000.00	- 2,700,000.00
			0.00		-
Sub-Total	11,200,000	5,200,000.00	16,400,000.00	10,600,000.00	5,800,000.00
7.0 Security Projects					-
Malkagufu ap camp	-	800,000.00	800,000.00	800,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Gurar ap camp	-	1,600,000.00	1,600,000.00	1,520,000	-
Bute ap camp	-	1,200,000.00	1,200,000.00	1,200,000.00	-
Danaba ap camp	-	1,200,000.00	1,200,000.00	1,200,000.00	-
Gulani ap camp	-	2,200,000.00	2,200,000.00	2,159,882	117.80
Qaranri ap camp	-	2,200,000.00	2,200,000.00	2,200,000.00	-
Qudama ap camp	-	1,600,000.00	1,600,000.00	1,520,000	-
Lakoley north ap camp	-	3,000,000.00	3,000,000.00		3,000,000.00
Batalo ap camp	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Masalale ap camp	-	2,000,000.00	2,000,000.00		2,000,000.00
Malkagufu ap camp	-	1,400,000.00	1,400,000.00	1,400,000.00	-
Buna DCC	1,500,000	-	1,500,000.00	1,500,000.00	-
Tularoba AP Camp	1,500,000	-	1,500,000.00		1,500,000.00
Bosicha AP Camp	1,500,000	-	1,500,000.00		1,500,000.00
Sala AP Camp	1,900,000	-	1,900,000.00		1,900,000.00
Godoma AP Camp	1,900,000	-	1,900,000.00		1,900,000.00
Ajawa AP Camp	1,400,000	-	1,400,000.00	1,500,000	1,400,000.00
Gurar Police Station	1,500,000	-	1,500,000.00	1,500,000.00	-
Buridho AP Camp	1,500,000	-	1,500,000.00		1,500,000.00
Leysayu Location	1,500,000	-	1,500,000.00		1,500,000.00
Hote AP Camp	1,500,000	-	1,500,000.00		1,500,000.00
Bute DCC	1,500,000	-	1,500,000.00	1,500,000	400,000.00
Buna AP Toilet	800,000	-	800,000.00		-
	16,900,000	19,212,627.96	36,112,627.96	17,999,882	31,812,627.96
8.0 Acquisitions of Assets					
	-	-	-	-	-
9.0 Others					-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 WAJIR NORTH CONSTITUENCY
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NG- CDF office	3,927,984	-	3,927,984.39	3,077,000	184,620.39
Sub-Total					
GRAND TOTAL	109,040,875	58,027,660	167,068,536	102,828,809	73,301,033

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

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting WAJIR North

The financial statements are for the NGCDF-WAJIR NORTH Constituency. The financial statements encompass the reporting WAJIR North 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 WAJIR North for all the years presented.

a) Recognition of Receipts

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

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 WAJIR North)

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 WAJIR North.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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 WAJIR North or by the beneficiary.

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

During the year ended 30th June 2019, 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 WAJIR North recognises all payments when the event occurs and the related cash has actually been paid out by the WAJIR North.

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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A fixed asset register is maintained by each public WAJIR North and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the WAJIR North 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 WAJIR North 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

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

sense of the overall net cash position of the WAJIR North at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	A855918	-	5,500,000
AIE NO	A892711	-	1,600,000
AIE NO	A892894	-	37,905,172
AIE NO	B030096	43,405,172	-
AIE NO	B005066	11,379,310	-
AIE NO	B005010	10,000,000	-
AIE NO	B030494	12,000,000	-
AIE NO	B006491	8,000,000	-
AIE NO	B042795	12,000,000	-
AIE NO	B042936	12,000,000	-
TOTAL		108,784,483	45,005,172

2. PROCEEDS FROM SALE OF ASSETS

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

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3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,322,472	1,711,795
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Employer contribution towards NSSF	-	28,000
Gratuity – paid	-	-
- Accrued	-	-
Other personnel payments	-	-
Total	2,322,472	2,770,607

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5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
Domestic travel and subsistence	200,000	-
Rentals of produced assets	580,000	-
Training expenses	948,000	-
Committee allowance	4,457,800	2,002,000
Office and general supplies and services	1,446,452	1,640,000
TOTAL	7,632,452	3,678,000

