

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PARLIAMENTARY COMMISSION

DATE: 03 MAR 2022

TABLED BY: OF	LOM	DAY: Mrs
CLERK-AT THE-TABLE:	C. Ndlovu	

**THE AUDITOR-GENERAL**

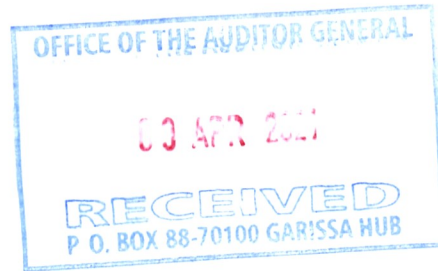
**ON**

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

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



*Revised Template 30<sup>th</sup> June 2020*



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

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

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

**Reports and Financial Statements**

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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



**Core Values**

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

**(b) Key Management**

The NGCDF MANDERA SOUTH Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

N	Designation	Name
o		
1.	A.I.E holder	Dr.Mohamud M.Gedi
2.	Sub-County Accountant	Francis Murugi
3.	Chairman NGCDFC	Issa Haji Abdi
4.	Member NGCDFC	Hawa Adan

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF MANDERA SOUTH Constituency Headquarters**

P.O. Box 10-70301  
Sheikh Shukri Building  
Elwak-Wajir Road  
Elwak, KENYA



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**(f) NGCDF MANDERA SOUTH Constituency Contacts**

Telephone: (254) 721726301

E-mail: manderasouth.go.ke

Website: www.go.ke

**(g) NGCDF MANDERA SOUTH Constituency Bankers**

1. Equity Bank  
Mandera Branch

**(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**

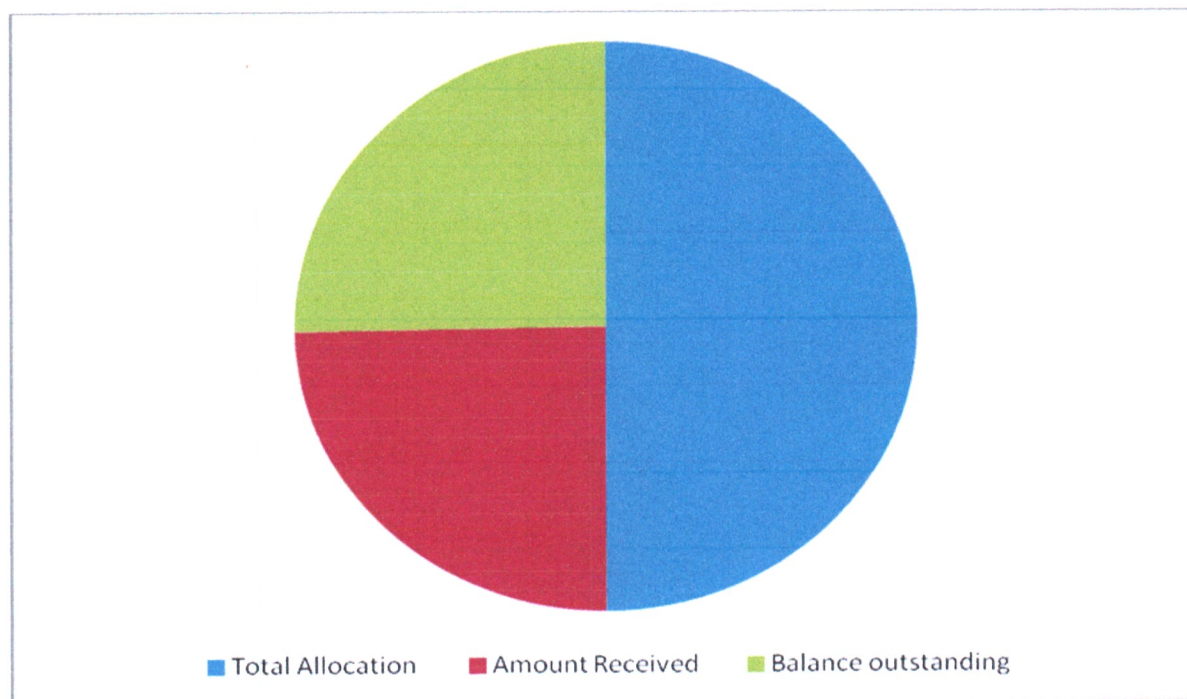
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The Constituency received 68,000,000 out of the total allocation of Kshs 137,367,724 for the year 2019/2020. The balance is Kshs 67,367.726



