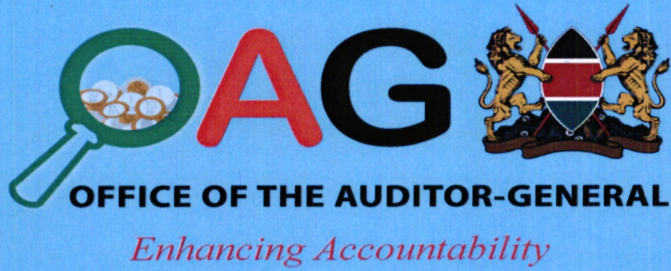


REPUBLIC OF KENYA



REPORT

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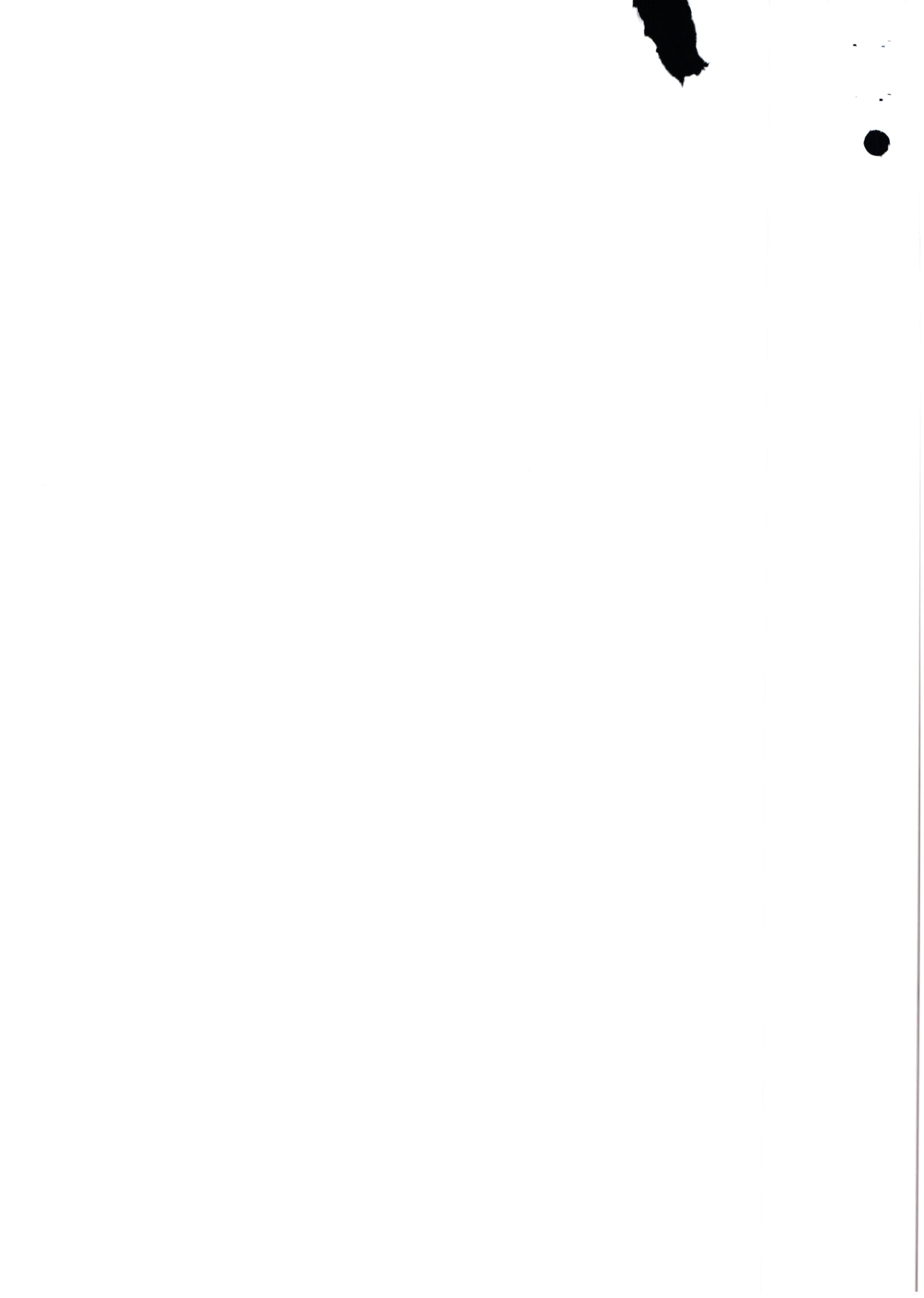
OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MANDERA

**FOR THE YEAR ENDED
30 JUNE, 2022**





REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MANDERA



COUNTY GOVERNMENT OF MANDERA

(THE COUNTY EXECUTIVE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

COUNTY EXECUTIVE OF MANDERA

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1. Key Entity Information And Management

a) Background information

Mandera County is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The governor is supported by the county executive committee in carrying out the mandate as stipulated in the constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CECM for Finance is financial reporting at the county level.

Vision

To be a regionally competitive and self- reliant county

Mission

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure county.

Motto

A county with unlimited opportunities and endless possibilities

Core Values

- Integrity
- Innovativeness
- Professionalism
- Team work
- Equity
- Transparency
- Accountability
- Respect for rule of law

b) Key Management

The Mandera County Government's day-to-day management is under the following key organs:

1. Office of the Governor
2. Office of the Deputy Governor
3. Office of the County Secretary
4. Office of the County Public Service Board
5. Ministry of Finance, Economic Planning and ICT

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6. Ministry of Public Service, Conflict Management, Cohesion, Integration and Devolved Units
7. Ministry of Youth, Gender and Social Services
8. Ministry of Roads, Public Works and Transport
9. Ministry of Water, Energy, Environment and Natural Resource
10. Ministry of Education, Sports and Culture
11. Ministry of Health Services
12. Ministry of Agriculture, Livestock and Fisheries
13. Ministry of Trade, Investment, Industrialization and Cooperative Development.
14. Ministry of Lands, Housing and Physical Planning

THE LEADERSHIP OF MANDERA COUNTY GOVERNMENT
For the Financial Year 2021/2022

The county executive team during the financial year consisted of the following key officers:



H.E Captain Ali Ibrahim Roba – Governor

H.E Capt. Ali Ibrahim Roba is the governor of Mandera County. He has degrees in Business Management and Strategic Planning. He studied in Kenya Utalii College, Delta Qualiflight School of Aviation in Fort Worth Texas, Kenya School of Flying among other institutions. Captain Ali is a pilot with an Airline Transport Pilot License (ATPL). He is an instructor, examiner, a KCAA Approved Instrument Rating Examiner, a Training and Check pilot and Ground Instructor of various aviation related subjects. He worked for DAC Aviation International between 2002 and 2012. He grew through the ranks starting as a co-pilot in 2002 to the position of the Director of Flight Operations (DFO) in charge of the core business of the company in over nine countries. During this period, he played a major role in restructuring flight operations department and enhancing the efficiency of operational control functions to enviable levels within the general aviation industry in Kenya.

He was successfully elected as the governor of Mandera County in 2013 and retained his seat in 2017. Governor Roba is also the chairman of Frontier Counties Development Council (FCDC).



H.E Ahmed Mohamed Arai, Deputy Governor

H.E Mohamed Arai is an experienced administrator and humanitarian expert. He brings on board a wealth of hands on experience in humanitarian work and public administration earned while working with nomadic communities in partnership with donors. He holds an MBA in NGO management from Kampala International University, and a Bachelors degree in education from Kenyatta University. Hon. Arai is the former town clerk of the defunct local authority.



Abdinur Maalim Hussein, County Secretary, Head of Public Service

Mr. Abdinur is the county secretary for Mandera County Government and secretary to the cabinet. He holds a bachelor of arts in Business Administration from Kenya Methodist University and a Diploma in telecommunications from Kenya College of communications technology. He has a wealth of experience in public service and corporate sector. He worked as the chairperson to Mandera public service board from 2013-2018 and as a district telecommunication officer with Telkom Kenya limited from 1992-2012.



Ahmed Sheikh Mohamed, CECM; Roads, Transport and Public Works

Mr Ahmed S. Mohammed is an International peace builder with 15 years of experience. He holds a Masters Degree in Peace and Reconciliation. He is currently undergoing another Masters degree in Peace Research studies in Coventry University-United Kingdom. He also worked for Kenya's Ministry of Health in the curative and preventive services. He served as the CECM for Public Services and the CECM member for Health Services in the first five years of devolution.



Adan Hussein Hassan, CECM; Lands, Housing and Physical Planning

Mr. Adan holds a Bachelor of Education Degree from Kenyatta University. He was appointed by the County Government of Mandera in 2013 in this docket and reappointed to the same docket in 2018. He has a wealth of experience having served in the Ministry of Education in various capacities as a teacher, an education officer, a quality assurance and standards officer, and a DICECE lecturer.

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Mohamed Ali Omar, CECM-Water, Energy, Environment and Natural Resources

Mohamed Ali is a holder of two Masters degrees namely; Master of Governance and Ethics at Mount Kenya University and Master of Public Policy and Administration (MPPA) from Kenyatta University. He also holds a Bachelor of Development Studies from Kampala University as well as a Diploma in Applied Science from Kenya Polytechnic; Senior Management and Strategic Leadership courses from Kenya School of Government. He has amassed 31 years of experience serving in the following docket: District Water Officer, County Director for Water and now as the CECM for Water Energy Environment; Natural Resources and Climate Change. Mohamed is a fellow member of the Institute of Leadership and Management (UK), a member of the Institute of Directors of Kenya, and African Association of Public Administration and Management (AAPAM).



Suleikha Harun, CECM; Finance and Economic Planning

Mrs. Sulekha holds a Bachelor of Commerce degree; finance option from Masinde Muliro University and is currently awaiting her graduation with a Master of Arts degree in Gender and Development Studies at Kenyatta University. She began her career as an audit assistant in Nairobi where she worked with Josia, Salah & Associates (CPAK) after completing her CPA studies. She later joined Development Concern (NGO) where she assumed the position of a Program accountant. In the year 2009 she joined African Development Solution (ADESO) an NGO with presence in West, East and Central Africa as well as the horn of Africa. She rose through the ranks from a Financial Analyst/Programme Accountant to become the overall regional (Horn of Africa) Finance Manager. Through education, training, work and travels, Sulekha has gathered over ten (10) years of varied experiences from financial management to corporate governance. In 2017 she went into private practice as a finance and corporate governance advisor with various assignments in Africa and Asia. She had since established herself as a prolific consultant by the time she was appointed by His Excellency the Governor of Mandera County to head the Roads, Public Works and Transport Sector.



Dr. Mohamud Adan Mohamed - CECM Health Services

Dr. Mohamud is an anaesthesiologist. He previously worked as a doctor /Anaesthesiologist. course coordinator & lecturer in Anaesthesia for Clinical officer anaesthetists at CPGH Mombasa. He also worked in various rural hospitals in Kenya scooping various awards as a civil servant.



Rahma Abdow Abdirahman – CECM Trade, Investment, Industrialization & Co-operative Development

She holds a Bachelor of Education Arts from Kampala International University from 2006-2009. She worked for TSC as a teacher from September 1997- June 2011, serving in different capacities as a senior teacher, a deputy head teacher and a head teacher. She later joined the Ministry of Gender, Children and Social Development in 2011 and worked as a Sub-county social development officer manning Mandera West and Banisa Sub-counties from June 2011- July 2016. She was promoted to the position of County coordinator social development in July 2016 and served up to October 2020 when she joined the County Government of Mandera as a CECM for Agriculture from October 2020-march 2021. Mrs. Rahma is currently a CECM for the Trade, Investment, Industrialization and Co-operative Development since March, 2021.



Alinoor Mohamed Ali, Chief Officer – Accounting and Financial Services

Mr. Alinoor is the Accounting Officer for Mandera County Government. He holds a Master of Arts in Economic Policy and Planning, Bachelor of Business Administration, Diploma in Accountancy. He is a Certified Public Accountant a member of the Institute of Certified Public Accountants of Kenya. He was appointed as the chief officer for Finance and Economic Planning in August 2015 and reappointed in his current docket in September 2018.

Mr. Alinoor has vast experience in Public Service and was an auditor before he was appointed by the Governor of Mandera County Government to spearhead the Finance and Planning department.



Abdulaziz Said Omar – CECM Public Service, Conflict Management and Devolved Units

Abdulaziz is a holder of a Masters of Economics and International Trade from Moi University, a Post Graduate Diploma in Tax administration from Jomo Kenyatta University of Agriculture and Technology, and a Bachelors degree in Agricultural Economics from the University of Nairobi. Abdiaziz worked with Tropical energy dealers in Tanzania between 2013-2014, and the Kenya Revenue Authority as a Senior Tax Revenue Officer from 2015-2021 before been appointed the CEC Member for Public Service, Conflict Management and Devolved Units by the Mandera County Government.

