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A. Chibuko

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – MANDERA EAST
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
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MANDERA EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund
NGCDFB- National Government Constituency Development Fund Board
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC-Project Management Committee
FY-Financial Year
NGCDFC-National Government Constituency Development Fund Committee
NSCA-National Sub-County Accountant
PLWD-Persons Living with Disability
NA-National Assembly
NASC-National Assembly Select Committee
PSASB-Public Sector Accounting Standards Board

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Mandera East Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Hussein Diriye Jimale
2.	Sub-County Accountant	Yunis Ali Dakat
3.	Chairman NGCDFC	Mohamednoor Abdi Ali
4.	Member NGCDFC	Halima Adan Alio

(c) Fiduciary Oversight Arrangements

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

(d) Mandera East Constituency NGCDF Headquarters

P.O. Box 197-70300
Mandera East NGCDF Building
Survey of Kenya, Compound
Nairobi, KENYA

(e) Mandera East Constituency NGCDF Contacts

Telephone: (254) 721111528
E-mail: cdfmanderaeast@ngcdf.go.ke
Website: www.ngcdfmanderaeast.go.ke

(f) Mandera East Constituency NGCDF Bankers

Equity Bank Limited
Mandera Branch
P.O. BOX 536-70300
Mandera

(g) Independent Auditors

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

(h) Principal Legal Adviser

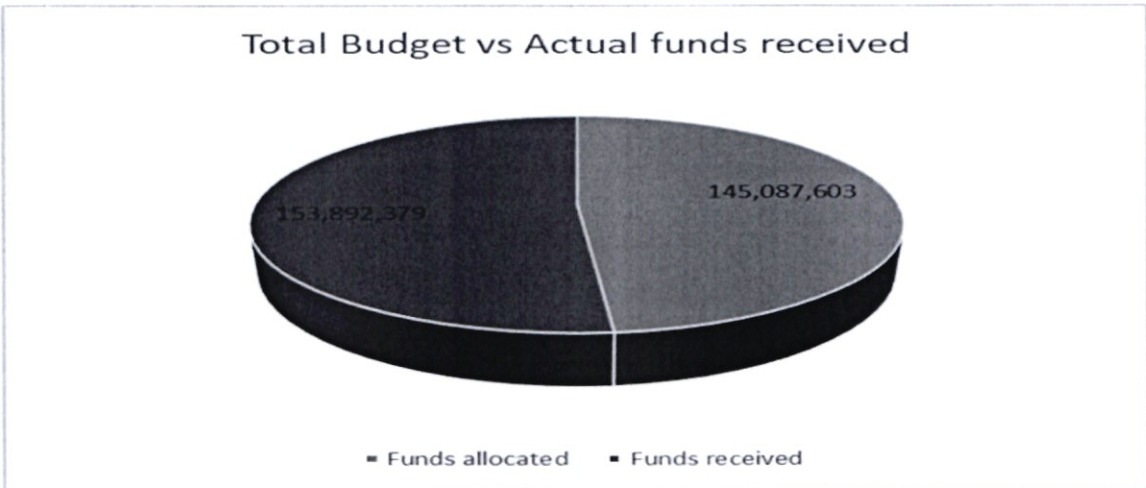
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. NG-CDFC Chairman’s Report



Mohamednoor Adan Abdi
Chairperson, Mandera East NG-CDF Committee

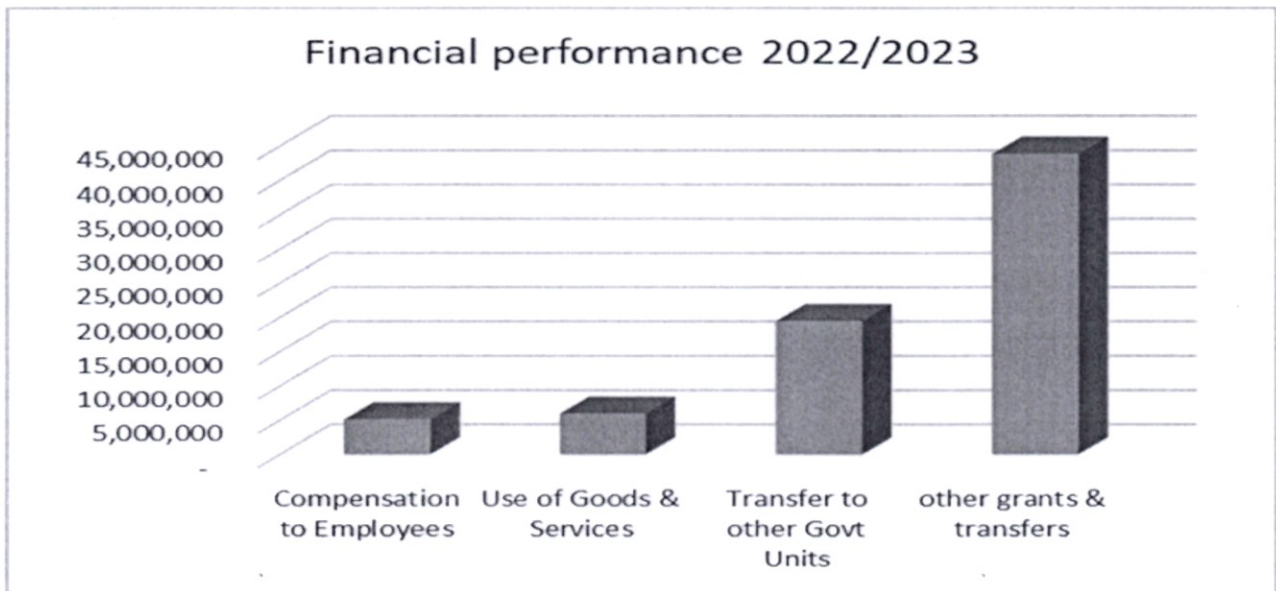
Mandera East Constituency is an electoral constituency in Kenya. It is one of six constituencies in Mandera County. The constituency was established for the 1966 elections. It is my pleasure to present Mandera East National Government Constituency Development Fund’s financial statements for the period ending 30th June 2023. The financial statements present the financial performance of the Constituency Development Fund on the just concluded fiscal year. Mandera East NG-CDFC wishes to present in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Mandera East Constituency through the various projects that we have funded. During the year 2022/2023 the Constituency received KES 87,000,00 as at 30th June 2023 of the allocated funds out of 145,087,603 budgeted for the financial year. This translates to 60% of the budgeted amount. The chart below represents the budgeted amount versus actual funds received as at 30th June 2023.