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	36,285,203	1,900,000
Transfers to secondary schools (see attached list)	10,600,000	-
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	46,885,203	1,900,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,235,000	7,732,000
Bursary – tertiary institutions (see attached list)	10,192,800	13,498,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	17,999,882	-
Sports projects (see attached list)	1,734,000	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	4,750,000	3,760,000.00
Total	42,911,682	24,990,000

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8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

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

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
First Community Bank– WAJIR Branch A/c no. 8000787701	15,778,196	9,822,522
Total	15,778,196	9,822,522
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (specify)	-	-
Total	15,778,196	9,822,522
[Provide cash count certificates for each]		

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11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

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

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	9,822,522	1,125,145
Cash in hand	-	-
Imprest	-	-
Total	9,822,522	1,125,145
[Provide short appropriate explanations as necessary]		

14. PRIOR YEAR ADJUSTMENTS

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

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	2,390,531
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	2,390,531

15.2: PENDING STAFF PAYABLES

	Kshs	Kshs
NGCDFC Staff	-	-
Others (specify)	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 1)

	Kshs	Kshs
Compensation of employees	1,784,565	-
Use of goods and services	2,744,525	-
Amounts due to other Government entities (see attached list)	67,874,949.5	38,897,989
Amounts due to other grants and other transfers (see attached list)	1,407,468	623,313,879
Acquisition of assets	2,500	-
	70,819,073	62,211,869

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15.4: PMC account balances (See Annex 2)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	114,625.80	36,115.25
TOTAL	114,625.80	36,115.25

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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	NG-CDFC staffs salaries	961,184	535,037	
Use of goods & services	Committee sitting allowances, travel and subsistence and other general office administrations	2,357,632	4,842,304	
Amounts due to other Government entities				
SeyidAbass Technical Training Institute	Construction of technical college	10,000,000	10,000,000	
Rhamu Vocational Training Centre	Construction of 3 door toilets	450,000	0.00	
Ashabito Boys Sec School	Construction of Dining Hall (Phase One)	0.00	2,500,000	
Olla Boys Secondary School	Construction of 1no. Dormitory	0.00	2,500,000	
Rhamu Dimtu Boys Secondary School	Purchases and Delivery of Dining hall furnitures (11 tables @ 25,000/= and 113chairs @ 10,000/=)	0.00	1,405,000	
Gololbia Sec School	Construction of 1no. Laboratory block (Phase 1)	2,000,000	0.00	
Ashabito Boys Sec School	Completion of Dining hall/ Kitchen (Roofing, windows, doors, plastering, extension of kitchen wings, wiring, Painting, slab, fisher board and labelling)	2,500,000	0.00	
Olla Boys Secondary School	Completion of Ino. Dormitory (Window and Door fitting, Plastering, Partitioning of cubes, Wiring, Painting, slab, Fisher Board and Labelling)	2,000,000	0.00	
Olla Boys Secondary School	Construction of 2 single staff houses	1,500,000	0.00	
Libin Nomadic Girls Sec Sch	Completion of 400M chain link fencing	100,000	0.00	
Al hidaya Primary School	Construction of Multi-purpose hall (Phase One)	0.00	2,000,000	
Ladeni Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Awara Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Abakaro Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Darusalam Primary School	Construction of 2no. classrooms	0.00	1,700,000	
Yabicho B primary School	Construction of administration	0.00	2,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	block (phase one)			
Libin Nomadic Girls Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Qorahey Primary School	Construction of 1no. Classrooms @850,000/= and 2 door pit latrine 300,000/=	0.00	1,150,000	
Garablaga Pry School	Construction of 2no. Classrooms @ 1,700,000/= and 2 door pit latrine 300,000/=	0.00	2,000,000	
Degmarer Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Senior Dahir Arab Pry School	Construction of 2no. Classrooms	0.00	1,700,000	
Gofa Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Barwaqo Primay School	Construction of 3 door pit latrine	0.00	450,000	
Sarman Primary School	Construction of 2no. Classrooms	0.00	1,700,000	
Lanqura Primary School	Construction of 3 door pit latrine	0.00	450,000	
Dagahtul Primary School	Construction of 2no. Classrooms @ 1,700,000/= and 2 door pit latrine 300,000/=	0.00	2,000,000	
Marothile Primary School	Construction of 2 door pit latrine	0.00	300,000	
Kubi Primary School	Construction of Underground water tank	0.00	1,500,000	
Bambo west Primary School	Construction 2no. Classrooms	0.00	1,700,000	
Tinfa Primary School	Construction of Underground Water tank	0.00	1,500,000	
Garablaga Primary School	Construction of 2no. Classrooms @ 1,700,000/= and 2 door pit latrine 300,000/=	0.00	2,000,000	
Upper Hill Primary School	Construction of 2no. classrooms	0.00	1,700,000	
Al-furqan Integrated Primary School	Construction of 2no. classrooms	0.00	1,700,000	
Kahmalab Primary School	Construction of 2no. classrooms	0.00	1,700,000	
Kubi Hills Primary School	Construction of 2no. classrooms	0.00	1,700,000	
Daidai Primary School	Construction of 2 door toilets	5,345	305,345	
Al-hidaya Primary School	Completion of multi-purpose (Roofing, ceiling, windows, doors, plastering, wiring, paintings and project labelling.	1,500,000	0.00	
Rhamu DEB Primary School	Construction of Ablution block	2,500,000	0.00	
Towfiq Primary School	Constructions of 2no. classrooms	1,900,000	0.00	
Jabibar Primary School	Construction of Underground Water tank 50M ³	1,700,000	0.00	
Tawakal Primary Sch	Constructions of 2no. classrooms	1,900,000	0.00	
Shangalla Primary School	Constructions of 2no. classrooms	1,900,000	0.00	
Yabicho primary School	Construction of 3 door toilets	1,500,000	0.00	
Libin Nomadic Girls Primary School	Completion of administration block (Plastering, wiring, fitting of doors and windows, ceiling	2,050,000	0.00	