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c) Fiduciary Management

The key management personnel who held office during the financial period ended June 30, 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEC, Finance and Economic Planning and ICT	Sulekha Harun Hulbale
2.	Chief Officer, Accounting and Financial Services	Alinoor Mohamed Ali
3.	Chief Officer, Roads and Transport	Abdifatah Ibrahim Ogle
4.	Chief Officer, Agriculture and Irrigation	Adawa Haji Adan
5.	Chief Officer, Lands Survey and Physical Planning	Bare Mohamed Shabure
6.	Chief Officer, Public Health	Rahma Abdullahi Mahmud
7.	Chief Officer, Education and Vocational Training	Abdi Mohamed Ali
8.	Chief Officer, Trade and Investment	Osman Ibrahim Mohamed
9.	Chief Officer, Medical Services	Abukar Abdi Sheikh
10.	Chief Officer, De-Radicalization	Mohamed Adan Osman
11.	Chief Officer, Devolved Unit	Yussuf Mohamed Kala
12.	Chief Officer, Water Services	Adan Abdirahman Mohamed
13.	Chief Officer, Public Services Management	Mohamed Mohamud Ali
14.	Chief Officer, Energy, Environment & Natural Resources	Abdullahi Alio
15.	Chief Officer, ICT and E-government	Vainusa Yussuf Aburo
16.	Chief Officer, Youth Affairs	Hussein Yussuf Sheikh
17.	Chief Officer, Sports, Tourism and Culture	Abdikadir Adan Alio
18.	Chief Officer, Housing and urban Development	Zhuleikha Osman Maalim
19.	Chief Officer, Governance, Civic Education & Public Participation	Zeitun Abdishakur
20.	Chief Officer, Conflict Management, Cohesion & integration	Mohamed Harun Musdaf
21.	Chief Officer, Public Works	Shamsi Mohamud Sheikh
22.	Chief Officer, Revenue Services	Ahmed Mohamed Abdi
23.	Chief Officer, Cooperative Development	Jawahira Hussein Haji
24.	Chief Officer, Gender & Social Services	Farhiya Alinoor Shabure
25.	Chief Officer, Special Programs, Disaster Preparedness & Management	Dr. Ali Mahat
26.	Chief Officer, Economic Planning	Fartun Bulle Ibrahim
27.	Chief Officer, Livestock and Fisheries	Maryam Dubow Dahir

d) Fiduciary Oversight Arrangements

The key fiduciary oversight of Mandera County Government was under the following organs;

- Mandera County Assembly

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- Controller of Budget
- Public Accounts Committee
- Budget and Appropriations Committee
- Finance Committee
- Audit Committee

e) County Executive Headquarters

P.O. Box 13-70300

County Headquarters Building

Mandera-Isiolo Road

Mandera, KENYA

f) County Executive Contacts

Telephone: (+254) 722466499

E-mail: info@mandera.go.ke

Website: [www.mandera go.ke](http://www.mandera.go.ke)

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
Mandera Branch.
3. Equity Bank of Kenya
Mandera Branch.
4. National Bank of Kenya
Mandera Branch.

h) Independent Auditors

Auditor-General

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Office of The Auditor - General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

COUNTY EXECUTIVE OF MANDERA

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2. Foreword by the CECM Finance and Economic Planning

It's my pleasure to present Mandera County Executive's full year financial statements and reports for the 2021/2022 financial period ending 30th June, 2022. This report was prepared and presented as required by section 164 of the Public Finance Management (PFM) Act 2012. The report expounds on the revenues received from national equitable share alongside the expenditure incurred by the county government in service provision during the financial year.

In the Financial year 2021/2022 the County had an approved supplementary budget of Kshs. 13,283,669,213 of which Kshs. 7,827,475,277 (59%) was allocated for recurrent expenditure and Kshs. 5,456,193,936 (41%) was allocated for development expenditure. The County, therefore, met the minimum requirements of PFM Act section 107 (2) which requires that at least 30% of the County budget to be dedicated for development. The County Budget revenues were made up of transfers from the Equitable Share, National Government Conditional Grants, Donor Funding, Own Source Revenues (OSRs) and Unspent Balances carried forward from the 2020/2021 Financial Year.

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process. In the FY 2021/2022 the County Departments were funded in line with the ceilings captured in the 2021 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mandera County Integrated Development Plan (2018-2022). The highest beneficiary of the FY 2021/2022 budget allocation was the Ministry of Health Services getting Kshs 2,545,915,839 (19 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,236,394,993 (17 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,462,415,122 (11 percent), Ministry of Finance and Economic Planning got Kshs. 1,387,017,525 (10 percent), Ministry of Public Works Roads and Transport were allocated Kshs 1,226,561,296 (9 percent) while the Ministry of Agriculture Livestock and Fisheries and the County Assembly got Kshs. 1,133,437,966 (9 percent) and Kshs. 1,083,301,739 (8%) respectively. Other departments were allocated below 6 percent.

The fiscal assumption underlying the FY 2021/2022 budget was that there would be improved revenue collection from local sources and timely release of funds by the National Treasury. However, as the year progressed, we encountered challenges and some revenues were not realized. We failed to attain our own source revenue target and only Kshs. 132,899,851 which translates to 66% of the target was raised while for Exchequer, the County received Kshs. 10,675,140,693.05.

The County's budget implementation was slow with naught development and recurrent programs undertaken in the first quarter of the financial year. This was majorly caused by delay in the release of funds from the National Treasury. Nonetheless, by the end of the financial year, the county Government had incurred expenditures totalling to Kshs. 11,718,411,768.15 on both development

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and recurrent programmes. This expenditure represented 88% of the county's approved budget. The overall performance for the county's development and recurrent budget were 86% and 73% respectively.

The following factors were chiefly responsible for low absorption rate of the development vote;

- Slow and cumbersome tendering process throughout the period
- Technical challenges in application of IFMIS
- Delays in approval of request for funds by office of controller of budget
- Difficulties in retaining high calibre staff in some key sectors such as health services and public works due to insecurity in the region
- General Insecurities/Terrorist threats
- Poor infrastructure
- Adverse effects of droughts
- Political related challenges

The reasons for the underperformance of the targeted local revenues included insecurity, prolonged droughts, understaffing, inter-community conflict and the adverse effects of Coronavirus pandemic. The actual local revenue collections during the year was 66% which was a remarkable downgrade on the previous financial year's performance of 72% despite increased revenue automation and revenue enforcement efforts that were strongly effected within the financial year to seal any pilferages in local collections. We have, however, identified gaps and areas to improve on in the subsequent years and will continue to explore new and innovative ways of boosting our own source revenue collections.


Despite all these challenges, the FY 2021/2022 was largely a good year. Numerous major projects were funded in the period under review. These included; Desilting of various dams countywide, Construction of Rhamu Sub-County Headquarters, Construction of Dandu - Ires Teno - Gagaba - Sake – RMLF, Completion of County Headquarter, Construction and Opening up of Awacho Sambur - Kiliwehiri Road, Construction of County Public Service Board Offices, Opening Up Access Roads to KMTC and MTTC Area, Opening up and light grading of Mandera bypass road, Expansion and reconstruction of Slaughter House in Elwak, Low Volume seal tarmac road to Malka Punda and Parking at River Access Point (KUSP), Construction of Rhamu Sub-County Headquarters, Construction of Kutulo (Malbe) Water Pan Irrigation Projects, On-going Construction of the regional livestock Market, Light Grading and Gravelling of Road at Khalafow Village, Proposed construction of airstrips , Proposed construction of 33No Housing unit and 33No toilets for vulnerable persons, Proposed Water supply for Koromey farms irrigation infrastructure, Construction and expansion of dams, Construction of Box culvert/Celled drifts on Khalalio Road at Hareri, Construction of new Gate, Cabro the Road from the gate to the new admin block and the parking area at MTTI amongst others.

COUNTY EXECUTIVE OF MANDERA

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Good progress in project implementation was made during the period. The county government will continue to build on these successes in our effort to enhance service delivery and reverse the negative impact of marginalization witnessed over the last fifty years in our county.

I take this opportunity to thank H.E the Governor and the Deputy Governor for their leadership, overall supervision and guidance in achieving the County Vision for the people of Mandera. I would also want to thank the CEC Members, the County Chief Officers in charge of other departments and CEO's of County entities who we have worked hand in hand to ensure that Mandera County achieves its mission. Finally, I thank all staff in the entire county for their continued commitment and dedication through hard work in delivery services to the people of Mandera County.

Sign: .....

Name: CPA Sulekha H. Harun

CECM Finance and Economic Planning - Mandera County Government

3. Statement of Performance against County Predetermined Objectives

Section 164 (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 County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives

The Mandera County Government's 2018-2022 CIDP has identified ten key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Mandera County Government's 2018-2022 CIDP are to:

1. To improve peace and security within Mandera County. Mandera shares international borders with Ethiopia and Somalia, and has suffered the effects of cross-border conflicts, as well as the impact of the global problem of violent extremism and terrorism. We seek an inclusive society in line with SDG goal number 16. No meaningful development can occur without peace and security, that must be enjoyed by both residents and investors. Our dream is a safe and secure peaceful environment, which is favourable for the implementation of life-transforming and sustainable development projects.
2. To improve access to quality and affordable health services. This objective aims at improving life expectancy and promoting healthy lives for all ages in line with SDG goal number 3. The need for increased sustainability, accessibility and improvement of quality care in the health sector is paramount. The county aspires to achieve universal healthcare for all, including cross-border patients. This will ultimately reduce the burden of diseases, enhance wellness and hence lead to increased productivity and reduced poverty levels. We envisage a county that will be able to respond to health disasters and emergencies not only in Mandera County, but the Mandera Triangle as well,

to cover the regional hub for referral health services in a radius of 500 kilometres comprising sections of Ethiopia and Somalia.

3. To improve access to clean and safe water and sanitation, in line with SDG goal number 6. Water is a basic right and our dream is to achieve improved water sources, which are less prone to contamination and hence are safer. Access to safe drinking water is critical for the health of individuals and households. We seek to extend improved water sources like piped water, rain harvested water, borehole water and water from protected wells. The primary goal is to reduce the amount of time and energy spent in search of water. The goal is for pastoralists not to travel more than a kilometre in search of water.

4. To transform livestock sector from a way of life to a viable economic activity. We aspire to revitalise the livestock sector, create disease-free zones, improve livestock breeds. We will also strive to improve linkages with value-added products to cushion farmers from losses occasioned by drought and climate change, and create a regional market that will fetch competitive prices for our pastoralists. This is in line with SDG goal number 8.

5. To improve resilient infrastructure in line with SDG goal number 9. Improving accessibility and easy movement of people and goods within the county is one sure indicator of development. Mandera County is over 1,200 kilometres away from the capital city of Nairobi, and over 1900 kilometres from the main port of Mombasa, making costs of transportation of goods prohibitive. Achieving this goal will increase linkages with the neighbouring countries of Ethiopia and Somalia, access to markets for products from neighbouring countries, such as fresh produce, miraa and other factors of production. This will eventually lead to a reduction in the cost of production. The result will be improved productivity, opening up of business opportunities, industrialisation and a boost in incomes. It will also lead to a reduction in the cost of goods in Mandera County. Improved transport infrastructure eases access to basic facilities like hospitals and schools.

6. To improve food security from 59 percent to 80 percent by 2022 in line with SDG goal number 2, with the objective of ending hunger and improving nutrition. Availability of pasture and water improves the health and body condition of livestock, which leads to increased production and an upsurge in livestock. The ultimate benefit is a boost of the pastoral communities' purchasing power. Meanwhile, improving irrigation and acreage under crop production is vital for the improvement of Mandera's food security. We must reduce the risk of malnutrition across the county even during long dry spells.

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

7. To improve access to inclusive quality education in line with SDG goal number 4, as well as relevant skills training to fill the capacity needs gaps in the county. We seek to improve literacy levels from 30 to 70 per cent by 2022, increase access to basic education and promote life-long learning.

8. To engage the youth and equip them with vocational skills, as well as farming and entrepreneurial skills to shield them from the vulnerability of falling into the radicalisation and violent extremism trap. This objective is in line with SDG goal number 16 of peaceful and inclusive societies.

9. To carry out natural resource mapping. This will uniquely position Mandera County to sustainably exploit its ecosystem and extractives to spur economic growth and transform the lives of residents. This is in line with SDG goal number 15.

10. To align our development priorities with the economic blueprint of the Frontier Counties Development Council to be able to tap into global, public, private partnerships and economies of scale. This will help in attracting investments and encouraging innovations that will open up the region for major infrastructural projects to create jobs, attract skilled labour and improve living standards in line with SDG goals number 9 and 17.