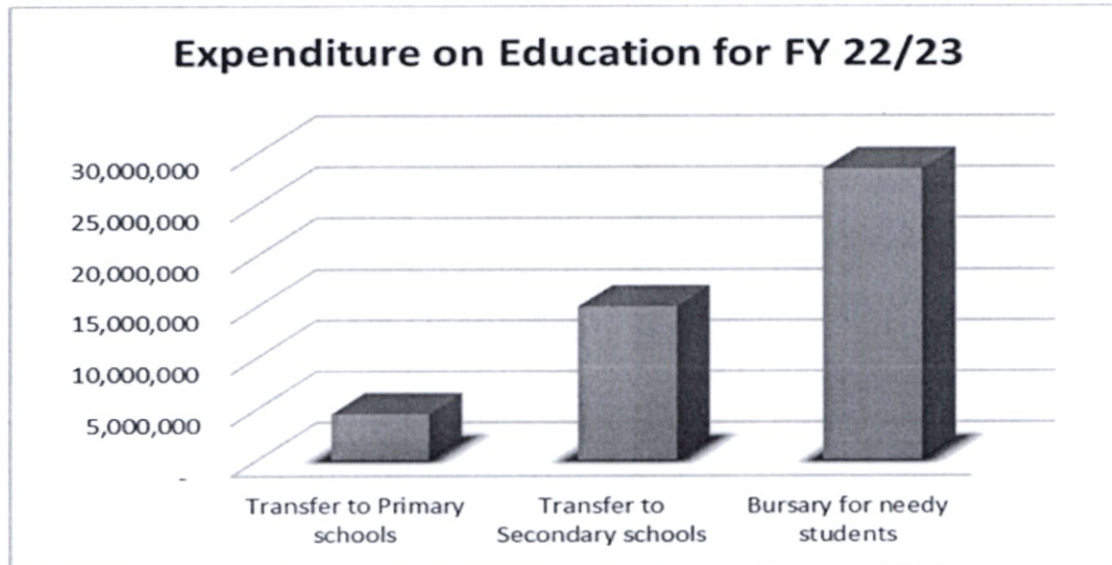
Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
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In the financial year 2022/2023 a total of KES 87,000,000 was disbursed to the constituency on time for various projects plus previous balance brought of KES 8,804,776 totalling to KES 95,804,776 for the financial year. KES 74,488,980 was the total expenditure for the fiscal year. This leaves a bank balance of KES 21,315,796 which forms part of the accumulated surplus for the year to be carried forward in FY 2023/2024.

The graph below is a presentation of how the constituency budget was distributed for the financial year 2022/2023. The highest allocation was under transfers to other government entities indicating most of the funds were meant to improve the education infrastructure of the constituency during the year. Other grants and transfers follows closely as bursary is the largest portion of that category.



Under the education sector, the below graph indicates how the constituency has supported education sector during the financial year 2022/2023. Below are sample projects done within the FY



Key Achievements

During the year Mandera East NGCDF has achieved a lot in the implementation of projects in different sectors. The fund has developed schools, security housing, water services in learning institutions, bursary for needy students in secondary schools as well as tertiary institutions. NGCDF funds have really elevated the livelihoods of the residents in the sense that it has implemented development at grassroots level where all lowest of the community participate and benefit in one or the other.



Libehiya Primary school- Construction of water tank and gutters.

Impact: improved water harvesting and environmental sustainability in the school



Mandera Secondary School-Construction of dormitory

Impact: increased enrolment of students and decongestion

Emerging issues

Increased need of classrooms due to newly introduction of Junior Secondary schools.

Decreased Higher Education Loan Board beneficiaries due to new government directives hence putting more pressure on scarce bursary kitty.

The Board has also introduced new reporting tools, the introduction of vote book management system where constituencies have moved from the use of the manual vote book and this has really helped in increased efficiency and improved performance of the NG-CDFC to a great extent.

Challenges

During the year there were challenges relating to severe drought that has really affected the livelihood of the constituents.

Delayed funds disbursement from the board and the National Treasury.

Growing need for bursary and other social security benefits which are likely to result to overdependence and high demand for the same due to high poverty index resulting from the recent drought which has swept away significant amount of their livestock which was the main economic mainstay of the populace.

Solutions.

Timely disbursement of funds by the board and by extension the National Treasury.

I wish to urge the Board and/NASC to continually increase constituencies financial allocation to uptake more projects in the constituency as well as increase bursary kitty.

As means of optimally utilizing the scarce funds we initiated a programme where we are renovating more classrooms instead of constructing new ones as this more cost effective.


.....

MOHAMEDNOOR ADAN ABDI
CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance Against Predetermined Objectives for FY2022/2023

Introduction

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

The key development objectives of Mandera East Constituency 2023-2027 plan are to:

1. To have all children of school going age attending school
2. To ensure safety of all residents
3. To ensure school going children are learning in a good environment and have clean water.
4. To ensure all youths are given an opportunity to harness their potential.

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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In Financial Year 2022/23 - we increased number of classrooms by 4 in primary and 4 in secondary school, 1 dormitory in secondary school, 10 laboratories equipment for Secondary schools, 137 and 1449 Bursary beneficiaries in secondary and tertiary

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				respectively
Security	To ensure safety of all residents	Increased security in all areas within the Constituency	<ul style="list-style-type: none">- number of usable physical infrastructure built- Reduced number of insecurity.	In Financial Year 2022/2023 -we increased number of police posts by one and 3 toilets for 3 stations.
Environment	To ensure school going children are learning in a good environment and have clean water.	Clean water in schools and reduction of wind effects in schools.	Number of tanks purchased as well as number of trees planted	In the Financial Year 2022/2023 we increased 300 number of trees planting and 5 the construction of water tanks
Sports	To ensure all youths are given an opportunity to harness their potential.	Upgrading of fields in schools.	Upgraded field./no of sport activities	In the Financial Year 2022/2023 we held one sports tournament and 25 sports equipment for the youth in the constituency.
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	Catering for any unforeseen occurrences in the constituency	Number of response to emergency issues	In the Financial Year 2022/2023 We responded to acute water shortages in all learning institutions during the devastating drought

V. Governance Statement

Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG-CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG-CDF regulations provides for procedure for nomination of the five members of the NG-CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations requires that one to serve as member of the NG-CDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NG-CDF Committee

The NGCDF Regulation 2016 on appointment of NGCDFC members states; (1) the members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya

Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;

the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and

Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members.

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NG-CDF Mandera East process

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicised in public offices notice boards and other public areas in the constituency.

Out of a total of 16 applicants, the selection panel developed a shortlisting criterion, which enabled picking of the four nominees. A registered group representing persons with disabilities in the constituency nominated one person as per the regulations.

Two additional nominees were nominated by the Constituency office as per section 43 of the NG-CDF Act 2015. One person was nominated as a co-opted member, in consultation with the local leadership.

Nominees of The Selection Panel

S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Mohamednoor Abdi Adan	30857949	Male (Youth)	Libehiya
2.	Adan Daud Hamud	20146139	Male (Adult)	Arabia
3.	Amina Mohamud Abdullah	29939793	Female (Youth)	Neboi
4.	Nasteha Bare Elmi	30595527	Female (Adult)	Khalalio

Nominee of the body representing persons with disability

S/No	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT Visual/hearing/mental/albinism/ambulatory/hands impairment)	REMARKS (Pertinent comments), including necessity/justification to attend meeting in company of an aid
1.	Ali Maalim Osman	Mandera East Disabled Forum Group	ambulatory/hands and legs impairment	Nominee uses using wheelchair but does not need to attend meeting in company of an aid

Nominee of the constituency Office

S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Halima Adan Alio	39237973	constituency Office	Neboi
2.	Mohamed Omar Ali	21559345	constituency Office	Township

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as below: -

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S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Sahara Mohamed Deriye	39746278	Co-opted member	Township

The NG-CDFC members were gazetted on 16th December 2022. The members had their inaugural meeting on 24th December 2022. The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position -Mr. Mohamednoor Abdi Adan of ID number 30857949.
2. Secretary position – Halima Adan Alio of ID number 39237973 elected as the secretary to the committee.