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	board painting and labelling)			
Kalicha Primary School	Construction of 2no. Classrooms @ 950,000/= and 1no. door toilet at 150,000/=	1,200,000	0.00	
Rhamu Dimtu Pri Sch	Renovation of 4no. Classrooms (Replacement of doors and windows, floor screening, plastering, painting, repair of black boards, fisher board and labelling)	1,500,000	0.00	
Garse Primary School	Construction of Administration block (Phase 1)	5,500,000	0.00	
Burjohn Primary School	Drilling Borehole 2,900,000/=, installation of casing and Screens 1,400,000/=, Provision of Gravel Packing 350,000/=, Development of the Borehole 500,000/= and Pump Testing for 24 Hours 350,000/=	1,500,000	0.00	
Saqira Primary School	Completion of Borehole Drilling (Development of the Borehole 500,000/=, Gantry 450,000/=, Pump Testing for 24 Hours 350,000/= and Demobilization and supervision 200,000/=)	950,000	0.00	
Jiko Primary School	Construction of 1no. Classrooms	2,050,000	0.00	
Qurdobo Primary School	Construction of 2no. Classrooms at 1,900,000/= & 1 toilets at 150,000/=	1,100,000	0.00	
Lanqura Pri Sch	Construction of 1no. Classrooms at 950,000/= & 1 toilets at 150,000/=	2,000,000	0.00	
Kobandaga Pri Sch	Construction of 1no. Dormitory (phase 1)	950,000	0.00	
Daidai Pri Sch	Construction of 1no. Classrooms	950,000	0.00	
Marothile Primary School	Construction of 2no. staff house 1,500,000/= and 1no. door toilets at 150,000/=	1,650,000	0.00	
Ogorwein Primary School	Construction of 1no. Dormitory (Phase 1)	2,000,000	0.00	
Arda Hagarsu Primary	Construction of Underground Water tank 50M ³	1,700,000	0.00	
Quramathow Primary	Construction of Underground Water tank 50M ³	1,700,000	0.00	
Burjohn Primary School	Purchases and Delivery of 60pcs Mattresses to Boarding wings	300,000	0.00	
Garse Primary School	Purchases and Delivery of 60pcs Mattresses to Boarding	300,000	0.00	