Ref	Objective as per CIDP	Performance/Progress made up since 2018 up to date	Remarks (Explain The reasons underperformance/ Over performance)
1.	Improve peace and security within Mandera County.	The County has managed to reduce inter-clan conflicts	The porous international borders with Somalia and Ethiopia poses a challenge to our peace efforts
2.	Provide access to quality and affordable health services	Maternal mortality rate has been greatly reduced	The Mandera Triangle has created dependency burden on our facilities
3.	Improve access to clean and safe water and sanitation	The County heavily invested in construction, expansions and desilting of dams	Persistent droughts leads to severe water shortages in the County thus hampering our efforts
4.	Transform livestock sector from a way of life to a viable economic activity	We are revitalising the livestock sector/creating disease-free zones	Losses occasioned by drought and climate change have been a tricky challenge
5.	Improve resilient infrastructure in line with SDG goal number 9	Heavy investment in infrastructure has been undertaken	Insecurity, lack of skilled labour, floods threatened the execution of these projects

COUNTY EXECUTIVE OF MANDERA

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6.	Improve food security from 59% to 80% by 2022 in line with SDG goal number 2	Resources have been injected in irrigation projects	Climate challenge, insecurity are common challenges
7.	Improve access to inclusive quality education in line with SDG goal number 4	Improvement in ECDE infrastructure has been achieved	Education is not a devolved function. Shortage of teachers is another headache.
8.	Equip the youth with vocational skills, farming and entrepreneurial skills	Youth development activities are successfully undertaken every year	High unemployment, increased number of graduates and poor attitude
9.	Carry out natural resource mapping	Mapping of land and natural resources were conducted	Community conflict over resources and boundaries was a challenge
10.	Align our development priorities with the economic blueprint of the Frontier Counties Development Council	Major infrastructural projects intended to create jobs, attract investments and improve living standards have been undertaken	Mandera's distance from Nairobi, the nature of road infrastructure, and insecurity along the highways make the cost of doing business very high

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:

Department	Objective	Outcome	Indicator	Performance
Public Works, Roads & Transport	to facilitate the construction, upgrading, rehabilitation and maintenance of the roads infrastructure and supervision of Government buildings in Mandera County to enhance regional connectivity for sustainable socio-economic	Roads, bridges /culverts and drifts constructed leading to increased efficient transportation of people, goods and services	Improved mobility within the county	In FY 20/21 we increased motorable and passable roads by 60%. The following roads were upgraded, access roads opened up and bush clearing works done. Drifts and box culverts were also undertaken.

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	development in line with Kenya's Vision 2030.			
	To facilitate the designing, supervision and management of the county building projects to enhance sustainable socio-economic development in line with Kenya's Vision 2030	Eased construction & rehabilitation of infrastructure	No. and condition of buildings constructed for systemic delivery of services	In the FY 2021/2022, massive progress was made on proposed completion of the following projects: Governor's residence, County headquarter, amongst others
Agriculture, Livestock, Fisheries And Irrigation	To promote and facilitate production of food and agricultural raw materials, ensure food security, promote agro-based industry, agricultural export and sustainable agricultural practice.	Improved Irrigation schemes development and rehabilitation leading to improved agricultural productivity and outputs.	Amount of investments in irrigation projects and support to farmers.	During the year, huge investments were made in the following projects: Slaughter houses, irrigation projects, repair of canals, farmers were also supported with fertilizers and seeds
Education, Culture, Tourism and Sports	To create effective capacity building mechanisms for effective management and delivery of ECDE, TVET, Culture, Tourism and Sports services	Improved capacity of ECDE and other teachers	No. of ECDE teachers and other staff to be trained	300 staff were targeted and successfully trained in the period under review
	Provision of infrastructure at ECDE, TVET, Non-Formal	Early childhood infrastructure development	No. of ECDE classrooms constructed	Over 47 ECDE classrooms were constructed.

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	Education, Primary, Secondary and Tertiary institutions.		No. schools of supplied with desks No. of ECD centres supplied teaching materials	ECDE classrooms were supplied with desks to schools in every sub county All targeted primary schools were supplied with teaching and learning materials
	To enhance access, equity, retention, transition and completion levels at the Early Childhood Development Education, TVET, Non-Formal Education, Primary, Secondary and Tertiary institutions	Access to education	No. of Needy students awarded bursary	The bursary was disbursed as budgeted
	To improve quality of training programmes for sporting activities	Sport infrastructure development Access to sporting item and equipment Improvement of sporting activities in all sub counties	The number of football fields constructed and Improved No of sporting items procured No of wards held sporting programs	All playgrounds targeted in the budget have all been achieved All sporting items targeted were fully attained 30 tournaments were held, one in each ward.
Health Services	To reduce incidences of preventable diseases and	Reduction in cases of food/water-borne diseases	No. of premises inspected and have met minimum	70% of target achieved Target

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	mortality in Mandera County		requirement on hygiene and sanitation	
			No. of Public health facilities disposing off HCW appropriately	100% achieved
			Whether food and water samples were taken for laboratory analysis	Done
			% of deliveries conducted by skilled attendants	45% of deliveries
	To provide improved quality health care services at the County	Enhanced specialized curative and diagnostic interventions	% increase of access to specialised diagnostic services	Over 80% of facilities have been stocked with drugs and equipment and their laboratories fully functional while 3 facilities have specialized diagnostic.
Youth, Gender and Social Services	To upscale the livelihood of the most vulnerable in the Mandera Community	Shelters, resources and mobility kits for vulnerable people	No. of houses constructed for the most vulnerable and kits issued	Houses constructed as per target and targeted kits issued successfully
	To empower and promote gender equality at the County level	gender mainstreaming	No. of awareness program on gender equality	Target achieved
	To undertake empowerment of	Youth capacity built on income	No. of youth trained on	The ministry trained about

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	youth groups in the county	generating activities	income generating activities	300 youth and women and issued to PWD groups income generating equipment to uplift their economy and be self-reliant.
		provision of income generating tools/equipment	No. of youth groups provided with income generating equipment	
Lands, Physical Planning, Housing and Urban Development	To facilitate efficient, sufficient, equitable and sustainable management of land	Secure land records	Plot digitized	Records were digitized hence reducing land/plots related conflicts drastically
Public Service, Conflict Management and Devolved Units	To provide policy direction in Public Service Management, advice on appropriate organizational structures	Proper HR records and Compliance	Staff appraisal- quarterly, file kept, promotions made	Staffs were appraised and their files updated. Staff promotions were also undertaken
	To initiate and coordinate human resource management reforms to improve service delivery for sustainable socio-economic development	Performance management	Performance contracting	Undertaken as planned
	To promote a cohesive society whose values are harmonious and integrative.	Improved security	No. of counter radicalization programs	Counter radicalization workshops were held in all the 7 sub counties
Water, Energy, Environment & Natural Resources	To ensure efficient and economical provision of water and sewerage services,	Developed Urban Viable Water Supply and Sewerage System		Construction and expansion of water pans as well as desilting of existing pans were undertaken

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	increased environmental conservation, appropriate use of natural resources	Improved trees cover Water Resources Development	No. of trees planted Improved water security countywide	Over 250 trees were planted as planned Over 70% of the population have access to water as a result of increased spending on large water pans, and maintenance of boreholes and water tanks
	To ensure improved access to affordable and environment friendly sources of energy to meet the various socio-economic needs.	Solar systems Installations	No. of streetlights poles installed	About 200 were targeted and accomplished
Trade, Investment, Industry and Cooperative Development	Promote private sector development through enterprise and entrepreneurship development	Mapping of Business activities in the county Improve performance and status of co-operatives in the county	No. of business mapped and coded No. of Education and Extension services conducted for co-operatives	Undertaken Extension services and education are done on daily basis.
	Improve business environment, promote active investment climate and fair business practice	Enhancement business activities for better returns	No. of Trainings, Stakeholder forums, cooperative days and exhibitions carried out	Trainings undertaken
County Treasury, Economic Planning, Special Programmes,	To mobilize resources, ensure prudent management of resources and provide leadership in	Revenue enhancement and improved implementation of programmes, projects and strategies	No. of Quarterly reports on revenue performance	Achieved

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ICT & e-Government	development planning and tracking of results.			
	Disaster management	Relief food management	No. of households benefitting from food distributed and No. of sub counties covered	Over 55,000 households covered countywide. Target achieved.

Implementation Challenges experienced in FY 2021/2022

1. **Insecurity:** Many border towns suffered attacks from external Al Shabaab assailants during the financial period. These aspects of insecurity negatively affect socio-economic lives of the locals and scare away investors.
2. **Recurring drought:** Prolonged drought led to the diversion of development budgets to respond to emergency relief cases. This was done by distributing food stuff and provision of water trucking services to the affected communities.
3. **High cost of goods and services:** The geographical location of Mandera at about 1200km from Nairobi, coupled with poor road network, insecurity and poor communication network has continuously posed a big threat to movement of goods and services to the county. This has seen most of the goods doubled on prices and being scarce due to the high demand and low supply.
4. **Delayed disbursement of funds from national treasury:** Over the years, the county government has experienced frequent cash crunches as a result of delayed disbursement from the national treasury. This has delayed projects delivery and compromised the provision of essential services such as health, security water and education.
5. **Local revenue underperformance** was also a challenge despite the revenue automation and improved enforcement efforts.

Available Opportunities

Mandera County government can take advantage of the following opportunities in implementation of its objectives:

1. **Local solutions to curb insecurity**– Though provision of security is a National Government function, the County Government had to recruit National Police Reservists to curb the runaway

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insecurity. Motiving and empowering these officers will significantly improve the security situation.

2. **Monitoring and Evaluation (M&E):** Absence of monitoring and evaluation committees in sectors have led to poor coordination of Monitoring and Evaluation activities in the sectors. The county government instituted an Evaluation and Monitoring Unit under office of the governor to tackle the challenge.

3. **Enhancing Local Revenue Generation** is key to sustainable service delivery: The huge demand for resources has made the county to look for avenues of raising more resources through measures such as automation of revenue collection. More innovation ways of boosting revenue collections will be identified and implemented in the subsequent years.

4. **Capacity is central to good performance:** Inadequate technical staff in departments has led to poor service delivery. By focusing on training and recruiting of technical staff offering essential services, the county has managed to arrest the situation. However, some departments such as revenue services and compliance are understaffed. Once these units are staffed, the county can reap new gains.

5. **Collaboration initiatives:** By collaborating with the National Government, development partners, the County Assembly, or other key stakeholders, the County Government has put efforts in attracting partners for development and service delivery in the county. The county shall continue to enhance its collaboration efforts to attain successful implementation of its CIDP objectives.

4. Environmental and Sustainability Reporting

Corporate Social Responsibility exists to transform lives. Thus, at Mandera County Government we understand that we have a responsibility to our society and we have made Corporate Social Responsibility (CSR) an integral part of our culture. To underline our deep commitment to making a difference in people's lives, we are guided by an existing policy and the government commits a substantial budgetary allocation each financial year to CSR initiatives. The county's CSR efforts focuses on the following key areas:

1. Sustainability strategy and profile

Sustainable development has been fully incorporated by the County Government. Our corporate sustainability contains three pillars: economic, ecological and social. For a comprehensive corporate sustainability strategy, the county understands it is necessary to consider all dimensions, their impacts and their interrelations. External influences also affect the corporate orientation on sustainability. Moreover, corporate sustainability also has positive effects on society in the long term. Mandera County government follows an introverted – risk mitigation strategy focusing on legal and other external standards concerning environmental and social aspects in order to avoid risks for the entity. The County uses generic aspects of the economic dimension of corporate sustainability such as innovation and technology, collaboration, knowledge management, processes, purchase and sustainability reporting to gain good financial and sustainability results. The strategies also address ecological dimensions to reduce environmental impacts caused by resource use, and emissions into air, into water or into ground, as well as waste and hazardous waste.

2. Environmental performance

As part of Mandera County government's contribution to the nation's national development agenda and our intent towards improving the wellbeing of our communities, in the financial year 2014/2015 the county rolled out the County Forests Management and Extension Programme which is a campaign with a target to plant and sustain millions of trees all over Mandera. This activity has progressed well with over a million trees planted and being sustained along the B9 roads in Mandera East Sub County and along all major roads in other sub counties. Our efforts aim to increase Kenya's forest cover to the desirable standards and protect the environment for present and future generations.

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The Mandera county government also aim to minimize any harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. In the course of our operations, therefore, we seek to identify opportunities to optimise consumption of energy, water and other natural resources. We actively encourage our staff to plant trees in our various Stations with a view to conserving the environment. In the just concluded financial year, we actively participated in projects aimed at reducing environmental degradation.

3. Employee welfare

Our success as a government is largely dependent on our human capital (people).

- We seek to recruit, retain, reward and develop the best talent in the Country.
- We recognise the need to inculcate among our employees the culture of being sensitive to matters of safety, security, society and the environment. This ensures that employees act with integrity and responsibility with the people they deal with and the environment they interact with.
- We train employees to value each other, provide necessary support systems for people with different needs and have a system in place that encourages acceptance of cultural diversity.
- Further, we continually seek to improve the welfare and skills of our employees through structured programs for personal and professional development.
- We actively seek to ensure gender parity and where possible recruit persons with disability and from the minority groups of our society.

4. Market place practices-

The organisation should outline its efforts to:

- a) **Responsible Supply chain and supplier relations-** Mandera County government recognizes that responsible Supply Chain Management has profound effect on any organization's reputation. Reputation influences the stakeholders' perceptions, their choices and investment intentions and financial performance. Thus, we practice responsible corporate behaviour that we envisage builds trust and enhances our overall reputation, which in turn attracts investors, employees, suppliers and distributors, not to mention earning the public's goodwill. The county's procurement

department has developed stringent rules intended to drive business firms to proactively improve their responsible supply chain performance.

b) Responsible ethical practices-

Mandera County is a corruption free organization with a reputable corruption free environment.