During its first meeting, the Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The following were appointed to the different committee

i. Bursary committee

1. Sahara Mohamed Deriye - Member
2. Mohamed Omar Ali - Member
3. Adan Daud Hamud - Member
4. Ali Maalim Osman - Member

ii. Complaints resolution committee

1. Mohamed Omar Ali - Member
2. Adan Daud Hamud - Member
3. Ali Maalim Osman - Member
4. Nicky Betta - Member/DCC

The representative from the ministry of education office is also coopted to be in the Bursary committee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (O causing disharmony within the committee;
- (g) physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Mandera East the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Induction and training

Upon appointment with the approval of the National Assembly, members were gazetted on 16th December 2022 as members of the NG-CDF Committee for Mandera East Constituency with effect from the 25th December, 2022.

The members held an induction training from 28th April to 2nd May 2023 at Garissa. In the induction they were taken through their mandate, procurement process, financial management and other important topical matters that enable them discharge their duties effectively and efficiently.

The Fund Account Manager read through a circular NC-CDFB / CEO/CIRCULARS / vol. II (033) which stated that after the appointments; Further, the Regulations require that for a person to be elected Chairman or Secretary of NG-CDF Committee. he/she must hold a Kenya Certificate of Secondary Education or its equivalent. Lastly, under Regulation 6(2). a person who had previously served in a constituency committee constituted under the Fund or served in leadership position in the community will have an added advantage.

The Fund Account Manager informed members that the NG-CDF Mandera East main account which receives funds from The NG-CDF Board needed an update of the signatories after the appointment of new NG-CDFC members and the members forwarded the list as the account signatories who are to sign the specimen signature letter at the Sub-County Accountant offices.

The next meeting was scheduled to a date to be communicated for members to participate in elections for sub-committees; Bursary Committee, Monitoring and Evaluation Committee, Community Oversight Committee, Environment Committee, Sports Committee and any other committee to be communicated.

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Number of meetings;

Mandera East NGCDFC held meetings as per the Act, that requires members to hold at most 24 meetings. The members held 24 meeting which can be supported by written minutes in the NG-CDFC minute file.

Committee meetings attendance register 2022/2023													
No	Committee Member	26 th Dec and 30 th Dec 2022	14 th Jan 2023 And 26 th Jan 2023	1 st Feb 2023 and 8 th Feb 2023	22 nd Feb 2023 and 28 th Feb 2023	2 nd march 23 and 15 th march 23	30 th march 23 and 11 th march 23	26 th April 23 and 3 rd may 23	17 th may 23 and 30 th may 23	2 nd June 23 and 7 th June 23	12 th June 23 and 15 th June 23	19 th June 23 and 23 rd June 23	26 th June 23 and 30 th June 23
1	Mohamednoor Abdi Adan	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
2	Amina Mohamud Abdullahi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3	Adan Daud Hamud	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
4	Nasteha Barre Elmi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
5	Sahara Mohamed Diriye	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
6	Mohamed Omar Ali	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
7	Halima Adan Alio	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
8	Ali Maalim Osman	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
9	Nicky Betta	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

c) **Members remuneration**

NG-CDFC members are not entitled to payment of salary. According to a circular from the Board, members are remunerated as per the Act where the chairperson receives Ksh: 7,000 and other members are remunerated at a flat rate of Ksh: 5,000 on the meetings held and, on any activity, as they may hold in the constituency.

Policy on conflict of interest;

The committee adhered to the guidelines on conflict of interest on awarding projects and bursary allocations. The entity ensures that members declare their interest in management matters to avoid the conflict of interests. material financial interest, self-dealing transaction or other kind of actual conflict does not exist in Mandera East constituency.

The act specifies that any member with interest shall resign from the committee.

None of the NG-CDFC members declared conflict of interest within the course of the year

Ethics and good conduct;

Regulation 6 requires that for one to serve as a member of the NG-CDF Committee. he or she must be:

- a) A citizen of Kenya.
- b) Ordinarily resident and a voter in the constituency;
- c) Able to read and write, and to communicate in English and Kiswahili.
- d) Meet the requirement of Chapter six of the Constitution of Kenya.

During the nomination of members, the FAM and selection panel made sure members met the requirements of chapter 6 of the constitution and were of good conduct.

Risk management;

It the responsibility of each committee member to be versed with the constituency risks and put in place measures to prevent and control them.

During the financial year, the FAM used the postal corporation of kenya as a delivery measure of bursary cheques across the constituency so as to prevent cases of loss of cheques, late delivery and cheques not being delivered to right students.

FAM also ensured the PMCs were fast to receive, be trained and use funds allocated to their projects and institutions.

Mandera East Constituency

National Government Constituencies Development Fund (NGCDF)

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Roles of NG-CDF Committee in Risk management

- Coordinate and monitor the implementation of Risk management initiatives within the constituency
- Conduct Risk assessment and develop monitoring systems of the risks
- Monitoring risks in the constituency.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

Education and Training: Mandera East NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

Security Sector Support: Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

Environment: The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

Sports: The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

On macro levels FY 2022/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

Environmental performance

Mandera East NG-CDFC strategic Environmental agenda recognizes the provisions of the NG-CDF Board Strategic Plan and the National Environmental Management Authority (NEMA) guidelines. The NEMA Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake planning, implementation, monitoring and Audit of the projects to ensure compliance with and enforcement of the constitution and other statutory obligations relating to environmental sustainability.

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 programs. Create synergy between the NG-CDFC and other related players. In the financial year 2022/2023 the Constituency carried out through Mandera East National Government Constituency Development Fund Committee (NG-CDFC), Members and Public on Environmental Sustainability through sharing of best practices with other constituencies.

Employee welfare

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

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

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

Market place practices

Mandera East NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

Responsible competition practice by encouraging fair competition and zero tolerance to corruption

Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.

Responsible marketing and advertisement

Product stewardship by safeguarding consumer rights and interest.

Community Engagements

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

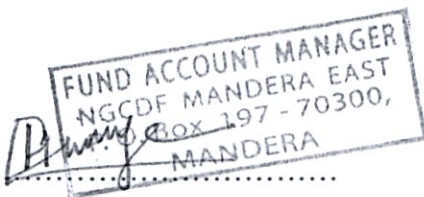
Public Awareness

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

Public Awareness

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

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


The stamp contains the following text: FUND ACCOUNT MANAGER, NGCDF MANDERA EAST, Box 197 - 70300, MANDERA.

Hussein Diriye Jimale

Fund Account Manager

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Mandera East 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, 2023. 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 East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF Mandera East Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Mandera East Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been

*Mandera East Constituency
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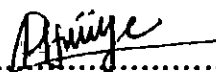
Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF Mandera East Constituency financial statements were approved and signed by the Accounting Officer on 20th September 2023.



.....
Mohamednoor Abdi Adan
Chairman – NGCDF Committee



.....
Hussein Diriye Jimale
Fund Account Manager

VII. Statement of Management Responsibilities

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Mandera East Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

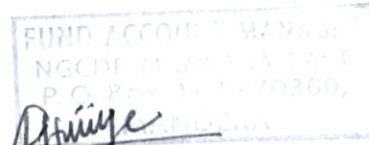
Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF Mandera East Constituency financial statements were approved and signed by the Accounting Officer on 20th September 2023.