In the just concluded financial year, 2019/2020, Mandera South constituency has been able to complete a number of key projects in various primary and secondary schools with the funds received. The CDfC is keen in setting realistic and achievable goals by giving priority to ongoing projects to ensure their completion in time. In bursary sector, the constituency has ensured fairness in the disbursement of bursaries to help keep bright and needy students in school. This has gone a long way in improving the performance of the constituency.

The table below show the budget performance in the year under review

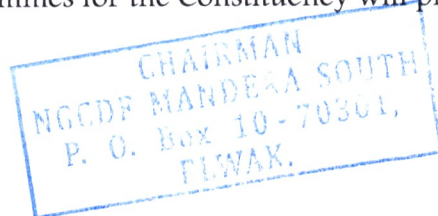
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-	137,367,724	4,786,383	142,154,107	72,786,381	69,367,726	51.20%

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

CDF Board						
Proceeds from Sale of Assets			0	-	-	
Other Receipts			0		-	
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>4,786,383</b>	142,154,107	<b>72,786,381</b>	<b>69,367,726</b>	51.20%
<b>PAYMENTS</b>			0			
Compensation of Employees	3,041,239		3,041,239	3,041,239	-	100.00 %
Use of goods and services	9,286,314	229,399	9,515,711	9,286,314	229,399	97.59%
Transfers to Other Government Units	48,300,000		48,300,000	19,000,000	29,300,000	39.34%
Other grants and transfers	60,740,172	4,556,984	65,297,156	40,702,246	24,594,911	62.33%
Acquisition of Assets	16,000,000		16,000,000	-	16,000,000	
Other Payments			0	-	-	
<b>TOTAL</b>	<b>137,367,724</b>	<b>4,786,383</b>	<b>142,154,106</b>	<b>72,029,799</b>	<b>70,124,310</b>	<b>50.67 %</b>

Security and Covid 19 were a major impediment to implementation of the projects towards the last quarter of the financial year. However with social distancing and other government measures, the programmes for the Constituency will proceed as planned.

Sign

CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

**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 Program	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	number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we constructed additional 30 classrooms  Bursary beneficiaries at all levels were as per the attached schedules to a tune of kshs
Security	To secure the Constituency and give support to security organs within the Constituency	Improved security in the Constituency by providing housing to Security officers	Number of Security offices constructed	In F/Y constructed additional 3 houses for security officers
Environment	Improve access to clean water and a more	Increased number of agricultural	No. of projects implemented	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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	sustainable and conserved environment through natural resources conservation initiatives	businesses.		
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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

**1. Sustainability strategy and profile -**

To be sustainable, Mandera South NG-CDF projects are supposed to meet the objectives of NG-CDF that is, poverty reduction and development at the grassroots. This is part of our objectives of ensuring that the NG-CDFC focuses on three main pillars in the running of the Fund. The constituency employed public participation in all its projects. Various stakeholders were involved in coming up with priorities.

**2. Environmental performance**

As a Constituency, we ensure that Project Implementation Committees (PMC) continue to priorities and improve environmental sustainability projects. We also Encourage Community participation in identification, protection and conservation of environment by carrying out environmental awareness programmes. Create synergy between the NG-CDFC and other related players. In the financial year 2019/2020 the Constituency carried out the following. In the reporting period, Mandera south implemented three water harvesting projects in the security sector.

**3. Employee welfare**

The Constituency has 20 staffs.Six of the staffs are ladies. They were recruited in 2018 March. The office has over time trained them on computer skills, project management as well as financial management.

**4. Market place practices-**

Responsible competition practice.



***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***MANDERA SOUTH CONSTITUENCY***  
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Through NG-CDFC, Manderla South constituency ensures that all the projects and programmes are deliberated through consensus undertaken during their monthly meetings. The consensus is only arrived at after a comprehensive advice has been offered by the Fund Account Manager. The committee has also ensured there is an active website and other communication forum's that enable public participation in decision making. This includes a functioning website, an open door office policy, Ward meetings for project identification and separation of the offices and staff of the Member of Parliament office and the NG-CDF office.