5. Community Engagements

As a responsible corporate citizen and as a way of reaching out to the less fortunate members of our society, the county government undertakes a number of initiatives aimed at improving the living standards of Vulnerable members such as the needy, people living with disabilities, widows and the unskilled youth. These are undertaken through donations of basic amenities like food stuffs and beddings, gifts to Orphanage centres, specialized equipment to PLWDs and Iftar donations in the month of Ramadhan. These donations/support are meant to alleviate suffering for vulnerable groups during hard times.

6. Education.

Education is the backbone of development in a country and therefore the county government has been a key player in support of secondary and tertiary educational initiatives to improve the educational standards. In this area which falls under the national government functions, we have aided schools in the construction of administration blocks, laboratories, libraries, sanitation facilities and provision of equipment.

7. Sports

Sports activities not only unite people from all walks of life, but also provide an avenue for many to realize their sporting talents. In light of this, the Mandera county government has been a stakeholder to sports and sporting activities in Mandera County through its annual sponsorship to various sports ventures. Some of these sporting activities were organized to foster peace among warring communities in the clash torn regions such as Mandera North and Banisa Sub Counties.

All these activities and many others were aimed at supporting the various communities and stakeholders who the county government interacts with in one way or the other as it carries out its mandate.

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5. Statement of Management Responsibilities

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the Mandera County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2022. 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 county Executive; (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 county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the Mandera County Executive'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 CEC member for finance is of the opinion that the Mandera County Executive's financial statements give a true and fair view of the state of the Mandera County Executive's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The CEC member for finance further confirms the completeness of the accounting records maintained for the Mandera County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.


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The CEC member for finance confirms that the Mandera County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Mandera County Executive'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 CEC member for finance confirms that the Mandera County Executive'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

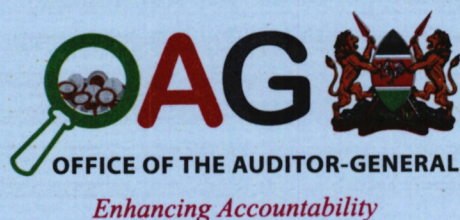
The Mandera County Executive's financial statements were approved and signed by the CEC member for finance on 06-09-2022.


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County Executive Committee Member –
Finance and Economic Planning

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MANDERA FOR THE YEAR ENDED 30 JUNE, 2022

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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Executive of Mandera set out on pages 1 to 30, which comprise the statement of financial assets and liabilities

as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows, and statements of comparison of budget and actual amounts 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, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of County Executive of Mandera as at 30 June, 2022 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 do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Presentation and Accuracy of the Financial Statements

Comparison of the balances reflected in the financial statements and the corresponding account balances in the Integrated Financial Management Information System (IFMIS) Ledgers revealed the following discrepancies:

Description	Financial Statements Kshs.	IFMIS Ledger Kshs.	Variance Kshs.
Compensation of Employees	2,945,863,521	2,881,808,686	64,054,835
Use of Goods and Services	2,367,996,193	2,134,561,729	233,434,464
Transfers to Other Government Units	1,709,878,092	1,024,793,983	685,084,109
Other Grants and Transfers	753,539,029	753,539,021	8
Acquisition of Assets	3,941,134,934	4,008,774,934	(67,640,000)

In the circumstances, the accuracy of financial statements could not be confirmed.

2.0 Misclassification of Other Receipts

The statement of receipts and payments reflects Exchequer releases (transfers from the CRF) amount of Kshs.10,669,260,693 which, according the supporting schedules provided for audit, includes receipts which did not come from Exchequer issues received into the County Revenue Fund (CRF) amounting to Kshs.374,108,701, comprising transfers from other Government Entities, own generated revenue and return to CRF issues amounts of Kshs.241,181,601, Kshs.132,899,851 and Kshs.27,249 respectively. The receipts of Kshs.374,108,701 therefore relates to other receipts item.

In the circumstances, the accuracy of the reported Exchequer releases (transfers from the CRF) and other receipts amounts of Kshs.10,669,260,693 and Kshs.5,880,000 respectively could not be confirmed.

3.0 Use of Goods and Services

The statements of receipts and payments, and as disclosed in Note 4 to the financial statements, reflect use of goods and services expenditure of Kshs.2,367,989,543. Review of documents in relation to the expenditure revealed the following anomalies:

3.1 Unaccounted for Medical Supplies

The use of goods and services expenditure of Kshs.2,367,989,543 includes specialized materials and services amount of Kshs.537,944,065 spent on drugs, non-pharmaceutical and lab reagents for various health facilities within the County. However, included in the latter amount is Kshs.9,559,062 for which, the respective health facilities' stores' counter requisition and issue vouchers (S 11), indicating how supplies were issued out were not provided for audit, contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015, which requires an Accounting Officer of a County procuring entity to ensure that all inventory, stores and assets purchased are received, but not used until taken on charge and as a basis for ensuring that all procured items are properly accounted for.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.9,559,062 could not be confirmed.

3.2 Unsupported Expenditure on Legal Fees

The use of goods and services expenditure of Kshs.2,367,989,543 includes other operating expenses amounting to Kshs.570,273,421 out of which, Kshs.27,786,021 was in respect of legal fees. However, the latter amount includes Kshs.6,748,000 whose supporting documents showing initial fee note, amounts paid to date, outstanding balances (if any per case), the case(s) being handled and status of those cases, evidence of court attendance, rate as per advocate remuneration roll, statements or ledgers of advocates accounts and case files showing the value of each case to authenticate the payments, were not provided for audit.

In the circumstances, the accuracy, completeness validity and authenticity of the expenditure of Kshs.6,748,000 could not be confirmed.

3.3 Unsupported Payments on Repair of Motor Vehicles

Included in the use of goods and services expenditure of Kshs.2,367,989,543 is routine maintenance-vehicles and other transport equipment amount of Kshs.119,611,890 out of which, Kshs.5,050,000 was spent on repair of motor vehicles. However, the supporting motor vehicle work tickets indicating the dates the vehicles were in the garage were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.5,050,000 could not be confirmed.

3.4 Unsupported Payments for Water Trucking Services

Included in the use of goods and services expenditure of Kshs.2,367,989,543 is rental of produced assets amount of Kshs.197,974,352 out of which, Kshs.3,389,646 was paid for water trucking services. However, the supporting water trucking schedule showing the date, centre, number of trips and volume of water delivered; and work tickets showing the movement of motor vehicles supplying water to various centres were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.3,389,646 could not be confirmed.

3.5 Unsupported Expenditure on Office and General Supplies and Services

Included in the use of goods and services expenditure of Kshs.2,367,989,543 is office and general supplies and services amount of Kshs.249,998,169 which further includes an expenditure of Kshs.3,000,000 whose supporting documents such as requisitions from user department to initiate the procurement process and Inspection and Acceptance Committee certificate to confirm that goods delivered conformed to the orders for supplies, were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.3,000,000 could not be confirmed.

3.6 Unsupported Payments for Fuel, Oil and Lubricants

Included in the use of goods and services expenditure of Kshs.2,367,989,543 is fuel, oil and lubricants amount of Kshs.43,509,026 which further includes an expenditure of Kshs.935,000 whose supporting fuel registers and detailed orders were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.935,000 could not be confirmed.

3.7 Unsupported Expenditure on Contracted Security Services

Included in the other operating expenses amount Kshs.570,273,421 is an expenditure of Kshs.40,147,205 incurred on provision of security services. However, procurement records showing how the service provider was selected were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.40,147,205 could not be confirmed.

3.8 Unsupported Cash Payments

The use of goods and services expenditure of Kshs.2,367,989,543 includes cash payments amounting to Kshs.33,520,376 which comprise Kshs.4,150,000 paid to two (2) suppliers through the Department of Agriculture and Kshs.29,370,376 paid to Mandera

County Special Purpose Account through the Department of Lands. However, Management did not provide explanations and details of the cash payments.

In the circumstances, accuracy, completeness, validity and authenticity of cash payments totalling Kshs.33,520,376 through the two Ministries could not be confirmed.

4.0 Acquisition of Assets

The statements of receipts and payments, and as disclosed in Note 7 to the financial statements, reflects acquisition of assets expenditure of Kshs.3,941,134,934. However, examination of documents in relation to the expenditure revealed the following anomalies:

4.1 Unsupported Expenditure on Rehabilitation and Maintenance of Water Infrastructure

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is rehabilitation of civil works amount of Kshs.442,260,004 out of which, Kshs.9,025,000 was in respect of rehabilitation and maintenance of water supply infrastructure. However, certificate of practical completion and inspection and acceptance certificate supporting of the latter amount were not provided for audit.

Further, the amount of Kshs.442,260,004 includes Kshs.295,198,200 paid to one (1) contractor through the Department of Water in respect of rehabilitation of civil works contracts relating to water and sewerage infrastructure. However, the relevant contract agreements supporting the latter amount were not provided for audit. As result it was not possible to ascertain the contract sums, contract periods and amounts of retentions deductible from the amounts payable to the contractor.

In the circumstances, the accuracy, completeness, validity and authenticity of the payments of Kshs.9,025,000 and Kshs.295,198,200 could not be confirmed.

4.2 Unsupported Expenditure on Construction of Buildings

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is construction of buildings amount of Kshs.791,280,028 which further includes Kshs.84,175,239 paid to various contractors. However, supporting documents, including contract documents indicating the contract sums and the contract periods, and Inspection and Acceptance Committee certificates confirming that works were carried out as per specifications, were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.84,175,239 could not be confirmed.

4.3 Unsupported Expenditure on Refurbishment of Buildings

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is refurbishment of buildings amount of Kshs.351,880,838 which further includes Kshs.1,200,000 paid to various contractors. However, supporting documents such as certificate of completion

indicating the stage of works done and inspection and acceptance committee certificate confirming that works were carried out as per specifications, were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.1,200,000 could not be confirmed.

4.4 Unsupported Payments on Construction of Road Projects

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is construction of roads amount of Kshs.504,169,455 out of which, Kshs.71,809,702 was spent on road projects in respect of which, the supporting Inspection and Acceptance Committee certificates to confirm that works were carried out as per specifications, were not provided for audit.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.71,809,702 could not be confirmed.

4.5 Purchase of Specialized Plant, Equipment and Machinery

4.5.1 Construction and Equipping of Radiology Centre at Rhamu Sub-County

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is purchase of specialized plant, equipment and machinery amount of Kshs.113,021,576 out of which, Kshs.9,527,586 relates to a contract for the construction and equipping of radiology center at Rhamu Sub-County at a contract sum of Kshs.30,092,952, for a contact period of one (1) year commencing on 26 May, 2021 and ending on 31 May, 2022. However, certificate of practical completion and inspection and acceptance committee report supporting the payment of Kshs.9,527,586 were not provided for audit.

Further, audit inspection carried out on 19 November, 2022 revealed that the radiology building was complete but not in use. It was also noted that: an X-ray unit supplied at a cost of Kshs.7,500,000 was not being utilized because a voltage regulator required to be installed at a cost Kshs.1,500,000 had not been installed; registration, inspection and licensing with a provision of Kshs.500,000 in the bill of quantities was not implemented; and the Ultrasound supplied at a cost of Kshs.2,500,000 was not being utilized.

In the circumstances, the accuracy, completeness and the value for money of the expenditure of Kshs.9,527,586 could not be confirmed.

4.5.2 Supply, Delivery, Installation and Commissioning of Oxygen Plant and Medical Equipment for Mandera West, Kutulo and Mandera North Sub-Counties

The purchase of specialized plant, equipment and machinery amount of Kshs.113,021,576 also includes Kshs.29,482,759 spent on a contract for the supply, delivery, installation and commissioning of oxygen plant and medical equipment for Mandera West, Kutulo and Mandera North Sub-Counties at a contract sum of

Kshs.111,949,404, for a contract period of one (1) year from 26 May, 2021 to 31 May, 2022. However, Inspection and Acceptance Committee report supporting the payment of Kshs.29,482,759 was not provided for audit.

Further, audit inspection conducted on 19 November, 2022 revealed that the Biochemistry machine (open dry biochem) supplied at a cost of Kshs.2,900,000 for Rhamu Hospital was not in use due to lack of the startup reagents and non-training of the user department personnel.

In the circumstances, the accuracy, completeness and the value for money of the expenditure of Kshs.29,482,759 could not be confirmed.

4.6 Construction and Civil Works

4.6.1 Unsupported Expenditure on Construction and Civil Works

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is construction and civil works amount of Kshs.1,712,683,468 which further includes Kshs.321,731,503 paid to one (1) contractor through the Department of Finance and Kshs.165,363,795 paid to five (5) contractors through the Department of Public Works, both totalling to Kshs.487,095,298. However, the relevant contract agreements supporting the latter amount were not provided for audit. As a result, it was not possible to ascertain the contract sums, contract periods and amounts of retentions deductible from the amounts payable to the contractors.