.....
Mohamednoor Abdi Adan
Chairman – NGCDF Committee



.....
Hussein Diriy Jimale
Fund Account Manager

REPUBLIC OF KENYA

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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 - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera East Constituency set out on pages 1 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Manderla East Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unconfirmed Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects other grants and transfers amount of Kshs.43,871,502. Included is bursaries amounting to Kshs.1,751,000 and Kshs.26,717,000 totalling Kshs.28,468,000 disbursed to various secondary schools and tertiary institutions respectively. However, examination of payment vouchers and other supporting documents revealed that bursaries amounting to Kshs.1,572,000 which had not been acknowledged through official receipts or acknowledgement letters from the beneficiary Institutions.

In the circumstances, the accuracy and completeness of the bursary disbursements amounting to Kshs.28,468,000 could not be confirmed.

2. Lack of Ownership Documents

Annex 4 to the financial statements on summary of fixed asset register reflects fixed asset balance of Kshs.25,347,098 which includes land and buildings balance of Kshs.17,249,139. However, ownership documents for the land were not provided for audit verification.

In the circumstances, ownership of the land and buildings balances of Kshs.17,249,139 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Manderla East Constituency Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.153,892,379 and Kshs.95,804,776 respectively, resulting to an under-funding of Kshs.58,087,603 or 38% of the approved budget. Similarly, the Fund spent a balance of Kshs.74,488,980 against the actual receipts of Kshs.95,804,776 resulting to an under-utilization of Kshs.21,315,796 or 22% of the actual receipts.

The under-funding and under-utilization may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues nor given any explanation for the failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Report to the Board an Expenditure from Emergency Reserve

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects other grants and transfers amount of Kshs.43,871,502. Included in the amount is Kshs.7,600,000 incurred from the emergency reserve. However, the Management did not report to the National Constituencies Development Board the

utilization of the emergency funds within thirty (30) days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

2. Failure to Open a Deposit Holding Account

During the year under review, the Fund did not open a deposit holding account as required by Section 121(a) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which requires each Constituency to open one deposit bank account for holding third party monies which shall so be designated and such an account shall be known by the name of the Constituency For which it is opened.

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

3. Non-implementation of Projects

During the year under review, the Fund allocated Kshs.93,489,694 to projects in various sectors including primary schools, secondary schools, security, sports, environment and emergencies within the Constituency. The Project Implementation Status report and expenditure returns indicated fifty-two (52) projects with a project cost of Kshs.58,250,000 had not been started.

Failure to implement the projects as planned may have negatively impacted delivery of services to the Public.

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

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

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 which 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 Management.
- Conclude on the appropriateness of 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 which 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 June, 2024

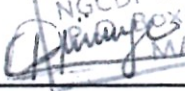
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National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	163,277,758
Total Receipts		87,000,000	163,277,758
Payments			
Compensation Of Employees	2	5,138,880	5,627,659
Committee expenses	3	1,849,400	-
Use Of Goods and Services	4	3,536,098	7,333,314
Transfers To Other Government Units	5	19,500,000	85,538,914
Other Grants and Transfers	6	43,871,502	74,222,538
Acquisition Of Assets	7	-	3,000,000
Constituency Oversight Committee Expenses	8	593,100	
Total Payments		74,488,980	175,722,425
Surplus/(Deficit)		12,511,020	(12,444,667)

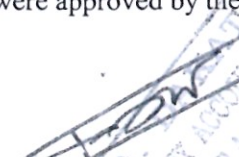
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 20th September 2023 and signed by:



Fund Account Manager

CPA Hussein Diriye

ICPAK M/No:15013


National Sub-County
Accountant

CPA Yunis Ali Dakat
ICPAK M/No: 27901


Chairman NG-CDF
Committee

Mohamednoor Abdi

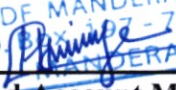
Mandera East Constituency
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Annual Report and Financial Statements for The Year Ended June 30, 2023

X. Statement of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	9A	21,315,796	8,804,776
Cash Balances (Cash at Hand)	9B	-	-
Total Cash and Cash Equivalents		21,315,796	8,804,776
Accounts Receivable			
Total Financial Assets		21,315,796	8,804,776
Financial Liabilities			
Accounts Payable (Deposits)			
Total Financial Liabilities		-	-
Net Financial Assets		21,315,796	8,804,776
Represented By			
Fund Balance B/Fwd.	10	8,804,776	21,249,443
Prior Year Adjustments			
Surplus/Deficit for The Year		12,511,020	(12,444,667)
Net Financial Position		21,315,796	8,804,776


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

The Constituency financial statements were approved by NG-CDFC on 20th September 2023 and signed by:


FUND ACCOUNT MANAGER
 NGCDF MANDERA EAST
 P. O. BOX 107 - 70300,
 MANDERA

Fund Account Manager

CPA Hussein Diriye Jimale
 ICPAK M/No: 15013


NATIONAL SUB-COUNTY
ACCOUNTANT
 Y. S. DAKAT
 SUB-COUNTY ACCOUNTANT
 MANDERA EAST

National Sub-County Accountant

CPA Yunis Ali
 ICPAK M/No: 27901



Chairman NG-CDF Committee

Mohamednoor Abdi

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	163,277,758
Total Receipts		87,000,000	163,277,758
Payments			
Compensation of Employees	2	5,138,880	5,627,659
Committee expenses	3	1,849,400	-
Use of goods and services	4	3,536,098	7,333,314
Transfers to Other Government Units	5	19,500,000	85,538,914
Other grants and transfers	6	43,871,502	74,222,538
Oversight Committee Expenses	8	593,100	-
Total Payments		74,488,980	172,722,425
Total Receipts Less Total Payments		12,511,020	(9,444,667)
Adjusted For:			
Prior Year Adjustments		-	-
Net Cash Flow from Operating Activities		12,511,020	(9,444,667)
Cash flow From Investing Activities			
Acquisition Of Assets	7	-	(3,000,000)
Net Cash Flows from Investing Activities		-	(3,000,000)
Net Increase In Cash And Cash Equivalent		12,511,020	(12,444,667)
Cash & Cash Equivalent At Start Of The Year	9	8,804,776	21,249,443
Cash & Cash Equivalent At End Of The Year	9	21,315,796	8,804,776

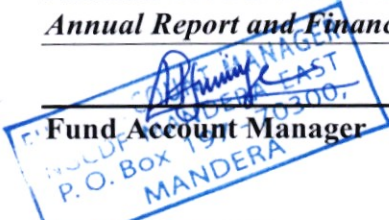
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 20th September 2023 and signed by:

Mandera East Constituency

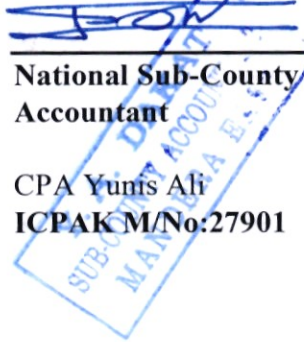
National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023