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	wings			
Al-hidaya Primary School	Purchases and Delivery of 120pcs Mattresses to Boarding wings	600,000	0.00	
Sub-Total		59,455,345	55,860,345	
Amounts due to other grants and other transfers				
Ashabito Police Station	2no. Staff house @ 1,500,000/= and 2 door pit latrine @ 300,000/=	0.00	1,800,000	
Rhamu Police Station	Construction of 2 door toilets	0.00	300,000	
Darusalam Primary School	Purchase, Planting, Watering and fencing of trees	0.00	90,000	
Daidai Primary School	Purchase, Planting, Watering and fencing of trees	0.00	90,000	
Shirshir Primary School	Purchase, Planting, Watering and fencing of trees	0.00	90,000	
Ashabito Primary School	Purchase, Planting, Watering and fencing of trees	0.00	90,000	
Kalicha Primary School	Purchase, Planting, Watering and fencing of trees	0.00	90,000	
Abakaro Primary School	Purchase, Planting, Watering and fencing of trees	0.00	65,000	
Bursary for Secondary Schools	Payment of bursary to needy students in colleges and universities.	685,809.89	782,000	
Bursary for Tertiary Institutions	Payment of bursary to needy students in colleges and universities.	2,389,015.00	1,941,015	
Emergency	As cater for any unforeseen occurrences in the constituency during the financial year	2,208,916.45	1,541,923	
Wargadud Police	Staff house/Reporting Office	10,000	10,000	
Rhamu AP Camp	Construction of Underground Water tank 70M ³	2,300,000.00	0.00	
Rhamu DEB Primary School	Construction of waste disposal site	400,000.000	0.00	
RhamuDimtu Boys Sec School	Construction of waste disposal site	300,000.000	0.00	
Ashabito Girls Secondary School	Construction of waste disposal site	300,000.000	0.00	
Sub-Total		8,650,741	6,889,938	
Sub-Total		71,424,902	68,127,624	
Acquisition of assets				
NG-CDF office furnitures	NG-CDF office furnitures	2,500	2,500.00	
Others (specify)				
Others	Vote book balances from various projects	82,075	82,075.00	

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Sub-Total		84,575	84,575	
Grand Total		71509477	68,212,199	

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	5,300,000	-	-	5,300,000
Transport equipment	3,400,000	-	-	3,400,000
Office equipment, furniture and fittings	760,000	-	-	760,000
ICT Equipment, Software and Other ICT Assets	274,000	-	-	274,000
Other Machinery and Equipment	155,000	-	-	155,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	9,889,900	-	-	9,889,900

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ANNEX 2 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
ABAKARO PRI SCH PMC	Equity	1000272430334	2,235.00	680.00
AL HIDAYA PRI PMC	Equity	1000277331408	8,410.00	4,050.00
ASHABITO BOYS SEC SCH PMC	Equity	1000262654877	4,340.00	2,800.00
ASHABITO AP CAMP PMC	Equity	1000172264123	390.00	390.00
BAMBO WEST PRI SCH PMC	Equity	1000264881793	70.00	530.00
BURJOHN PRIMARY SCH PMC	Equity	1000299952655	890.00	130.00
CHIEF DAHIR ARAB PRIMARY SCHOOL	Equity	1000299025693	140.00	330.00
DAIDAI PRI SCH. PMC	Equity	1000266568190	17,080.00	2,560.00
DARUSALAM PRI SCH PMC	Equity	1000267463618	1,750.00	740.00
GOFA PRI SCH. PMC	Equity	1000298879227	470.00	280.00
GOLOBIA SEC SCH PMC	Equity	1000164385536	1,030.00	1,670.00
KUBI PRI SCH. PMC	Equity	1000299025908	25.00	185.00
LANQURA PRIMARY SCHOOL PMC	Equity	1000297059216	657.50	2,267.50
LIBIN NOMADIC GIRLS SEC SCH PMC	Equity	1000167484139	3,760.00	4,120.00
MAROTHILE PRIMARY SCH PMC	Equity	1000271879721	5,158.95	170.90
OLLA BOYS SEC SCH PMC	Equity	1000262484562	1,280.00	3,250.00
RHAMU POLICE STATION PMC	Equity	1000168160234	1,280.00	1,280.00
SHEIKH ALI HIGH SCHOOL PMC	Equity	1000278962431	-	-
SHIRSHIR PRI SCH PMC	Equity	1000299051977	15.00	255.00
TINEA PRI SCH PMC	Equity	1000162309025	60.00	60.00
UPPER HILL PRIMARY SCHOOL	Equity	1000299838753	2,307.50	1,660.00
YABICHO PRI SCH PMC	Equity	1000297189145	170.00	510.00
AL FURQAN INTE PRIMAFRY SCHOOL	Equity	1000294018105	2,795.35	1,847.85
DAGMARER PRI SCH. PMC	Equity	1000199975179	2.50	345.00
LADENI PRI SCH. PMC	Equity	1000297179048	860.00	120.00