In the circumstances, the accuracy, completeness, validity and authenticity of the expenditure of Kshs.487,095,298 could not be confirmed.

4.6.2 Unsupported Expenditure on National Government's Airstrips

Included in the construction and civil works amount Kshs.1,712,683,468 is Kshs.121,956,189 incurred on construction of airstrips which fall under the National Government functions. Although the Management provided the letter of approval from the Ministry of Transport and Infrastructure for construction of airstrips, there was no evidence of a written agreement between the two levels of Government detailing the levels of technical, financial and capacity building support expected from National Government agencies like Kenya Airport Authority and Kenya Civil Aviation Authority, as required by Article 187 of Kenyan Constitution, to guide the implementation of this projects. In addition, it was not clear whether the same projects were also funded by the National Government through the line ministries and respective National Government Constituencies Development Funds.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.121,956,189 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Mandera Management

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.13,283,669,212 and Kshs.10,675,140,693 respectively, resulting to underfunding of Kshs.2,608,528,519 (or 20% of the budget). Similarly, the statement reflects final expenditure budget of Kshs.13,283,669,212 and actual expenditure on comparable basis of Kshs.11,718,405,118, resulting to under-expenditure of Kshs.1,565,264,094 (or 12% of the budget).

The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Mandera County.

2.0 Non-Contribution of Counterpart Funding - Agriculture Sector Development Supporting Programme II

The statement of receipts and payments reflects transfer to other Government entities expenditure of Kshs.1,709,878,092 which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.10,522,896 transferred to the Agriculture Sector Development Support Programme (ASDSP). Review of the Memorandum of Understanding between Government of Kenya and Government of Sweden revealed that one of the pre-conditions to commence implementation of ASDSP was for Counties to make own contribution to the programme to trigger the Government of Kenya and Government of Sweden counterpart funding. The contribution schedule in the signed Memorandum of Understanding provided that an amount of Kshs.5,500,000 should be contributed by Counties in each of the financial years. However, during the financial year under review, the Mandera County Government did not make own contribution amount of Kshs.5,500,000 to the Agriculture Sector Development Supporting Programme II.

As a result, the project did not receive an amount of Kshs.2,500,000 from the Government of Kenya and Kshs.18,493,936 from the Government of Sweden, totalling to Kshs.26,493,936, being funds for the financial year ended 30 June, 2022.

The non-funding led to the delay in the commencement of implementation of planned activities as per the work plan for the year ended 30 June, 2022.

3.0 Pending Bills

As disclosed in Note 1.a to the financial statements, under other important disclosures section, the County Executive had pending accounts payables as at 30 June, 2022 of Kshs.500,228,176 relating to supply of work, goods and services; salary arrears of Kshs.1,208,874,922; and legal fee arrears of Kshs.82,308,279, all totalling to Kshs.1,791,411,377.

The existence of huge pending bills at the close of the financial year may affect efficiency in implementation of subsequent year's budgeted programs.

4.0 Unresolved Prior Year Matters

In the report for the previous year, several issues were raised under the Report on Financial Statement, 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 addressed the issues as at 30 June, 2022. Management did not provide satisfactory explanations for not resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Preparation of Financial Statement for One Level 5 Hospital and Six Level 4 Hospitals

During the financial year ended 30 June, 2022, Mandera County Department of Health, the Management of Mandera County Referral Hospital (level 5 Hospital) and the Management of six (6) level 4 hospitals based in various Sub-Counties within Mandera County did not prepare and submit annual reports and financial statements to the Auditor-General as required by the National Treasury Circular No. AG.4/16/3 Vol.11(66) issued on 06 July, 2022. The Circular required all level 4 and level 5 hospitals to prepare financial statements as per the guidelines provided by the Public Sector Accounting Standards Board (PSASB) on presentation of the financial statements.

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

2.0 Acquisition of Assets

The statement of receipts and payments, and as disclosed in Note 7 to the financial statements, reflects acquisition of assets expenditure of Kshs.3,941,134,934. Audit of this expenditure revealed the following unsatisfactory matters:

2.1 Slow Progress in Implementation of Upgrading of Malka Punda Road to Bitumen Standard in Mandera East Sub-County Project

The acquisition of assets expenditure of Kshs.3,941,134,934 includes construction of roads amount of Kshs.504,169,455 out of which, Kshs.42,637,931 is in respect of a contract for upgrading of Malka Punda Road to Bitumen standard in Mandera East Sub-County at a contract sum of Kshs.169,239,438, for a contract period of two (2) years, starting on 29 April, 2021 and ending on 30 April, 2023. However, audit inspection conducted on 19 November, 2022 revealed slow progress in the implementation of the project which was 56% complete and, therefore, was unlikely to be completed within the contract period.

In the circumstances, the expected service delivery from the project may not be realized in as soon as expected.

2.2 Slow Progress of the Construction of Box Culvert Celled Drifts

Included in the acquisition of assets expenditure of Kshs.3,941,134,934 is construction and civil works amount of Kshs.1,712,683,468 out of which, Kshs.30,000,000 relates to a contract for construction of box celled culverts, celled drift at Arabia Sub-County at a contract sum of Kshs.146,591,520, for a contract period of approximately two (2) years from 12 April, 2021 to 30 April, 2023. However, audit inspection of the project carried out on 19 November, 2022 revealed that the project was 52% complete and was, therefore, unlikely to be completed by the contract's expiry date of 30 April, 2023.

In the circumstances, benefits expected from the project may not be realized as soon as expected.

3.0 Non-Competitive Procurement of Water Supplies and Sewerage Services

The statement of receipts and payments reflects total expenditure of Kshs.11,718,405,425 which includes Kshs.772,730,231 incurred under the Department of Water. However, analysis of payment records relating to the Department revealed that out of the latter amount, Kshs.295,198,200 (38%) was paid to one (1) contractor in respect of contracts related to rehabilitation of water and sewerage infrastructure. This was contrary to Article 227(1) of the Constitution of Kenya, 2010, which provides that when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

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

4.0 Human Resource Management

The statement of receipts and payments, and as disclosed in Note 3 to the financial statements, reflects compensation of employees' expenditure of Kshs.2,945,863,521. However, audit of this amount and review of records relating to human resource revealed the following unsatisfactory matters:

4.1 Lack of Approved Staff Establishment

Included in the compensation of employees' expenditure of Kshs.2,945,863,521 are basic salaries of permanent employees and basic wages of temporary employees amounts of Kshs.1,010,505,125 and Kshs.224,653,842 respectively. Review of records relating to compensation of employees revealed that during the year under review, the County Executive had two payroll systems in operation – a manual payroll and an Integrated Personnel and Payroll Database (IPPD) system. The payrolls reflected three thousand four hundred and five (3,405) employees in the PPD system, while five hundred and thirty-five (535) employees were in the manual payroll. However, the County Executive was yet to update or approve its personnel establishment and thus managed its personnel without an approved staff establishment. This was contrary to Section 5(2)(f) of the County Government Act, 2012 which states that one of the functions of the County Government is establishment and staffing of its public service as contemplated under Article 235 of the Constitution. As a result, it was not possible to ascertain the adequacy, existence and the necessity to fill vacancies whenever a vacancy arises.

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

4.2 Officers Earning Less than One-Third of the Basic Pay

Analysis of the IPPD system data for the 2021/2022 revealed that three (3) employees were being paid net salaries that were less than a third (1/3) of their respective basic pays during the year, thus over committing their salaries, contrary to Part C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which stipulates that public officers shall not over commit their salaries beyond two thirds (2/3) of their basic salaries..

In the circumstances, the Management was in breach of the Human Resource Policies and Procedure Manual of the Public Service.

5.0 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.2,367,989,543 which, and as disclosed in Note 4 to the financial statements, includes other operating expenses amount of Kshs.570,273,421. However, review of documents relating to the latter amount revealed the following unsatisfactory matters:

5.1 Illegal Payments

Included in the other operating expenses amount of Kshs.570,273,421 is Kshs.1,000,000 paid to the Council of Governors as legal funds, contrary to Section 37 of the Intergovernmental Relations Act, 2012 which requires operational expenses of the Council of Governors to be funded by the National Government.

Further, the operating expenses amount of Kshs.570,273,421 includes a contribution of Kshs.2,400,000 to Frontier Development Council, a regional bloc and Kshs.22,479,999 paid as constituency office expenses. However, the two payments were not backed by any law.

In the circumstances, the Management was in breach of the law. In addition, value for money of the expenditure of Kshs.25,879,999 could not be confirmed.

5.2 Non-Competitive Procurement of Legal Services

Included in the other operating expenses amount of Kshs.570,273,421 is Kshs.27,786,021 incurred on legal fees in respect of legal services rendered to the County Executive. However, examination of payment vouchers and supporting documents revealed that the legal services were not competitively sourced from the registered pre-qualified legal firms, contrary to Section 95(3) of the Public Procurement and Asset Disposal Act, 2015, which provides that a procuring entity shall invite tenders from only the approved persons who have been pre-qualified. Further, one (1) firm was paid Kshs.19,716,512 (or 71%) out of the total legal fees of Kshs.27,786,021, contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015, which stipulates that an accounting officer of a procuring entity shall ensure that request for quotations are given to as many persons as necessary to ensure effective competition and shall be given to at least three persons, unless that is not possible. This indicates skewed procurement of legal services to the disadvantage of other firms.

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

6.0 Non-Establishment of County Emergency Fund

The statement of receipts and payments reflects other grants and transfers expenditure of Kshs.753,539,029 which, as disclosed in Note 6 to the financial statements, includes an expenditure of Kshs.633,539,028 in respect of emergency relief and refuge assistance. However, the County Executive did not establish and operate a County Emergency Fund to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. This was contrary to Section 110 of the Public Finance Management Act, 2012.

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

7.0 Non-Compliance with Year End Closing Procedures

Disclosed under Note 8A to the financial statements are bank balances for eleven (11) bank accounts operated by the County Executive for the year ended 30 June, 2022.

The Management closed processing of the 2021/2022 financial year receipts and payments on 18 July, 2022, obtained bank balance certificates for the eleven (11) as at 19 July, 2022. Explanations from the Management was based on the fact that the National Treasury released substantial amount of Development, Recurrent and Donor Funds budgeted for 2021/2022 few days towards the close of financial year 2021/2022 and allowed County Governments a window of up to 18 July, 2022 to clear all payments which were due for payment and validated by Controller of Budget (COB) so as to minimize on the pending bills especially during that period of transition of County leadership and governance.

Review of cash books, bank statements and 2021/2022 IFMIS data confirmed that bank balance reflected under Note 8A to the financial statements represented the actual cash and cash equivalents as at 30 June, 2022. However, the issue of obtaining bank balance certificates as at 19 July, 2022 was contrary to Treasury Circular No.AG.3/88/VOL.VII. (21) dated 11 May, 2022 on year end closing procedures, which required bank balances certificates obtained as at 30 June, 2022 and reconciled to receipts and payments processed within 18 July, 2022.

In the circumstances, the Management breached requirements of Treasury Circular No. AG.3/88/VOL.VII. (21) dated 11 May, 2022 on year end closing procedures.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Un-Updated Fixed Assets Register

The summary of non-current asset register at Annex 3 reflects a non-current assets balance of Kshs.38,272,934,528 as at 30 June, 2022, which includes assets added during the year under review totalling to Kshs.3,941,134,934, relating to buildings and structures; transport equipment; office equipment, furniture and fittings; machinery and equipment; and infrastructure assets (roads and rails). However, the supporting fixed assets register

provided for audit had not been updated with the assets purchased during the year as required by Section 136 of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the strength of the internal controls over non-current assets and their continuous application could not be confirmed.

2.0 Non-Functional Audit Committee

Information provided indicated that the County Executive had established an Internal Audit Unit and an Internal Audit Committee. However, during the year under review, the Committee did not deliberate on any of the six (6) reports prepared by the Internal Audit Department, contrary to Section 168(b) of the Public Financial Management (County Governments) Regulations, 2015, which requires an audit committee to follow up on the implementation of the recommendations of internal and external auditors.