Fund Account Manager

CPA Hussein Diriye
ICPAK M/No:15013



National Sub-County Accountant

CPA Yunis Ali
ICPAK M/No:27901



Chairman NG-CDF Committee

Mohamednoor Abdi

*Mandera East Constituency
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

<i>Receipt/Expense Item</i>	<i>Original Budget</i>		<i>Adjustments</i>	<i>Final Budget</i>	<i>Actual on Comparable Basis</i>	<i>Budget Utilisation Difference</i>	<i>% of Utilisation</i>
	<i>a</i>		<i>b</i>	<i>c=a+b</i>	<i>d</i>	<i>e=c-d</i>	<i>f=d/c %</i>
RECEIPTS		<i>Opening Balance (C/Bk) and AIA</i>	<i>Previous years Outstanding Disbursements</i>				
Transfers from NG-CDF Board	145,087,603	8,804,776	-	153,892,379	95,804,776	58,087,603	62.3%
TOTAL RECEIPTS	145,087,603	8,804,776	-	153,892,379	95,804,776	58,087,603	62.3%
PAYMENTS							
Compensation of Employees	5,600,722	15,000	-	5,615,722.40	5,138,880	476,842	91.5%
Committee expenses	2,828,296	-	-	2,828,296	1,849,400	978,896	65.4%
Use of goods and services	4,628,866	-	-	4,628,865.60	3,536,098	1,092,768	76.4%
Transfers to Other Government Units	66,650,000	500,000	-	67,150,000	19,500,000	47,650,000	29.0%
Other grants and transfers	61,628,843	8,289,776	-	69,918,618.77	43,871,502	26,047,117	62.7%
Acquisition of Assets	-	-	-	-	-	-	0.0%
Oversight Committee Expenses	1,450,876	-	-	1,450,876	593,100	857,776	40.88%
Other Payments	2,300,000	-	-	2,300,000	-	2,300,000	0.0%
TOTAL	145,087,603	8,804,776	0	153,892,379	74,488,980	79,403,399	48.4%

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	79,403,399
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	21,315,796
Cash and Cash Equivalents at the end of the 30 th June 2023	21,315,796

The Constituency financial statements were approved by NG CDFC on 20th September 2023 and signed by:


FUND ACCOUNT MANAGER
 N.G.CDF MANDERA EAST
 P.O. BOX 197-70300,
 MANDERA

Fund Account Manager

Hussein Diriye Jimale


NATIONAL SUB-COUNTY ACCOUNTANT
 Y. A. DAKAT
 SUB-COUNTY ACCOUNTANT
 MANDERA EAST

National Sub-County Accountant

Yunis Ali Dakat
ICPAK M/No: 27901



Chairman NG-CDF Committee

Mohamednoor Abdi Adan

*Mandera East Constituency
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XIII. Budget Execution by Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization(f =d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,600,722	15,000	-	5,615,722	5,138,880	476,842	92%
1.2 Committee allowances	1,690,296			1,690,298	1,409,400	280,898	83%
1.3 Use of goods and services	1,414,238			1,414,261	1,017,898	396,363	72%
Total	8,705,256	15,000	-	8,720,281	7,566,178	1,154,103	87%
2.0 Monitoring and evaluation							
2.1 Capacity building	2,038,500			2,038,500	2,038,500	-	100%
2.2 Committee allowances	1,138,000			1,138,000	440,000	698,000	39%
2.3 Use of goods and services	1,176,128	-		1,176,148	479,700	696,448	41%
Total	4,352,628	-	-	4,352,648	2,958,200	1,394,448	68%
3.0 Emergency							
3.5 Others-Emergency water tracking	7,636,190			7,636,190	7,600,000	36,190	100%
Total	7,636,190	-	-	7,636,190	7,600,000	36,190	100%
4.0 Bursary and Social Security							
4.1 Secondary Schools	-	1,649,000		1,649,000	1,649,000	-	100%
4.2 Tertiary Institutions	20,289,149	6,640,776		26,929,880	26,819,001	110,879	100%
4.3 Social Security	15,000,000	-	-	15,000,000	-	15,000,000	0%
4.4 Special Needs	-	-	-	-	-	-	0%
Total	35,289,149	8,304,776	-	43,578,880	28,468,001	15,110,879	65%
5.0 Sports							
5.1	2,901,752			2,901,752	2,301,750	600,002	79%
Total	2,901,752			2,901,752	2,301,750	600,002	79%
6.0 Environment							
Libehiya Secondary School	2,901,752		-	2,901,752	2,901,752	-	100%

Mandera East Constituency
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Total	2,901,752	-	-	2,901,752	2,901,752	-	100%
7.0 Primary Schools Projects							0%
Barwaqo Primary School	300,000	-	-	300,000	-	300,000	0%
Bella Primary School	300,000	-	-	300,000	-	300,000	0%
BPI Primary School	3,000,000	-	-	3,000,000	-	3,000,000	0%
Bulla Haji Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Bulla Haji Primary School	300,000	-	-	300,000	-	300,000	0%
Burabor Primary School	300,000	-	-	300,000	-	300,000	0%
Buruburu Primary School	300,000	-	-	300,000	-	300,000	0%
Dariqa Primary School	500,000	-	-	500,000	-	500,000	0%
Fiqo Primary School	500,000	-	-	500,000	500,000	-	100%
Garbaqole Primary School	300,000	-	-	300,000	-	300,000	0%
Hareri Primary School	300,000	-	-	300,000	-	300,000	0%
Khadija Primary School	300,000	-	-	300,000	300,000	-	100%
Khadija Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100%
Koromey Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Libehia Primary School	1,200,000	-	-	1,200,000	1,200,000	-	100%
Mandera DEB Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Mandera DEB Primary School	600,000	-	-	600,000	-	600,000	0%
Oda Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Qurader Primary School	300,000	-	-	300,000	-	300,000	0%
Sarohindi Primary School	250,000	-	-	250,000	-	250,000	0%
Shafshafey Primary School	300,000	-	-	300,000	-	300,000	0%
Sunnah Intergrated Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Sunnah Intergrated Primary School	300,000	-	-	300,000	-	300,000	0%
Tawakal Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100%
Ugas Adan Hirsi Primary School	300,000	-	-	300,000	-	300,000	0%
Ugas Adan Hirsi Primary School	2,000,000	-	-	2,000,000	-	2,000,000	0%
Umoja Primary School	300,000	-	-	300,000	-	300,000	0%
Umoja Primary School	3,000,000	-	-	3,000,000	-	3,000,000	0%
Karo primay school	-	250,000	-	250,000	250,000	-	100%
Khadija primay school	-	250,000	-	250,000	250,000	-	100%
Total	26,950,000	500,000	-	27,450,000	4,500,000	22,950,000	16%
8.0 Secondary Schools Projects							
Arabia Boys Secondary School	3,000,000	-	-	3,000,000	-	3,000,000	0%