**Responsible Supply chain and supplier relations.**

The NG-CDFC ensures that all contract obligations are met. This is done by ensuring the supply chain management process observe the Public Procurement and Asset Disposal Act, 2015. All the suppliers that attain and those that fail the prequalification threshold are communicated to officially. Payment of contractors is done on time. Lastly, all the contractors and suppliers are given clear guidelines and instructions on the content of their contracts.

**Responsible marketing and advertisement**

The Constituency has established a notice board where all the prequalified and tender winning companies are displayed.

**Product stewardship**

Instructions are given to all the contractors to secure the construction sites of our projects. This is meant to protect the beneficiaries from injuries related to construction works.

**5. Community Engagements-**

The constituency engages the community in project identification, engagement of local suppliers in implementing projects as well as use of locally available resources.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

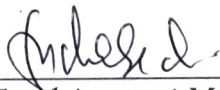
The Accounting Officer in charge of the NGCDF-MANDERA SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MANDERA SOUTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MANDERA SOUTH Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

**Approval of the financial statements**

The NGCDF-MANDERA SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 27/06/2021 2021.

  
Fund Account Manager  
Name: Dr.Mohamud Gedi

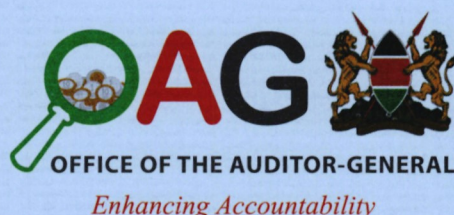


  
Sub-County Accountant  
Name: Francis Murugi  
ICPAK Member Number:



# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera South Constituency set out on pages 12 to 26, which comprise the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for effect of the matters discussed 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 - Mandera South Constituency as at 30 June, 2020 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act 2012.

#### **Basis for Qualified Opinion**

##### **1. Inaccuracies in Cash and Cash Equivalents**

The statement of financial assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents balance of Kshs.756,582. However, a review of the bank reconciliation statement revealed unrepresented cheques totalling Kshs.423,900 had become stale and had not been reversed in the cashbook with some dating back to August, 2018. Further, a recasting of the cashbook revealed a cashbook balance of Kshs.9,448,287 and not the Kshs.756,583 reflected, resulting to an understatement of the cash and cash equivalents balance by Kshs.8,731,704. In addition, the bank statements for the year under the review were not availed for audit review.



In addition, disclosed in the statement of receipts and payments for the year ended 30 June, 2020 is Kshs.24,000,000 being transfers to secondary schools. However, it was noted included in the amount are two payments totalling to Kshs.8,000,000 that were not recorded in the cash book

Consequently, the accuracy, completeness and validity of cash and cash equivalents balance of Kshs.756,582 as at 30 June, 2020 could not be ascertained.

## **2. Unsupported Bursary Awards for Tertiary Institutions**

Disclosed in Note 5 to the financial statement and reflected Statement of receipts and payments is other grants and transfers balance of Kshs.24,702,246. Included in this balance is an expenditure on bursary to tertiary institutions amounting to Kshs.16,764,005. However, the bursary awards lacked supporting documents such as names and particulars of students beneficiaries, acknowledgement of receipts from the learning institutions that received the money and the approval minutes of the constituency fund committee.

In the circumstances, the validity, accuracy and completeness of the bursary disbursements of Kshs.16,674,005 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 - Mandera South Constituency Management 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 Matter**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.142,154,107 and 72,786,381 resulting to an underfunding of Kshs.69,367,726 or 49% of the budget. Similarly, the Fund spent Kshs.72,029,798 against an approved budget of Kshs.142,154,107 resulting to an under expenditure of Kshs.70,124,309 or 49% of the budget.

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



## **2. Project Implementation and Management**

During the financial year under the review. The Fund did not provide for audit review the Project Implementation Status reports. Further, the projects were not physically verified due to the insecurity in the region.

Consequently, it was not possible to confirm the status of the project for the year under review.