The dormancy of the Audit Committee during the year under review constitute weak internal controls which could have resulted to poor governance and possibility of financial loss.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive'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 County Executive 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 County Executive's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

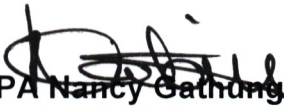
inadequate because of changes in conditions or that the degree of compliance with the County Executive's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive'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 County Executive to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

28 March, 2023

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.****7. Statement of Receipts and Payments for the year ended 30th June 2022.**

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Receipts			
Exchequer releases (Transfers from the CRF)	1	10,669,260,693	12,302,477,724
Other receipts	2	5,880,000	-
Total receipts		10,675,140,693	12,302,477,724
Payments			
Compensation of employees	3	2,945,863,521	2,646,264,831
Use of goods and services	4	2,367,989,543	2,680,906,021
Transfers to other government entities	5	1,709,878,092	1,841,423,281
Other grants and transfers	6	753,539,029	168,880,830
Acquisition of assets	7	3,941,134,934	4,339,997,755
Total payments		11,718,405,118	11,677,472,719
Surplus/deficit		(1,043,264,425)	625,005,005

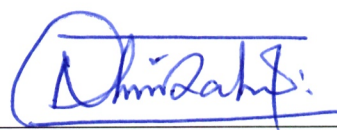
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive's financial statements were approved on 06-09-2022 and signed by:



Chief Officer - Accounting and Financial Services

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

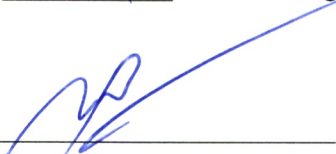
ICPAK Member Number: 21986

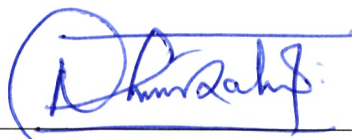
COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

8. Statement of Assets and Liabilities as at 30th June 2022

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	8A	138,162,503	1,192,235,012
Total cash and cash equivalent		138,162,503	1,192,235,012
Total financial assets		138,162,503	1,192,235,012
Financial liabilities			
Deposits and retentions	9	49,332,473	60,140,557
Net financial assets		88,830,030	1,132,094,455
Represented by			
Fund balance b/fwd.	10	1,132,094,455	507,089,450
Surplus/deficit for the year		(1,043,264,425)	625,005,005
Net financial position		88,830,030	1,132,094,455

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive's financial statements were approved on 06-09-2022 and signed by:

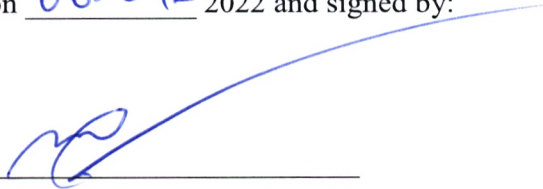
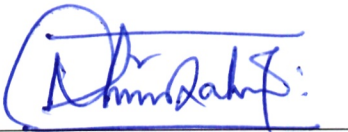

Chief Officer - Accounting and Financial Services
Name: Alinoor Mohamed Ali
ICPAK Member Number: 9001


Chief Finance Officer
Name: Ahmedsalim Ali Osman
ICPAK Member Number: 21986

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.****9. Statement of Cash Flows for the period ended 30th June 2022.**

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Receipts from operating income			
Exchequer releases (Transfers from the CRF)	1	10,669,260,693	12,302,477,724
Other receipts	2	5,880,000	-
Payments for operating expenses			
Compensation of employees	3	(2,945,863,521)	(2,646,264,831)
Use of goods and services	4	(2,367,989,543)	(2,680,906,021)
Transfers to other government units	5	(1,709,878,092)	(1,841,423,281)
Other grants and transfers	6	(753,539,029)	(168,880,830)
Increase/(decrease) in deposits and retentions	11	(10,808,084)	(56,186,747)
Net cash flow from operating activities		2,887,062,425	4,764,971,368
Cash flow from investing activities			
Acquisition of assets	7	(3,941,134,934)	(4,339,997,755)
Net cash flows from investing activities		(3,941,134,934)	(4,339,997,755)
Net increase in cash and cash equivalents		(1,054,072,509)	424,973,612
Cash and cash equivalents at beginning of the year		1,192,235,013	623,416,754
Cash and cash equivalents at end of the year		138,162,503	1,192,235,012

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive's financial statements were approved on 06-09- 2022 and signed by:


Chief Officer - Accounting and Financial Services**Name: Alinoor Mohamed Ali****ICPAK Member Number: 9001**

Chief Finance Officer**Name: Ahmedsalim Ali Osman****ICPAK Member Number: 21986**

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements
For the year ended June 30, 2022

10. Statement of Comparison of Budget & Actual Amounts

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	D	e=c-d	f=d/c %
Receipts						
Exchequer releases (Transfers from the CRF)	13,254,971,045	22,818,167	13,277,789,212	10,669,260,693	2,608,528,519	80%
Other receipts	0	5,880,000	5,880,000	5,880,000	0	100%
Total	13,254,971,045	28,698,167	13,283,669,212	10,675,140,693	2,608,528,519	80%
Payments						
Compensation of employees	3,320,815,963	(336,941,757)	2,983,874,206	2,945,863,521	38,010,685	99%
Use of goods and services	2,358,025,547	125,602,346	2,483,627,893	2,367,989,543	115,638,350	95%
Transfers to other government units	1,431,463,613	478,401,457	1,909,865,070	1,709,878,092	199,986,978	90%
Other grants and transfers	1,221,577,707	(129,123,673)	1,092,454,034	753,539,029	338,915,005	69%
Acquisition of assets	4,923,088,215	(109,240,205)	4,813,848,010	3,941,134,934	872,713,076	82%
Total	13,254,971,045	28,698,167	13,283,669,212	11,718,405,118	1,565,264,094	88%
Surplus/(Deficit)				(1,043,264,425)		

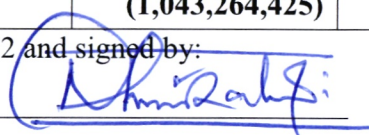
The Mandera County Executive's financial statements were approved on 06-09-2022 and signed by:



Chief Officer - Accounting and Financial Services

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

ICPAK Member Number: 21986

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

11. Statement of Comparison of Budget & Actual Amounts: Recurrent

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	D	e=c-d	f=d/c %
Receipts						
Exchequer releases (Transfers from the CRF)	7,541,255,231	293,682,046	7,834,937,277	7,466,718,485	368,218,791	95%
Other receipts	0	5,880,000	5,880,000	5,880,000	0	100%
Total	7,541,255,231	299,562,046	7,840,817,277	7,472,598,485	368,218,791	95%
Payments						
Compensation of employees	3,320,815,963	(336,941,757)	2,983,874,206	2,945,863,521	38,010,685	99%
Use of goods and services	2,342,152,547	123,102,346	2,465,254,893	2,350,599,206	114,655,687	95%
Transfers to other government units	1,261,210,057	478,401,457	1,739,611,514	1,709,878,092	29,733,422	98%
Other grants and transfers	557,376,664		557,376,664	557,376,664	-	100%
Acquisition of assets	59,700,000	35,000,000	94,700,000	94,700,000	-	100%
Total	7,541,255,231	299,562,046	7,840,817,277	7,658,417,483	182,399,794	98%
Surplus/(deficit)				(185,818,998)		

The local revenues target was not met due to the following reasons;

- a. Insecurity due terror attacks and inter clan fights affected revenue collection
- b. drought adversely affected livestock and agricultural related revenues
- c. Boarder closure due to security issues
- d. closure of quarry mining site by the national government.

COUNTY EXECUTIVE OF MANDERA
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e. Adverse impacts of Covid-19 Pandemic and locust invasion Immensely affected revenue collection

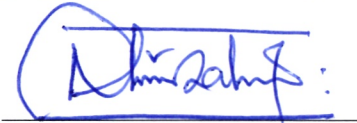
The Mandera County Executive's financial statements were approved on 06-09- 2022 and signed by



Chief Officer - Accounting and Financial Services

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman


ICPAK Member Number: 21986

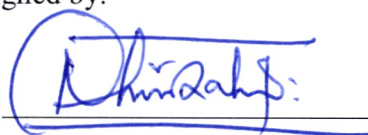
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12. Statement of Comparison of Budget & Actual Amounts: Development

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	D	e=c-d	f=d/c %
Receipts						
Exchequer releases (Transfers from the CRF)	5,713,715,814	(270,863,878)	5,442,851,936	3,202,542,208	2,240,309,728	59%
Other receipts	-	-	-	-	-	-
Total	5,713,715,814	(270,863,878)	5,442,851,936	3,202,542,208	2,240,309,728	59%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	15,873,000	2,500,000	18,373,000	17,390,336	982,664	95%
Transfers to other government units	170,253,556	-	170,253,556	-	170,253,556	0%
Other grants and transfers	664,201,043	(129,123,673)	535,077,370	196,162,365	338,915,005	37%
Acquisition of assets	4,863,388,215	(144,240,205)	4,719,148,010	3,846,434,934	872,713,076	82%
Totals	5,713,715,814	(270,863,878)	5,442,851,936	4,059,987,635	1,382,864,300	75%
Surplus/(deficit)				(857,445,428)		

The County Executive's financial statements were approved on 06-09- 2022 and signed by:


 Chief Officer - Accounting and Financial Services
 Name: Alinoor Mohamed Ali
 ICPAK Member Number: 9001


 Chief Finance Officer
 Name: Ahmedsalim Ali Osman
 ICPAK Member Number: 21986

COUNTY EXECUTIVE OF MANDERA
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13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcome	Actual on comparable basis	Budget utilization difference
	2021/2022		2021/2022	2021/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs
Food security Initiatives	772,331,827	100%	65%	501,828,545	270,503,282
	772,331,827	100%	65%	501,828,545	270,503,282
Livestock Production	253,854,158	100%	79%	200,210,548	53,643,610
	253,854,158	100%	79%	200,210,548	53,643,610
Administration & Support Services	702,129,906	100%	99%	691,666,110	10,463,796
	2,307,913,251	100%	98%	2,266,685,017	41,228,234
	3,010,043,157	100%	98%	2,958,351,128	51,692,029
Administration and Compensation	2,806,319,287	100%	98%	2,747,864,650	58,454,637
	206,504,275	100%	96%	197,998,871	8,505,404
	3,012,823,562	100%	98%	2,945,863,521	66,960,041
Co-operative Development	6,450,000	100%	93%	6,012,800	437,200
	6,450,000	100%	93%	6,012,800	437,200
Trade Development and Promotion	149,781,948	100%	77%	116,033,239	33,748,709
	149,781,948	100%	77%	116,033,239	33,748,709
Youth Affairs	108,000,000	100%	98%	106,367,530	1,632,470
	108,000,000	100%	98%	106,367,530	1,632,470
Infrastructure Development	1,101,559,021	100%	89%	976,871,162	124,687,859
Land Survey	24,410,211	100%	75%	18,193,136	6,217,075
Health care Infrastructure	667,433,394	100%	74%	493,720,475	173,712,919

COUNTY EXECUTIVE OF MANDERA
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Physical Infrastructure	103,193,187	100%	100%	103,193,187	0
	1,896,595,813	100%	84%	1,591,977,960	304,617,853
Early Childhood Development Education (ECDE)	315,892,015	100%	62%	196,755,112	119,136,903
	315,892,015	100%	62%	196,755,112	119,136,903
Financial and procurement Services	430,300,000	100%	76%	328,598,670	101,701,330
	430,300,000	100%	76%	328,598,670	101,701,330
Water Supply	1,346,418,191	100%	74%	1,001,806,545	344,611,646
	769,951,579	100%	99%	761,353,709	8,597,870
	2,116,369,770	100%	83%	1,763,160,254	353,209,516
Solar Energy Services	103,701,231	100%	100%	103,701,231	0
Environmental Management Services	24,223,992	100%	91%	22,153,992	2,070,000
	127,925,223	100%	98%	125,855,223	2,070,000
County Assembly Oversight Services	1,083,301,740	100%	81%	877,390,589	205,911,151
	1,083,301,740	100%	81%	877,390,589	205,911,151
	13,283,669,213	100%	88%	11,718,405,118	1,565,264,095

14. Significant Accounting Policies

The key 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 IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Mandera County Executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Significant Accounting Policies (Continued)

i) Transfers from the County Revenue Fund (CRF)

Transfer from CRF is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and a notification received by the executive.

ii) Proceeds from sale of assets

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the executive.

b) Recognition of payments

The Mandera County Executive recognises all expenses when the event occurs, and the related cash has been paid out.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

v) 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

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Significant Accounting Policies (Continued)

consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the Mandera County Executive 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 County Executive includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county Executive s such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county Executive is detailed in the notes to this financial statement.

6. Cash and cash equivalents

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

a) Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no restrictions on cash during the year.

Significant Accounting Policies (Continued)

7. Imprests and Advances

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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Third Party Deposits and Retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

9. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the Mandera County Executive's fixed asset register a summary of which is provided as a memorandum to these financial statements.