Mandera East Constituency
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Arabia Boys Secondary School	300,000			300,000		300,000	0%
Arabia Boys Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Arabia Girls Secondary School	600,000			600,000		600,000	0%
Arabia Girls Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Aresa Girls Secondary School	600,000			600,000		600,000	0%
Aresa Girls Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Barwaqo Girls Secondary School	2,000,000			2,000,000		2,000,000	0%
Barwaqo Girls Secondary School	1,200,000			1,200,000		1,200,000	0%
Barwaqo Girls Secondary School	300,000			300,000	-	300,000	0%
Buruburu Girls Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Buruburu Girls Secondary School	2,000,000			2,000,000		2,000,000	0%
Hareri Secondary School	5,000,000			5,000,000		5,000,000	0%
Hareri Secondary School	300,000			300,000		300,000	0%
Hareri Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Kamor Mixed Secondary school	300,000			300,000		300,000	0%
Kamor Mixed Secondary School	1,500,000			1,500,000	1,500,000		100%
Mandera Secondary School	4,000,000			4,000,000		4,000,000	0%
Mandera Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Moi Girls Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Neboi Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Libehia Secondary School	2,000,000			2,000,000		2,000,000	0%
Libehia Secondary School	600,000			600,000		600,000	0%
Libehia Primary School	1,200,000			1,200,000		1,200,000	0%
Shafshafey Secondary School	1,500,000			1,500,000	1,500,000	-	100%
Total	38,400,000	-	-	38,400,000	15,000,000	23,400,000	39%
9.0 Tertiary institutions Projects							
Mandera East County Director of Education office	1,000,000	-		1,000,000	-	1,000,000	0%
Mandera Technical Training Institute	300,000	-		300,000	-	300,000	0%
Total	1,300,000	-	-	1,300,000	-	1,300,000	0%
10.0 Security Projects							
AP Central Line Police	300,000			300,000	-	300,000	0%
Arabia Sub County Quick Response Unit	600,000			600,000	600,000	-	100%
Aresa assistant Chief office	800,000			800,000	-	800,000	0%
Aresa Assistant Chiefs office	200,000			200,000	-	200,000	0%
Dariqa Chief office	800,000			800,000	-	800,000	0%

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Dariqa Chief office	200,000			200,000	-	200,000	0%
Farey Chiefs Office	800,000			800,000	-	800,000	0%
Farey Chiefs Office	200,000			200,000	-	200,000	0%
Khalalio Deputy County Commissioners Office	4,000,000			4,000,000	-	4,000,000	0%
Mandera County Criminal investigation Office	1,200,000			1,200,000	1,200,000	-	100%
Mandera County Criminal investigation office	800,000			800,000	800,000	-	100%
Mandera township chiefs office	2,000,000			2,000,000	-	2,000,000	0%
Matasafara Chief office	200,000			200,000	-	200,000	0%
Matasafara Chiefs office	800,000			800,000	-	800,000	0%
Total	12,900,000	-	-	12,900,000	2,600,000	10,300,000	20%
11.0 Oversight Committee Expenses							
COC Members allowance	850,876			850,876	450,000	400,876	53%
Other COC expenses-Use of goods	600,000			600,000	143,100	456,900	24%
TOTAL	1,450,876			1,450,876	593,100	857,776	41%
12.0 Other payments							
Huduma Centre Mandera	300,000			300,000		300,000	0%
Mandera East NG-CDF Strategic Plan	2,000,000			2,000,000		2,000,000	0%
Total	2,300,000	-	-	2,300,000	-	2,300,000	0%
AIA	-	-	-	-		-	0%
PMC savings	-			-		-	0%
Total	145,087,603	8,804,776	-	153,892,379	74,488,981	79,403,398	48%

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash equivalent.

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 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 imprests or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 7th April 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Prior period Errors

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

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

15. Related Party Transactions

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140995		26,188,879
AIE NO. B 105397		45,000,000
AIE NO. B 105612		23,000,000
AIE NO. B 105979		10,000,000
AIE NO. B 128607		16,000,000
AIE NO. B 128919		26,000,000
AIE NO. B 154116		17,088,879
AIE NO.B185158	7,000,000	
AIE NO.B185391	7,000,000	
AIE NO.B185702	14,000,000	
AIE NO.B206016	5,000,000	
AIE NO.B206463	12,000,000	
AIE NO.B205808	12,000,000	
AIE NO.B207719	15,000,000	
AIE NO.B207737	15,000,000	
TOTAL	87,000,000	163,277,758

2.Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,917,720	4,342,499
Personal allowances paid as part of salary	-	-
NHIF	123,000	-
Gratuity to contractual employees	994,800	1,220,160
Employer Contributions Compulsory national social security schemes	103,360	65,000
Total	5,138,880	5,627,659

Mandera East Constituency

National Government Constituencies Development Fund (NGCDF)

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3. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	849,000	-
Other committee expenses	1,000,400	-
Total	1,849,400	-

*Mandera East Constituency
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4. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	134,200	0
Communication, supplies and services	60,000	1,000,000
Domestic travel and subsistence	570,800	256,950
Printing, advertising and information supplies & services	100,000	0
Training expenses	2,038,500	1,500,000
Hospitality supplies and services	100,000	376,700
Sitting allowance	-	305,720
Other committee expenses	-	2,747,998
Insurance costs	-	-
Office and general supplies and services	250,000	0
Fuel , oil & lubricants	119,700	0
Other operating expenses	-	1,045,946
Routine maintenance - vehicles and other transport equipment	162,898	100,000
Routine maintenance- other assets	-	0
TOTAL	3,536,098	7,333,314

Mandera East Constituency

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5. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	4,500,000	59,000,000
Transfers To Secondary Schools (See Attached List)	15,000,000	26,538,914
Transfers To Tertiary Institutions (See Attached List)	-	
Total	19,500,000	85,538,914

6. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	1,751,000	8,351,000
Bursary – tertiary institutions (see attached list)	26,717,000	4,454,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	15,000,000
Security projects (see attached list)	2,600,000.	31,500,000
Sports projects (see attached list)	2,301,750	2,741,777
Environment projects (see attached list)	2,901,752	4,983,554
Emergency projects (see attached list)	7,600,000	7,192,207
Total	43,871,502	74,222,538

7.Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	3,000,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	3,000,000

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8. Oversight Committee expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	450,000	-
Other COC expenses-Use of goods	143,100	-
TOTAL	593,100	-

9. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
9A: Bank Accounts (Cash Book Bank Balance)	21,315,796	8,804,776
Equity Bank, Account No. 1000296543528	-	-
Total	21,315,796	8,804,776
9 B: Cash on Hand		
Other Locations (<i>Specify</i>)	-	-
Total	-	-

10. Fund Balance B/F

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	8,804,776	21,249,143
Cash in hand	-	-
Imprest	-	-
Total	8,804,776	21,249,143
Less	-	-
Fund Balance Brought Forward	8,804,776	21,249,143

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11. Other Important Disclosures

11.1: Unutilized Fund (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	476,842	15,000
Committee expense	978,896	-
Use of goods and services	1,092,768	45
Amounts due to other Government entities (see attached list)	47,650,000	500,000
Amounts due to other grants and other transfers (see attached list)	26,047,117	8,289,731
Acquisition of assets	-	-
Oversight Committee Expenses	857,776	
Other Payments	2,300,000	
Funds pending approval		
Total	79,403,399	8,804,776

11.2: PMC account balances (See Annex 3)

	FY2022/2023	FY2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	2,064,628	33,771
Total	2,064,628	33,771