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
QORAHEY PRIMARY SCHOOL PMC	Equity	1000297206425	530.00	220.00
ASHABITO BOARDING PRI SCH PMC	Equity	1000299025827	1,120.00	360.00
AWARA PRIMARY SCHOOL	Equity	1000299025350	630.00	90.00
BARWAQO PRIMARY SCHOOL	Equity	1000299037143	175.00	1,185.00
LADENI WATER USERS ASSOCIATION	Equity	1000177737086	180.00	-
WAJIR NORTH SPORT PMC	Equity	1000178955833	400.00	-
DAGAHTUL PRI SCHOOL PMC	Equity	1000277646534	2,987.50	-
GARABLAGA PRI SCH. PMC	Equity	1000277457742	10,590.00	-
KALICHA PRIMARY SCH PMC	Equity	1000194124874	2,244.00	2,604.00
KALMALAB PRI SCH PMC	Equity	1000299025729	90.00	70.00
KORMA ADOW PRIMARY SCHOOL	Equity	1000277460271	9,877.50	-
LIBIN GIRLS PRI SCH. PMC	Equity	1000298599740	1,950.00	1,260.00
SARMAN PRI SCH. PMC	Equity	1000297488689	28,675.00	95.00
Total			114,625.80	36,115.25

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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	Award of Contract for Capital Project Ksh 14,032,500.00	PMC have being trained on procurement procedure and Government Financial regulations on contract, responses containing attachments on supporting documents for contract awarded provided for audit verification.	FAM	Resolved	
2.0	Bank Accounts for Project Management Committee (PMC's)	Please find records relating to bank accounts maintained by various PMCs required by section 10 sub sections 15 (a) and (b). Attached is the registration certificate of PMC's	FAM	Resolved	
3.0	Constituency Oversight Committee	The Constituency Oversight Committee was not budgeted for in the approved code lists.	FAM	Resolved	
4.0	Store records revealed desks and sport kits worth Ksh. 5,097,180 were not received vide counter receipt vouchers (S13) and were not	The desks and sports kits were procured through PMCs who deliver the stores to intended schools directly without passing through NG-CDF office to reduce and avoid storage space and extra transport cost in relation to the stores since extra	FAM	Resolved	

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

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)
	taken-on-charge in the store ledger	<p>transportation cost was not budgeted for.</p> <p>PMCs may not be conversant to accounting reports such as counter receipt note (S13) and Issue note (S11). However, The receipt of desks and sports kits are supported by the acknowledgement letter from the respective schools.</p>			
5.0	Emergency expenses of Ksh 3,077,450	<p>Any expenditure of emergency nature should be compliant to section 8 of NG CDF Act, 2015 and supported by NG CDFC minutes are required by section 12(5) of NG CDF Act, 2015 which states that every payment or instruction for payment out of the constituency fund account shall be strictly in accordance to the minutes of a resolution of a meeting of the Constituency Committee.</p> <p>NG-CDFC Grant letter issued to PMC's clearly states all requirements for implementation of projects. Hence the shortcomings may be as a</p>	FAM	Resolved	

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		<p>result of incompetence among PMCs.</p> <p>Furthermore, inspection and acceptance reports and delivery notes for the mattresses procured as emergency is as provided for in the project file and attached here are the copies.</p>			
6.0	Unaccounted for Administration /Monitoring and Evaluation Expenses of Ksh 3,603,690	Please find copies of project visit list showing the projects status report and some of these projects were verified on 1 st April 2017 by auditors during physical verification of projects paid in the financial year 2015/2016 showing that the projects were complete and in use.	FAM	Resolved	
7.0	Unaccounted for Bursary Funds Expenses of Ksh 895,028	NG-CDFC minutes that was supporting the payment was the same. Also Acknowledgments and receipt was provided	FAM	Resolved	
Other Matters					
1.0	Budget performance analysis - Implementation of Projects for FY 2014/15 were lagging behind schedule	Implementation of projects were lagging behind schedule due to late disbursement of funds from NG-CDFB and security challenges in the county	FAM	Resolved	

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1.1	Under expenditure of Kshs 35,893,926	Under expenditure was due to late disbursement of funds and security challenges.	FAM	Resolved	
2.0	Outstanding Prior – year’s Audit Issues 2014/2015	The Audit issues of 2014/2015 was responded and submitted to Kenya National Audit Office Garissa Hub on 9/12/2016 as per attached received copy of responses.	FAM	Resolved	


 Fund Account Manager
 Name: MOHAMED I. JATTANI