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter 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 has not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

##### **Irregular Award of Contracts for Secondary School Projects**

Disclosed in the statement of receipts and payments for the year ended 30 June, 2020 is Kshs.24,000,000. Included in the transfers to secondary schools is an amount of Kshs.18,000,000 transferred to Fincharo secondary school towards implementation of a project with a contract sum of Kshs.30,997,980. Review of related procurement records revealed that restricted tendering was used to procure the contract instead of using open tendering. In addition, Management did not provide for audit appointment letters for tender opening and evaluation committees and Project Management Committee bank statements.

In the circumstances, the validity for the expenditure on these projects costing kshs.24,000,000 as at 30 June, 2020 could not be confirmed and value for money was not realised.

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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 to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**15 February, 2022**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**MANDERA SOUTH CONSTITUENCY**

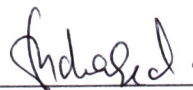
**Reports and Financial Statements**

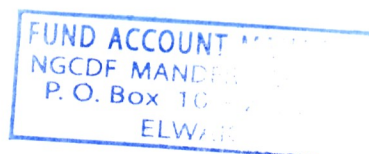
**For the year ended June 30, 2020**


**VI. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	<b>1</b>	72,000,000	116,420,186
Proceeds from Sale of Assets		-	-
Other Receipts		-	-
<b>TOTAL RECEIPTS</b>		<b>72,000,000</b>	<b>116,420,186</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>2</b>	4,178,239	3,041,241
Use of goods and services	<b>3</b>	8,149,314	5,371,226
Transfers to Other Government Units	<b>4</b>	35,000,000	73,556,337
Other grants and transfers	<b>5</b>	24,702,246	53,812,679
Acquisition of Assets		-	-
Other Payments		-	-
<b>TOTAL PAYMENTS</b>		<b>72,029,799</b>	<b>135,781,483</b>
<b>SURPLUS/DEFICIT</b>		<b>(29,799)</b>	<b>(19,361,297)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 07/04/2021 2021 and signed by:

  
Fund Account Manager  
Name: Dr Mohamud Gedi



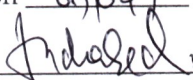
  
National Sub-County Accountant  
Name: Francis Murugi  
ICPAK Member Number:

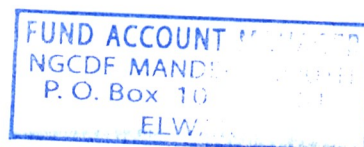
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA SOUTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

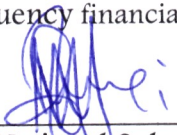
**VII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	6	756,582	786,381
Cash Balances (cash at hand)		-	-
<b>Total Cash and Cash Equivalents</b>		<b>756,582</b>	<b>786,381</b>
Current Receivables-Outstanding Imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>756,582</b>	<b>786,381</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention			
Gratuity			
<b>NET FINANCIAL ASSETS</b>		<b>756,582</b>	<b>786,381</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	7	786,381	20,147,678
Surplus/Deficit for the year		(29,799)	(19,361,297)
Prior year adjustments			-
<b>NET FINANCIAL POSITION</b>		<b>756,582</b>	<b>786,381</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 8/24/2021 2021 and signed by:

  
Fund Account Manager  
Name: Dr. Mohamud Gedi



  
National Sub-County Accountant  
Name: Francis Murugi  
ICPAK Member Number:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**MANDERA SOUTH CONSTITUENCY**

**Reports and Financial Statements**

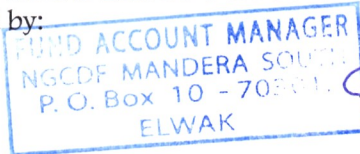
**For the year ended June 30, 2020**

**VIII. STATEMENT OF CASHFLOW**

		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	72,000,000	116,420,186
Other Receipts		-	-
		<b>72,000,000</b>	<b>116,420,186</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	4,178,239	3,041,241
Use of goods and services	3	8,149,314	5,371,226
Transfers to Other Government Units	4	35,000,000	73,556,337
Other grants and transfers	5	24,702,246	53,812,679
Other Payments		-	-
		<b>72,029,798</b>	<b>135,781,483</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable			
Increase/(Decrease) in Accounts Payable		-	-
Prior year Adjustments		-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(29,799)</b>	<b>(19,361,297)</b>
 <b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			-
Acquisition of Assets		-	-
<b>Net cash flows from Investing Activities</b>		-	-
 <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(29,799)</b>	<b>(19,361,297)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	7	<b>786,381</b>	<b>20,147,678</b>
<b>Cash and cash equivalent at END of the year</b>		<b>756,582</b>	<b>786,381</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 15/07/2021 2021 and signed by:

Dr. Mohamud Gedi  
 Fund Account Manager  
 Name: Dr. Mohamud Gedi



Francis Murugi  
 National Sub-County Accountant  
 Name: Francis Murugi  
 ICPAK Member Number:

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

**IX. 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 %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	4,786,383	142,154,107	72,786,381	69,367,726	51.2%
Proceeds from Sale of Assets			0	-	-	0.0%
Other Receipts			0		-	#DIV/0!
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>4,786,383</b>	<b>142,154,107</b>	<b>72,786,381</b>	<b>69,367,726</b>	<b>51.2%</b>
<b>PAYMENTS</b>						
Compensation of Employees	5,742,063		5,742,063	4,178,239	1,563,824	72.8%
Use of goods and services	6,585,488	229,399	6,814,887	8,149,314	(1,334,426)	119.6%
Transfers to Other Government Units	48,300,000		48,300,000	35,000,000	13,300,000	72.5%
Other grants and transfers	60,740,172	4,556,984	65,297,156	24,702,246	40,594,910	37.8%
Acquisition of Assets	16,000,000		16,000,000	-	16,000,000	0.0%
Other Payments			0	-	-	#DIV/0!
<b>TOTAL</b>	<b>137,367,724</b>	<b>4,786,383</b>	<b>142,154,107</b>	<b>72,029,798</b>	<b>70,124,309</b>	<b>50.7%</b>

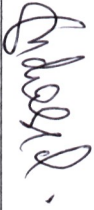


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA SOUTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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The Budget utilization ration is low in most sectors owing to the delays in funds disbursements from the board leading to problems in projects implementation. This as a result affected the absorption rate of the itemised units.

The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 27/01 2021 and signed by:



Fund Account Manager  
Name: Dr.Mohamud Gedi





Sub-County Accountant  
Name:Francis Murrugi  
ICPAK Member Number:

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

**X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,041,238		3,041,238	3,041,238	-
1.2 Committee allowances	2,464,457		2,464,457	2,464,457	-
1.3 Use of goods and services	2,700,825		2,700,825	2,700,825	-
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,400,000		1,400,000	1,400,000	-
2.2 Committee allowances	1,500,000		1,500,000	1,500,000	-
2.3 Use of goods and services	1,221,032	229,399	1,450,431	1,221,032	229,399,00
<b>3.0 Emergency</b>	7,198,241		7,198,241	7,198,241	-
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools					
4.2 Secondary Schools	5,000,000		5,000,000.00	5,000,000	-
4.3 Tertiary Institutions	29,341,931	556,984	29,898,915	28,504,005	1,394,910
4.4 Universities					
4.5 Social Security					
<b>5.0 Sports</b>	0		-		
<b>6.0 Environment</b>	0				



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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>7.0 Primary Schools Projects</b> (List all the Projects)					
7.1 Mandera South Primary schools desk projects	7,000,000		7,000,000	7,000,000	-
<b>8.0 Secondary Schools Projects</b> (List all the Projects)					
8.1 Fincharo Secondary School	6,000,000		6,000,000	2,000,000	4,000,000
8.2 Fincharo Secondary School	5,000,000		5,000,000		5,000,000
8.3 Fincharo Secondary School	5,000,000		5,000,000		5,000,000
8.4 Fincharo Secondary School	3,000,000		3,000,000		3,000,000
8.5 Fincharo Secondary School	800,000		800,000		800,000
8.6 Fincharo Secondary School	5,500,000		5,500,000		5,500,000
8.8 Elwak Girls Secondary school	1,500,000		1,500,000	1,500,000	-
8.9 Shimpir Fatuma secondary school	1,500,000		1,500,000	1,500,000	-
8.10 Wargadud Secondary school	1,500,000		1,500,000	1,500,000	-
8.11 Kotulo Mixed Secondary School	1,500,000		1,500,000	1,500,000	-
<b>9.0 Tertiary institutions Projects</b> (List all the Projects)					
9.1 Elwak TTI	10,000,000		10,000,000		10,000,000
<b>10.0 Security Projects</b>					
10.1 Kotulo AP camp	6,000,000		6,000,000		6,000,000
10.2 Kotulo AP Camp	400,000		400,000		400,000
10.3 Borehole 11 Ap Camps	6,000,000		6,000,000		6,000,000
10.4 Borehole 11 AP camp	400,000		400,000		400,000
10.5 Qarsadamu AP camp	6,000,000		6,000,000		6,000,000