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XVI. Annexes

Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Payment of contractual employees	476,842	15,000	Delay disbursement from Board
Use of goods & services	Payment of general office supplies, catering services and other offices expenses	1,092,811		Delay disbursement from Board
Committee expenses	Payment of committee sitting allowances and other committee expenses	978,898		Delay disbursement from Board
Oversight Committee Expenses	Payment of COC committee sitting allowances and other committee expenses	857,776		Delay disbursement from Board
Sub-Total		3,406,327	15,045	Delay disbursement from Board
Amounts due to other grants and other transfers				
Barwaqo Primary School	Construction to completion of two toilets, with one chamber to taking care of persons with disability	300,000		Delay disbursement from Board
Bella Primary School	Construction to completion of two door toilets ,one to take care of persons with disability	300,000		Delay disbursement from Board
BPI Primary School	construction to completion of Administration Block comprising of 4 offices	3,000,000		Delay disbursement from Board
Bulla Haji Primary School	Construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Bulla Haji Primary School	Construction to completion of two door, with one chamber to taking care of persons with disability	300,000		Delay disbursement from Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Burabor Primary School	Construction to completion of two door toilets ,one to take care of persons with disability	300,000		Delay disbursement from Board
Buruburu Primary School	Construction to completion of two toilets , with one chamber taking care of persons with disability	300,000		Delay disbursement from Board
Dariqa Primary School	Purchase and supply of 100 three-seater wooden Desks	500,000		Delay disbursement from Board
Garbaqole Primary School	Construction to completion of two door toilets ,one to take care of persons with disability	300,000		Delay disbursement from Board
Hareri Primary School	Construction to completion of two door toilets, with one chamber to take care of persons with disability	300,000		Delay disbursement from Board
Koromey Primary School	construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Mandera DEB Primary School	construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Mandera DEB Primary School	Construction to completion of two toilets, with one chamber to take care of persons with disability	600,000		Delay disbursement from Board
Oda Primary School	Renovation to completion of four classrooms (re-roofing, re-plastering, replacing doors and windows and repainting)	2,000,000		Delay disbursement from Board
Qurader Primary School	Construction to completion of two door with one chamber to take care of persons with disability	300,000		Delay disbursement from Board
Sarohindi Primary School	Purchase and Supply of 50 three seater wooden Desks	250,000		Delay disbursement from Board
Shafshafey Primary School	Construction to completion of two toilets, with one chamber to take care of persons with disability	300,000		Delay disbursement from Board
Sunnah Intergrated Primary School	construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Sunnah Intergrated Primary School	Construction to completion of two toilets, with one	300,000		Delay disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	chamber taking care of persons with disability			from Board
Ugas Adan Hirsi Primary School	Construction to completion of two door toilets one to take care of persons with disability	300,000		Delay disbursement from Board
Ugas Adan Hirsi Primary School	Construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Umoja Primary School	Construction to completion of two toilets, with one chamber to take care of persons with disability	300,000		Delay disbursement from Board
Umoja Primary School	Construction to completion of 3 Classrooms	3,000,000		Delay disbursement from Board
Karo primay school	Construction to completion of two door toilets one to take care of persons with disability	-	250,000	Delay disbursement from Board
Khadija primay school	Construction to completion of two door toilets one to take care of persons with disability	-	250,000	Delay disbursement from Board
Arabia Boys Secondary School	Construction to completion of administration block comprising of 3 rooms offices and one store	3,000,000		Delay disbursement from Board
Arabia Boys Secondary School	Construction to completion of two door toilets, one to take care of persons with disability	300,000		Delay disbursement from Board
Arabia Girls Secondary School	Construction to completion of four door toilets, one to take care of persons with disability	600,000		Delay disbursement from Board
Aresa Girls Secondary School	Construction to completion of four door toilets one to take care of persons with disability	600,000		Delay disbursement from Board
Barwaqo Girls Secondary School	construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Barwaqo Girls Secondary School	Construction to completion of 50,000 litres underground Water Tank	1,200,000		Delay disbursement from Board
Barwaqo Girls Secondary School	Construction to completion of two door toilets one to take care of persons with disability	300,000		Delay disbursement from Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Buruburu Girls Secondary School	construction to completion of 2 Classrooms	2,000,000		Delay disbursement from Board
Hareri Secondary School	Construction to completion of Chain link fence with Concrete posts of 1770 Metres length to completion (Kshs 4,450,000) Construction of Gate Wall of 6Metres & Gate to completion (Kshs 250,000), Construction of Guard House (Kshs 300,000) to completion	5,000,000		Delay disbursement from Board
Hareri Secondary School	Construction to completion of two door toilets, one to take care of persons with disability	300,000		Delay disbursement from Board
Kamor Mixed Secondary school	Construction to completion of two toilets, one to take care of persons with disability	300,000		Delay disbursement from Board
Mandera Secondary School	construction to completion of student 80 Capacity Dormitory	4,000,000		Delay disbursement from Board
Libehia Secondary School	Construction to completion of two classrooms	2,000,000		Delay disbursement from Board
Libehia Secondary School	Construction to completion of four door toilets, one to take care of persons with disability	600,000		Delay disbursement from Board
Libehia Primary School	Renovation to completion of two classrooms (re-roofing, re-plastering, replacing doors and windows and repainting)	1,200,000		Delay disbursement from Board
Mandera East County Director of Education office	Renovation to completion of seven roomed office (Secretary, store, seating room, boardroom, 4 staff offices (re-roofing, replastering, replacing doors and windows and repainting)	1,000,000		Delay disbursement from Board
Mandera Technical Training Institute	Construction to completion of two door toilets with one chamber taking care of persons with disability	300,000		Delay disbursement from Board
Sub-Total		47,650,000	500,000	
Amounts due to other grants and other transfers				

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Security Projects				
AP Central Line Police	Construction to completion of two toilets one to take care of persons with disability	300,000		Delay disbursement from Board
Aresa assistant Chief office	construction to completion of one single roomed chief office	800,000		Delay disbursement from Board
Aresa Assistant Chiefs office	Purchase of Office Furniture (one office table Kshs. 70,000, One office Chair Kshs. 35,000, 3 reception chairs Kshs. 60,000 and 5 Fabric Office Chairs Kshs 35,000	200,000		Delay disbursement from Board
Dariqa Chief office	construction to completion of one Single roomed chief office	800,000		Delay disbursement from Board
Dariqa Chief office	Purchase of Office Furniture (one office table Kshs.70,000, One office Chair Kshs. 35,000, 3 reception chairs Kshs. 60,000 and 5 Fabric Office Chairs Kshs 35,000	200,000		Delay disbursement from Board
Farey Chiefs Office	Construction to completion of one single roomed chiefs office	800,000		Delay disbursement from Board
Farey Chiefs Office	Purchase of Office Furniture (one office table Kshs. 70,000, One office Chair Kshs. 35,000, 3 reception chairs Kshs. 60,000 and 5 Fabric Office Chairs Kshs 35,000	200,000		Delay disbursement from Board
Khalalio Deputy County Commissioners Office	Construction to completion of five roomed office comprising of reception, clerks office, Assistant commissioners, 1 office, Deputy County Commissioners office, store	4,000,000		Delay disbursement from Board
Mandera township chiefs office	Construction of to completion Concrete Perimeter Wall measuring 83feet by 100feet	2,000,000		Delay disbursement from Board
Matasafara Chief office	Purchase of Office Furniture (one office table Kshs. 70,000, One office Chair Kshs. 35,000, 3 reception chairs Kshs. 60,000 and 5 Fabric Office Chairs	200,000		Delay disbursement from Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Kshs 35,000			
Matasafara Chiefs office	construction to completion of one Single roomed chief office	800,000		Delay disbursement from Board
Sports	Facilitate Regional sports tournament in partnership with other constituencies within the region	600,002		Delay disbursement from Board
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	36,190		Balance after implementation
Bursary -Tertiary Institutions	Bursary Tertiary Institutions	110,879	6,640,776	Balance after implementation
Bursary-Secondary	Bursary for secondary school	-	1,649,000	
Social Security	NG-CDFC Social Security Programmes-NHIF	15,000,000		Delay disbursement from Board
Sub-Total		26,047,071	8,289,776	
Other payments				
Huduma Centre Mandera	Construction to completion of two toilets with one chamber to taking care of persons with disability	300,000	-	Delay disbursement from Board
Mandera East NG-CDF Strategic Plan	To facilitate development of a new 5 year Constituency Strategic Plan for 2023-2027	2,000,000	-	Delay disbursement from Board
Sub-Total		2,300,000	-	
Funds pending approval		-	-	
Grand Total		79,403,398	8,804,776	