10. 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 Mandera County Executive at the end of the year. Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

11. Contingent Liabilities

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Significant Accounting Policies (Continued)

12. Contingent Assets

The Mandera County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly for the period 1st July 2021 to 30 June 2022 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

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

15. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

Significant Accounting Policies (Continued)

16. Prior Period Adjustment

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

17. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.****15. Notes to the Financial Statements****1. Exchequer Releases (Transfer from the CRF)**

	2021-2022	2020-2021
	Kshs	Kshs
Total exchequer releases for quarter 1	1,870,589,054	2,565,960,450
Total exchequer releases for quarter 2	2,824,343,650	1,912,488,340
Total exchequer releases for quarter 3	2,835,630,536	2,005,302,690
Total exchequer releases for quarter 4	3,138,697,453	5,818,726,244
Total	10,669,260,693	12,302,477,724

2. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Payment from Insurance(Claim Received)	5,880,000	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	5,880,000	-

3. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	1,010,505,125	904,555,832
Basic wages of temporary employees	224,653,842	213,389,267
Personal allowances paid as part of salary	1,382,300,410	1,251,543,941
Government pension and retirement benefits (gratuity)	57,447,113	55,783,891
Employer Contribution to compulsory National Social Schemes	1,537,000	1,830,000
Employer Contribution to Compulsory National health Insurance Schemes	54,503,600	39,322,850
Pension and other social security contributions	153,606,235	122,842,594
Other personnel payments	61,310,196	56,996,458
Total	2,945,863,521	2,646,264,831

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	KShs
Utilities, supplies and services	18,933,716	3,935,660
Communication, supplies and services	8,749,560	9,827,857
Domestic travel and subsistence	42,751,694	45,755,306
Foreign travel and subsistence	1,500,000	1,602,272
Printing, advertising and information supplies & services	57,027,448	56,535,235
Rentals of produced assets	197,974,352	209,911,096
Training expenses	24,168,800	96,671,031
Hospitality supplies and services	45,655,602	44,490,817
Insurance costs	362,000,000	288,475,913
Specialized materials and services	537,944,065	765,576,205
Office and general supplies and services	249,998,169	235,226,652
Fuel, oil and lubricants	43,509,026	55,204,067
Other operating expenses	570,273,421	717,968,600
Routine maintenance – vehicles and other transport equipment	119,611,890	131,337,880
Routine maintenance – other assets	87,891,800	18,387,429
Total	2,367,989,543	2,680,906,020

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.****Notes to the Financial Statements (Continued)****5. Transfer to Other Government entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
Mandera County Assembly	849,173,172	803,919,523
Mandera Water and Sewerage Company	164,000,000	249,000,000
Mandera Municipality	350,000,000	341,000,000
Transfers to Departments	-	-
Transfers to KCASP	164,328,885	72,635,290
Transfers to ASDSP	10,522,896	22,049,177
Transfers to Vocational Training Centres	15,049,000	30,091,788
Transfers to Hospitals, Dispensary and CHMT	17,744,806	96,190,410
Mandera County Emergency Locust Response Project	19,661,447	-
Transfer of Covid Funds to Ministry of Health	-	91,323,000
Elwak Water and Sewerage Company	79,397,886	74,100,000
Elwak Municipality	40,000,000	61,114,093
Total	1,709,878,092	1,841,423,281

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

6. Other Grants and Payments

	2021-2022	2020-2021
	Kshs	Kshs
Scholarships and other educational benefits	120,000,000	22,000,000
Emergency relief and refugee assistance	633,539,029	146,880,830
Total	753,539,029	168,880,830

This relate to payment of bursaries to support needy learners as well as provision of relief as a form of emergency support to affected vulnerable community members countywide.

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

7. Acquisition of Assets

<u>Non- financial assets</u>	2021-2022	2020-2021
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	791,280,028	1,133,948,217
Refurbishment of buildings	351,880,838	204,734,278
Construction of roads	504,169,455	613,493,009
Construction and civil works	1,712,683,468	1,387,303,635
Overhaul and refurbishment of construction & civil works	-	-
Purchase of vehicles and other transport equipment	9,871,951	22,423,319
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	13,050,000	76,436,096
Purchase of specialized plant, equipment and machinery	113,021,576	121,194,437
Rehabilitation and renovation of plant, machinery and equip.	2,917,614	-
Purchase of certified seeds, breeding stock and live animals	-	33,464,110
Research, studies, project preparation, design & supervision	-	8,287,094
Rehabilitation of civil works	442,260,004	738,713,561
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	3,941,134,934	4,339,997,755
<u>Financial assets</u>		-
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	3,941,134,934	4,339,997,755

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

8. Cash and Bank Balances

8A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2021-2022	2020-2021
			Kshs	Kshs
Mandera County Recurrent-Central Bank Of Kenya,Kes	1000170913	Recurrent	601	2,337
Mandera County Development- Central Bank Of Kenya,Kes	1000170848	Development	1,469	1,045
Mandera County Road Maintenance. Levy- Central Bank Of Kenya, Kes	1000297964	Development	8,998	20,108,508
Mandera County Village Polytechnic Project- Central Bank Of Kenya, Kes	1000369515		6,650	6,650
Mandera County Special Purpose Acc- Central Bank Of Kenya,Kes	1000275316		54,721,395	10,635,479
Mandera County Kenya Dev Supp Progr-Central Bank of Kenya, Kes	1000432217		1,023,865	5,353,751
Mandera Municipality Urban Dev Grant- Central Bank of Kenya, Kes	1000392762		21,451,158	4,510,210
Mandera County - Revenue Fund Central Bank Of Kenya, Kes.	1000171472	CRF	11,615,026	987,855,518
Mandera County Retention Account National Bank Of Kenya, Kshs.	1001100414500	Deposit	49,332,473	60,140,557
Mandera County Ke Climate Smart Agr Prj- Central Bank Of Kenya, Kes	1000368535		860	103,620,956

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Mandera County Primary Health Car-Central Bank Of Kenya, Kes	1000565748		7	-
Total			138,162,503	1,192,235,012.20

These balances do not include bank balances for self-reporting entities and revenue collection accounts as at reporting date.

9. Deposits and Retention

	2021-2022	2020-2021
	Kshs	Kshs
Deposits	-	-
Retention Monies	49,332,473	60,140,557.15
Total	49,332,473	60,140,557.15

10. Fund Balance Brought Forward

	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	1,192,235,012	623,416,754.00
Cash in Hand	-	-
Accounts Receivables	-	-
Accounts Payables	(60,140,557)	(116,327,304.00)
Total	1,132,094,455	507,089,450.00

The fund balances brought forward refers to the previous financial year's closing balances

11. Increase/ (Decrease) in Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	60,140,557	116,327,304.00
Deposits and Retention as at 30 th June (B)	49,332,473	60,140,557.15
Increase/ (Decrease) in Deposits and Retentions C= B-A	(10,808,084)	(56,186,746.85)

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures

1. a. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	115,173,158	-	115,173,158
Construction of Civil Works	-	277,266,517	-	277,266,517
Construction of Roads	-	19,395,025	-	19,395,025
Purchase of Office Furniture	-	9,650,000	-	9,650,000
Refurbishment of Buildings		70,348,636		70,348,636
Specialized Materials		8,394,840		8,394,840
Total	-	500,228,176	-	500,228,176

1.b SALARY AREARS

Month	IPPD Amount (Kshs.)	Manual Payroll Amount (Kshs.)	Total (Kshs.)
September 30, 2022	286,657,393	14,469,759	301,127,152
October 31, 2022	287,235,944	15,574,087	302,810,031
November 30, 2022	279,635,400	15,580,110	295,215,510
December 31, 2022	295,506,488	14,215,741	309,722,229
TOTAL			1,208,874,922

1.c LEGAL FEE ARREARS

Legal firms	no. of cases	amount
Issa and co. advocate	24	45,415,779
Duwane Gisore and company advocate	18	27,662,200
Yunis and company advocate	3	9,230,300
TOTAL		82,308,279

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.****Other Important Disclosures (Continued)****Related party transactions**

	2021- 2022	2020- 2021
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)	-	-
<u>Transfers To Related Parties</u>	-	-
Transfer to the County Assembly	849,173,172	803,919,523
Transfers to Other County Government Entities	542,793,806	619,719,291
Transfers to Development Projects	194,513,228	94,684,467
Transfers to Non-Reporting Entities E.G Schools And Welfare		
Transfers to County Water Service Providers	243,397,886	323,100,000
Expenses paid on Behalf Of County Water Service Providers		
Total Transfers To Related Parties	1,829,878,092	1,841,423,281
<u>Transfers From Related Parties</u>		
Transfers From The Exchequer	10,295,151,992	11,102,123,700
Transfers From MDAs	241,181,601	-
Transfers From SCs And SAGAs - National Government	-	304,694,480
(Insert Any Other Transfers Received)	-	-
Total Transfers From Related Parties	10,536,333,593	11,406,818,180

2. Establishment of other County Government Entities

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

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Other Important Disclosures (Continued)

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Mandera Municipality	June 2018	Mandera Town	Hassan Noor Adan
Mandera Water And Sewerage Company	August 2018	Mandera Town	Abdikadir M. Tache
Mandera Bursary Fund	July 2014	Mandera Town	Abdullahi M. Abdi
Elwak Municipality	May 2020	Elwak Town	Abdi Hassan Abdulla
ELWASCO	2020	Elwak Town	Kassim H. Abdinoor

Other Important Disclosures (Continued)

3. Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments.

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16. Progress On Follow Up On Prior Year Auditor’s Recommendations

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

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)
1	<i>Use of goods and services</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
2	<i>Unsupported expenditure on rehabilitation of civil works</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
3	<i>Fixed Assets Register</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
4	<i>Budgetary Control and Performance</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
5	<i>Late exchequer releases</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
6	<i>Under collection of Own Source Revenue</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
7	<i>Expenditure on National Government Functions</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>


COUNTY EXECUTIVE OF MANDERA

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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)
8	<i>Irregular payments to Council of Governors</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
9	<i>Acquisition of Assets</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
10	<i>Pending bills</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
11	<i>Construction of Buildings</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
12	<i>Construction of Governor's and Deputy Governor's official residences</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
13	<i>Irregular procurement on research study services</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
14	<i>Domestic Travel and Foreign Travel Allowances</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>
15	<i>Late Remittance of Statutory Deductions</i>	<i>The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally</i>	<i>Not resolved</i>	<i>30 June 2023</i>

COUNTY EXECUTIVE OF MANDERA
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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)
16	Unremitted house rent	The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally	Not resolved	30 June 2023
17	Non-Tagging of Office Furniture	The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally	Not resolved	30 June 2023
18	Lack of Institutional Risk Management Framework	The issue is yet to be discussed in the Senate and the County Assembly but being addressed internally	Not resolved	30 June 2023



CEC, Finance and Economic Planning

Date: 06-09-2022

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17. Annexes

Annex 1 – Analysis Of Transfers From the CRF

Period (2021-2022)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	1,846,413,129	2,797,595,650	2,797,595,650	2,853,547,563	10,295,151,992
Level 5 Hospitals					
DANIDA - Universal Healthcare in Devolved Units Programme				11,325,188	11,325,188
World Bank – THUSCP				54,187,185	54,187,185
World Bank-Emergency Locust Response Project (ELRP)				19,661,447	19,661,447
Agriculture Sector Development Support Project (ASDSP)		2,500,000	-	8,022,896	10,522,896
Kenya Climate Smart Agriculture Project (KCSAP)		-	-	145,484,885	145,484,885
Total	1,846,413,129	2,800,095,650	2,797,595,650	3,092,229,164	10,536,333,593

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer.

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Annex 2 – Analysis Of Pending Accounts Payable

No.	Supplier Of Goods Or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
				A	b	c	d=a+b-c	
Construction of Civil Works								
1	Construction of toilets at Tuli ECD centre	21/02/2022	400,000	-	-	-	400,000	
2	Developing of playground in Guba	28/01/2021	1,500,000	-	-	-	1,500,000	
3	Construction toilet at Waranqara Renovation of Classes	21/02/2022	900,000	-	-	-	900,000	
4	Development of Kamor youth play Ground and boystown primary school	21/02/2022	2,700,000	-	-	-	2,700,000	
5	Fencing Of Didow Primary	14/02/2022	3,700,000	-	-	-	3,700,000	
6	Construction play Ground At Alungu	21/2/2022	1,620,000	-	-	-	1,620,000	
7	Fencing Of Burmayo ECDE Primary	14/02/2022	3,700,000	-	-	-	3,700,000	
8	Levelling of the playground and installation of goal post at Senior Chief Adawa Primary school	28/01/2022	1,000,000	-	-	-	1,000,000	
9	Construction of new Gate, Cabro the Road from the gate to the new admin block and the parking area at MTTI	1/4/2022	9,861,996	-	-	-	9,861,996	
10	Development of sports ground afor three schools (Goljo, Borashum and Diribor)	14/02/2022	2,250,000	-	-	-	2,250,000	
11	Construction Of Sports Ground Udole	21/02/2022	1,799,999	-	-	-	1,799,999	
12	Construction Of Sports Ground Tuli	21/02/2022	1,799,999	-	-	-	1,799,999	
13	Construction Of Sports Ground Kotkoto	21/02/2022	1,799,999	-	-	-	1,799,999	
14	Twin Toilet Usubey Dahir Arap	21/02/2022	1,079,000	-	-	-	1,079,000	
15	Construction Of Sports Ground Rhamu Ecde Playground	21/02/2022	2,250,000	-	-	-	2,250,000	
16	Construction Of Sports Ground Bula Hajji	21/02/2022	1,799,999	-	-	-	1,799,999	
17	Construction Of Sports Ground Morothile	21/02/2022	2,000,000	-	-	-	2,000,000	