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
10.6 Qarsadamu AP camp	400,000		400,000.00		400,000.00
11.0 Acquisition of assets			-		-
11.1 Motor Vehicles (including motorbikes)			-		-
11.2 Construction of CDF office	16,000,000		16,000,000		16,000,000
11.3 Purchase of furniture and equipment			-		-
11.4 Purchase of computers			-		-
11.5 Purchase of land			-		-
<b>12.0 Others</b>			-		-
12.1 Construction of waiting bay at Elwak airstrip		4,000,000	4,000,000.00	4000000	-
12.2 Innovation Hub			-		-
	12.2		-		-
	137,367,724	4,786,383	142,154,107	72,029,797	70,124,310

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



## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-MANDERA SOUTH Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

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

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

#### **Tax Receipts**

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

#### **Transfers from the Exchequer**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

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

### **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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



## **SIGNIFICANT ACCOUNTING POLICIES**

### **5. In-kind contributions**

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

### **6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

### **7. Accounts Receivable**

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

### **8. Accounts Payable**

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

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

### **14. Errors**

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

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

### **15. Related Party Transactions**

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



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

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

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
	B030495		15,000,000
Normal Allocation	B006442		6,000,000
	B005284		11,379,310
	B030097		10,000,000
	A724471		11,000,000
	B042796		12,000,000
	B047569		51,040,876
	B047202	4,000,000	
	B041123	4,000,000	
	B047607	20,000,000	
	B047968	6,000,000	
	B049370	14,000,000	
	B096606	9,000,000	
	B104394	15,000,000.00	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>72,000,000</b>	<b>116,420,186</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**2. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	3,695,250	2,929,641
Personal allowances paid as part of salary	306,989	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	176,000	111,600
<b>Total</b>	<b>4,178,239</b>	<b>3,041,241</b>

**3. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	4,117,600	2,400,000
Utilities, supplies and services	531,714	1,471,226
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services		
Office Rent		600,000
Training expenses	1,500,000	900,000
Hospitality supplies and services		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	2,000,000	
Other operating expenses		
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
<b>Total</b>	<b>8,149,314</b>	<b>5,371,226</b>



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**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	7,000,000	68,056,337
Transfers to secondary schools	28,000,000	5,500,000
Transfers to tertiary institutions		
Transfers to health institutions		
<b>TOTAL</b>	<b>35,000,000</b>	<b>73,556,337</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	740,000	13,016,223
Bursary – tertiary institutions	16,764,005	24,057,463
Bursary – special schools		
Mock & CAT		
Security projects		11,000,000
Sports projects		
Environment projects		
Emergency projects	7,198,241	5,738,993
<b>Total</b>	<b>24,702,246</b>	<b>53,812,679</b>

**6: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Mandera Branch A/c No: 1000261176664</i>	756,583	786,381
<b>Total</b>	<b>756,583</b>	<b>786,381</b>
<i>[Provide cash count certificates for each]</i>		

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7 BALANCE BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	786,381	20,147,678
Cash in hand		
Imprest		
<b>Total</b>	<b>786,381</b>	<b>20,147,678</b>

8. OTHER IMPORTANT DISCLOSURES

8. 1: UNUTILIZED FUND (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	229,399	229,399
Amounts due to other Government entities (see attached list)	23,300,000	0
Amounts due to other grants and other transfers (see attached list)	30,594,910	4,556,984
Acquisition of assets	16,000,000	0
Others ( <i>specify</i> )	0	0
<b>Total</b>	<b>70,124,309</b>	<b>4,786,383</b>

8.2: PMC account balances (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	2355	11,626