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost 2021/22 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land and Buildings	17,249,139			17,249,139
Transport equipment	6,809,959			6,809,959
Office equipment, furniture and fittings	1,115,000			1,115,000
ICT Equipment, Software and Other ICT Assets	173,000			173,000
Other Machinery and Equipment	-			-
Total	25,347,098	-	-	25,347,098

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Annex 3 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
ARABIA BOYS SEC	EQUITY	1000264454661	-	1,899
ARABIA DCC PMC	EQUITY	1000180964782	14,763	880
ARABIA WARD LAB PMC	EQUITY	1000180780015	380	380
ARESA GIRLS SEC PMC	EQUITY	1000176849607	-	3,100
ARESA PRI SCH	EQUITY	1000264381077	-	2,517
BARWAGO WARD LAB PMC	EQUITY	1000180781076	-	880
BULLAMPYA WARD LAB PMC	EQUITY	1000180781238	880	880
BURUBURU GIRLS	EQUITY	1000280772843	-	1,000
BUSE PRY PMC	EQUITY	1000264429091	-	1,140
FARREY PRI SCH	EQUITY	1000266119317	-	1,681
FARREY PRI SCH	EQUITY	1000266119317	-	1,681
FIQOW PRIMARY SCHOOL	EQUITY	1000199200462	750	-
HARERI PRY SCH	EQUITY	1000264391720	-	2,825
KAMOR GIRLS	EQUITY	1000180196490	-	800
KAMOR MIXED SEC	EQUITY	1000271800994	-	40
KARO PRIMARY PMC	EQUITY	1000265512485	1,958	-
KHADIJA PRIMARY SCHOOL PMC	EQUITY	1000264453164	950	-
KHALALIO GIRLS SEC	EQUITY	1000180244116	-	800

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
KHALALIO PRI SCH	EQUITY	1000265473562	-	1,500
LIBEHIYA CHIEF OFFICE	EQUITY	1000180169227	-	1,280
LIBEHIYA PRIMARY SCHOOL PMC	EQUITY	1000180169227	1,280	-
LIBEHIYA WARD LAB PMC	EQUITY	1000180781206	260	380
LIBEHIYA WARD WATER TRACKING PMC	EQUITY	1000279053177	126	-
MANDERA EAST SPORTS PMC	EQUITY	1000176848348	1,651	892
MANDERA CENTRAL POLICE STATION PMC	EQUITY	1000179006684	2,036,300	-
NEBOI PRY PMC	EQUITY	1000264459748	-	1,500
NEBOI PRY PMC	EQUITY	1000264459748	-	1,500
NEBOI WARD LAB PMC	EQUITY	1000180779762	380	380
ODHA PRY SCH	EQUITY	1000176856737	-	1,360
SAROHINDI PRI SCH	EQUITY	1000164297367	-	2,716
SHAFSHAFEY CHIEF OFFICE	EQUITY	1000180116510	-	880
TAWAKAL PRIMARY PMC	EQUITY	1000264453164	4,070	-
TOWNSHIP WARD LAB PMC	EQUITY	1000180781206	880	880
TOTAL			2,064,628	33,771

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Annex 4: Progress On Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AOG/NERO/AUD/CDF/MDR/1/(8)	<p>Budgetary Control and Performance-During the year under review, the summary statement of appropriation for the Fund had an approved budget of Kshs. 137,088,879 and adjustments of Kshs. 47,438,322 being previous outstanding disbursements and opening bank balance resulting in a total budget of Kshs. 184,527,201 for financial year 2021/2022. The total actual expenditure by the Fund in the financial year 2021/2022 was Kshs. 175,722,425 representing an absorption rate of 95.2% of the total approved budget reported. This therefore resulted in an under expenditure of Kshs. 8,804,776.</p>	<p>This is due to late disbursement of Funds from the NGCDF board and National Treasury. Late exchequer releases by the National Treasury and NGCDF Board is beyond the scope of the Fund Account Manager. However, in overall our absorption rate is over 90% which is within the minimum threshold required</p>	Unresolved	30 th April 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AOG/NERO/AUD/CDF/MDR/1/(8)	Project Implementation Status: two (2) projects with budget of Kshs.500,000 had not been implemented as at the end of the year.	This was due to late disbursement of funds by the Board. The projects were done successfully and labelled well	Unresolved	30 th April 2024
AOG/NERO/AUD/CDF/MDR/1/(8)	Transfers to Primary Schools Review of records revealed that Management awarded tenders for construction and renovation of classrooms at a total cost of Kshs. 14,000,000. However, the tender opening committee members did not append their signatures or initials 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.	The few pages that are not signed/initials are oversight from the PMC and will be rectified going forward.	The response has been received awaiting parliamentary Committee on Special Funds Account Committee's examination	30 th April 2024
AOG/NERO/AUD/CDF/MDR/1/(8)	Annex 4 of the financial statements discloses fixed assets with a total historical cost of Kshs. 25,347,098 as at 30 June, 2022. However, the following anomalies were noted during verification. It	The management confirms to the auditors that they have already embarked on updating the asset register in conformity with the requirements of the National Treasury guidelines on Assets register format.	unresolved	30 th April 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was observed that the Fund did not disclose the value of the office blocks built during financial Year 2017/18 and 2019. The regulation requires that an accounting officer of a national government entity shall- ensure that whenever projects are completed, the project assets including buildings, plant, vehicles, furniture, fittings and equipment are properly recorded and handed over to the accounting officer in accordance with the financing agreement. Further,the asset register provided was incomplete and did not meet the requirements of National treasury guidelines on Assets register format</p>			
AOG/NERO/AUD/CDF/MDR/1/(8)	<p>During the year under review, the National Government Constituencies Development Fund – Mandera East Constituency disbursed bursaries totaling to</p>	<p>The NG-CDFC Mandera East constituency has taken up measures that include partnering with Posta Kenya to ensure that bursary receipts are returned to the office for</p>	Unresolved	30 th April 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.8,351,000 to various secondary schools and Kshs.4,454,000 to tertiary institutions for the benefit of needy students as per Note 7 to the financial statements. However, examination of payment vouchers and its supporting documents revealed that An amount of Kshs. 1,700,000 and Ksh 1,450,000 for both secondary schools and tertiary institutions respectively had not been acknowledged through official receipts or acknowledgement letters from the beneficiary institutions. In the circumstances, it was not immediately clear whether the monies disbursed ever reached the intended beneficiaries</p>	<p>accountability and recording purposes. This will ensure more bursary receipts are returned to the office for accountability going forward</p>		

FUND ACCOUNT MANAGER
NGCDF MANDERA EAST
P. O. BOX 70300
MANDERA

CPA Hussein Diriye
Fund Account Manager.