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Annex 1

<b>Amounts due to other Government entities</b>	<b>Outstanding amount 2019/2020</b>	<b>Outstanding amount 2018/2019</b>
Use of Goods and Services	229,399	229,399
Bursary(Tertiary)		556,984
<b>8.0 Secondary Schools Projects</b>		
8.1 Fincharo Secondary School	4,000,000	
8.2 Fincharo Secondary School	5,000,000	
8.3 Fincharo Secondary School	5,000,000	
8.4 Fincharo Secondary School	3,000,000	
8.5 Fincharo Secondary School	800,000	
8.6 Fincharo Secondary School	5,500,000	
<b>Sub-Total</b>	<b>23,300,000</b>	
<b>Amounts due to other grants and other transfers</b>		
<b>Sub-Total</b>		
<b>Sub-Total</b>		
<b>Acquisition of assets</b>	16,000,000	
<b>Others (specify)</b>		
Bursary Tertiary institutions	1,394,910	
<b>10.0 Security Projects</b>	0	
10.1 Kotulo AP camp	6,000,000	
10.2 Kotulo AP Camp	400,000	
10.3 Borehole 11 Ap Camps	6,000,000	
10.4 Borehole 11 AP camp	400,000	
10.5 Qarsadamu AP camp	6,000,000	
10.6 Qarsadamu AP camp	400,000	
10.7 Elwak TTI	10,000,000	
	30,594,910	4,000,000
	<b>70,124,309</b>	<b>4,786,383</b>

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1,500,000			1,500,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>1,500,000</b>			<b>1,500,000</b>



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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Elgocicha Primary School	Equity Bank,Mandera Branch	1000296776977	20	470
Dawder Primary School	Equity Bank,Mandera Branch	1000296752124	605	625
Wachile Primary School	Equity Bank,Mandera Branch	1000273641469	759.80	780
Chirole Primary School	Equity Bank,Mandera Branch	1000194074863	71.95	1591.95
Godhe Primary School	Equity Bank,Mandera Branch	1000262354827	(331.70)	397.70
Dadach Primary School	Equity Bank,Mandera Branch	1000176353476	90.00	930
Harwale Primary School	Equity Bank,Mandera Branch	1000297186592	420	420
Kutayu Primary School	Equity Bank,Mandera Branch	1000199593406	329.90	849.90
Borehole 11 Primary School	Equity Bank,Mandera Branch	1000297179754	390.00	1150
Wargadud AP Camp	Equity Bank,Mandera Branch	1000178994580	0	520
<b>Total</b>			<b>2,355</b>	<b>11,626</b>

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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)
MDR/CDF/INS P/SOUTH/VOL .1/(9)	The Mandera South NGCDF underspent on Transfers to Govt entities by 103,617,149.Few projects implemented in the year	The NGCDF Board released this amount on 30th June 2016,the last day of The Financial year hence spent in 2016/17 FY	Mr.Mohammed Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INS P/SOUTH/VOL .1/(9)	Bank Reconciliation reflects stalled cheques that needed to be debited back	Done and credited back to the cashbook	Mr.Mohammed Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INS P/SOUTH/VOL .1/(9)	Non maintenance of Bank accounts by PMC	To comply	Mr.Mohammed Gedi Fund Manager Mandera South NGCDF	Unresolved	By end of 2017/18 FY
MDR/CDF/INS P/SOUTH/VOL .1/(9)	Constituency Oversight Committee not in place	The area MP did not appoint the Committee as expected	Mr.Mohammed Gedi Fund Manager Mandera South NGCDF	Unresolved	By end December 2017



MDR/CDF/INS P/SOUTH/VOL .1/(9)	Award of Capital projects amounting to 13,034,995 certificate of completion not availed	To follow up and avail the documents	Mr.Mohammad Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INS P/SOUTH/VOL .1/(9)	Bursary expenses of Kshs 4,490,384 did not have acknowledgment	Most Institutions in far areas of The Country didn't send acknowledgments.To follow up with respective institutions.	Mr.Mohammad Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INS P/SOUTH/VOL .1/(9)	Administration/M&E of kshs 1,995,000.No progress report, list of projects not attached	List availed	Mr.Mohammad Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timeframe: ( <i>Put a date when you expect the issue to be resolved</i> )