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18	Construction Of Sports Ground Harwale	21/02/2022	1,349,999	-	-	-	1,349,999
19	Construction Of Sports Ground Dololo	21/02/2022	1,620,000	-	-	-	1,620,000
20	Playground Didkoba Masho El Dhanaba	21/2/2022	4,319,840	-	-	-	4,319,840
21	3 No. twin Toilets Orahey	21/02/2022	1,079,993	-	-	-	1,079,993
22	Development Sports Ground At Eymole	21/2/2022	899,986	-	-	-	899,986
23	Development Sports Ground At Itilale	21/02/2022	1,799,999	-	-	-	1,799,999
24	Development Sports Ground At Digdar primary	21/02/2022	1,349,995	-	-	-	1,349,995
25	Development Of Spots Ground At Kubi	21/02/2022	1,169,976	-	-	-	1,169,976
26	Development Of Play Ground At Tarbey	21/02/2022	2,249,960	-	-	-	2,249,960
27	Development Of Playground At Guba Ecd Centre	21/02/2022	1,349,999	-	-	-	1,349,999
28	Development Of Playground At Choroqo Ecd Centre	21/02/2022	1,349,999	-	-	-	1,349,999
29	Construction Of Placenta Pit At Rhamu Sub County Hospital	02/03/2022	1,000,000	-	-	-	1,000,000
30	Placenta Pit At Sheikh Barrow Dispensary	15/03/2022	1,400,000	-	-	-	1,400,000
31	Construction Of Placenta Pit At Takaba Hospital	18/03/2022	1,000,000	-	-	-	1,000,000
32	Construction Of Twin Toilets And Water Tank In The New Gesrebki Dispensary In Banisa	28/03/2022	2,000,000	-	-	-	2,000,000
33	Proposed Fencing Of Lulis Dispensary	28/03/2022	1,300,000	-	-	-	1,300,000
34	Operationalization Of Usubey Dispensary In Rhamu Dimtu	30/03/2022	1,700,000	-	-	-	1,700,000
35	Construction Of Placenta Pit At Elwak Sub County Hospital	30/3/2022	2,000,000	-	-	-	2,000,000
36	Construction Of Incinerator At Shimpir Fatuma Health Centre	30/3/2022	1,100,000	-	-	-	1,100,000
37	Construction Of Placenta Pit At Adra Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000
38	Bush Clearing At Kamor Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000
39	fencing of Ababosone health centre	1/4/2022	2,000,000	-	-	-	2,000,000
40	Construction Of Placenta Pit At Adrahalo Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000
41	Renovation Of Wargadud Health Centre	1/4/2022	2,500,000	-	-	-	2,500,000
42	Construction Of Placenta Pit At Sukelaquili Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000

COUNTY EXECUTIVE OF MANDERA

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43	Fencing Of Boji Garse Dispensary, Underground Water Tank	1/4/2022	5,000,000	-	-	-	5,000,000
44	Construction Of Placenta Pit At Bp1 Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000
45	Construction Of Placenta Pit And Cil Work At Kamor Health Centre	1/4/2022	1,670,000	-	-	-	1,670,000
46	Construction Of Placenta Pit At Bp1 Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000
47	Renovation Of Arabia Dispensary	1/4/2022	2,000,000	-	-	-	2,000,000
48	Fencing Of Elqala Dispensary	1/4/2022	3,000,000	-	-	-	3,000,000
49	Repair And Renovation Of Laboratory At Takaba	1/4/2022	2,300,000	-	-	-	2,300,000
50	Repair And Renovation Of 2 No. Staff At Takaba	1/4/2022	2,500,000	-	-	-	2,500,000
51	Proposed Renovation Of Khalalio Staff Quarter	1/4/2022	2,000,000	-	-	-	2,000,000
52	Renovation Of Odha Dispensary	1/4/2022	1,800,000	-	-	-	1,800,000
53	Construction Of Twin Toilet Omar Jillow	1/4/2022	1,000,000	-	-	-	1,000,000
54	Constructions Of Underground Watertank In Daidai Village	12/2/2021	990,000	-	-	-	990,000
55	Desilting And Repair Of Embakment Of Bula Billow Pan	16/2/2021	2,880,000	-	-	-	2,880,000
56	Construction Of Underground Water Tank In Alhidaya – Rhamu	16/2/2021	1,350,000	-	-	-	1,350,000
57	Desilting Of Batula, Qotqot And Usubey Earth Pans In Guba Ward	16/4/2021	4,050,000	-	-	-	4,050,000
58	Extension Of Water Piping To Water Tank In Waranqara Village	12/2/2021	1,800,000	-	-	-	1,800,000
59	Construction Of Underground Water Tank At Noordin Integrated Primary At Kiliwehiri	16/2/2021	960,000	-	-	-	960,000
60	Desilting Of Wargaras Earth Pan In Choroqo In Guba Ward	16/2/2021	1,350,000	-	-	-	1,350,000
61	Construction Of 20,000M3 Earth Pan At Mari Dhanaba In Banisa Sub-County	26/3/2021	4,998,465	-	-	-	4,998,465
62	Expansion And Desilting Of Qarsa Qoroma Earth Pan	26/3/2021	5,000,000	-	-	-	5,000,000
63	Repair Of Underground Water Tank At Masho	16/2/2021	500,000	-	-	-	500,000
64	Construction Of 20,000M3 Earth Pan At Qordobo Saglan	16/2/2021	5,499,460	-	-	-	5,499,460

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65	Expansion Of Qofole Dam 20,000M3	16/2/2021	5,000,000	-	-	-	5,000,000
66	Piping Water To Some Households At Gadudia Village	12/2/2021	630,000	-	-	-	630,000
67	desilting of halkure farm in dherkhale	1/5/2022	4,999,575	-	-	-	4,999,575
68	Expansion And Disilting Of Har Dimtu Earth Pan	1/5/2022		-	-	-	5,000,000
69	Disilting Of Alati Dam	1/5/2022	4,999,800	-	-	-	4,999,800
70	Fencing Of Darwed Boreholes Compound	1/5/2022	4,999,800	-	-	-	4,999,800
71	Disilting Of Dirib Sadeen Earth Pan	1/5/2022	3,497,776	-	-	-	3,497,776
72	Desilting Of Garse Dam In Burmayo	1/5/2022	4,999,740	-	-	-	4,999,740
73	Chainlink Fencing Of Rhamu Water Compound	29/12/2021	3,099,600	-	-	-	3,099,600
74	Extension Of Water Piping To Gari Health Centre	12/2/2021	1,440,000	-	-	-	1,440,000
75	REHABILITATION OF OF OLD AND NEW WATER COMPOUND IN ELWAK	12/2/2021	4,999,500	-	-	-	4,999,500
76	Construction Of Underground Water Tank At Arabia Ecd Primary	16/4/2021	1,800,000	-	-	-	1,800,000
77	Preparation of 30 acres farmland at Koromey Rain Fed Scheme for cultivation	20/05/2022	2,474,872	-	-	-	2,474,872
78	Preparation of 30 acres farmland at BP1 Scheme for cultivation	23/05/2022	2,474,872	-	-	-	2,474,872
79	Fencing Of Warqad Irrigation Farm	8/3/2022	2,999,968	-	-	-	2,999,968
80	Extension Of Current Piped Canal At Hareri	8/3/2022	899,940	-	-	-	899,940
81	Cultivation Of Choroqo Farms	5/4/2022	999,990	-	-	-	999,990
82	Chain-link Fencing Of Alungu Livestock Borehole	4/4/2022	2,520,488	-	-	-	2,520,488
83	Proposed Construction Of Cattle Ramp At Banisa Sub County	14/3/2022	1,619,418	-	-	-	1,619,418
84	Construction Of Slaughter Slab At Dandu	4/4/2022	1,171,908	-	-	-	1,171,908
85	Construction Of Troughs At Qofole	4/4/2022	1,350,448	-	-	-	1,350,448
86	Construction Of Livestock Water Trough At Garbaqoley	7/4/2022	901,269	-	-	-	901,269
87	Construction Of Livestock Water Trough At Karo	7/4/2022	901,269	-	-	-	901,269
88	Construction Of Underground Water Tank For Bee Farmers	21/03/2022	1,000,000	-	-	-	1,000,000

COUNTY EXECUTIVE OF MANDERA**Annual Report and Financial Statements for the year ended June 30, 2022.**

89	Water Connections For Agriculture Production At Bulla Kom East	21/03/2022	2,699,680	-	-	-	2,699,680
90	Harrowing And Ploughing Of Gadudia Irrigation Scheme	21/03/2022	3,601,464	-	-	-	3,601,464
91	Construction Of Flood Control Gabions At Bennin Farms In Rhamu	11/4/2022	3,509,968	-	-	-	3,509,968
92	Construction Of Loading Ramp At Wargadud	11/5/2022	1,350,000	-	-	-	1,350,000
93	Construction Of Troughs At Buqe And Harsanga	11/5/2022	900,000	-	-	-	900,000
94	construction of 500M concrete canal at Beni in rhamu dimtu ward	22/3/2022	3,789,696	-	-	-	3,789,696
95	bush clearing at Salaweyn farms in sala ward	30/3/2022	3,690,000	-	-	-	3,690,000
96	bush clearing and ploughing of girisa farms in mandera north	4/4/2022	3,699,860	-	-	-	3,699,860
97	bush clearing and ploughing of Kalicha farms in rhamu dimtu ward of mandera north	4/5/2022	3,797,910	-	-	-	3,797,910
98	construction of 500M concrete canal at shanroley in rhamu ward	12/4/2022	3,949,892	-	-	-	3,949,892
99	bush clearing and ploughing of tarama farms inof dherkale ward in banisa sub county	14/4/2022	3,599,810	-	-	-	3,599,810
100	Construction of flood control structure of Aresa farms in libehiya ward	22/4/2022	2,699,940	-	-	-	2,699,940
101	installation of irrigation infrastructure at Aresa farms	26/4/2022	2,299,770	-	-	-	2,299,770
102	Construction Of Underground Water Tank At At Ada Dimtu	20/05/2022	900,143	-	-	-	900,143
103	Construction Of 5No Twin Toilets Blocks At Waranqara Bambo	20/05/2022	2,497,530	-	-	-	2,497,530
104	Demarcation of public land in waranqara town	20/05/2022	1,700,000	-	-	-	1,700,000
105	Proposed Construction Of Two No.Twin Toiletat Takaba Market	09/03/2022	1,000,000	-	-	-	1,000,000
106	Bush Clearing Of Roads To The Farms In Khalalio	19/04/2021	1,793,058	-	-	-	1,793,058
107	Heavy Bush Clearing At Ahmed Lakicha Farm	1/10/2020	2,999,380	-	-	-	2,999,380
108	Opening Up Of Access Road Between Lafey Town And Dumpsite	19/04/2021	1,498,813	-	-	-	1,498,813
109	Heavy Bush Clearing At Goroeth	9/3/2021	2,498,268	-	-	-	2,498,268

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110	Rehabilitation Of Storm Water Destructions And Rescheduling In Wargadud	26/03/2021	9,812,440	-	-	-	9,812,440	
111	Graveling Of Access Road To Kamor Grave Yard	12/4/2022	3,000,000	-	-	-	3,000,000	
112	Proposed Chainlink Fencing Of Alungu Baraza Park At Alungu Ward	3/2/2022	3,150,000	-	-	-	3,150,000	
113	Proposed Construction Of Baraza Shed At Udole In Mandera South	3/1/2022	3,600,000	-	-	-	3,600,000	
114	Construction Of Baraza Dias Shade At Takaba	3/1/2022	3,500,000	-	-	-	3,500,000	
115	Proposed Chainlink Fencing And Construction Of 2 Toilet At Waranqara Public Baraza Park	3/1/2022	3,600,000	-	-	-	3,600,000	
	Total		277,266,517	-	-	-	277,266,517	
	Construction of Buildings							
1	construction of ECD supplementary feeding store and kitchen at Alungu primary	28/01/2021	3,329,500	-	-	-	3,329,500	
2	Construction of Kitchen and chainlink fencing for ECD staff house at Alungu primary	28/01/2021	2,998,000	-	-	-	2,998,000	
3	Construction of 2 ECD classroom at Bula Dimtu	28/01/2021	2,300,000	-	-	-	2,300,000	
4	Construction of Quradeer ECD classroom	28/01/2021	1,099,917	-	-	-	1,099,917	
5	Construction of ECD classroom at Duse Bima	28/01/2021	1,000,000	-	-	-	1,000,000	
6	Construction O Ecd Kotkot	21/02/2022	899,986	-	-	-	899,986	
7	Proposed Rehabilitation Of Ecd Wargadud	21/02/2022	450,000	-	-	-	450,000	
8	Construction Of Ecd At Kamor	21/02/2022	2,199,998	-	-	-	2,199,998	
9	Construction Ecd Classroom and twin toilet Ayan primary	21/02/2022	1,349,998	-	-	-	1,349,998	
10	Construction Of Classroom At Bamboo West	21/02/2022	1,999,994	-	-	-	1,999,994	
11	Proposed Ecd Infrustructure At Choroqo Centre	21/02/2022	1,619,994	-	-	-	1,619,994	
12	Proposed Ecd Infrustructure At Guba Centre	21/02/2022	2,070,000	-	-	-	2,070,000	
13	Construction Of Ecd Infrustructure At Domal	21/02/2022	2,249,992	-	-	-	2,249,992	
14	Construction Of 1 Ecd Classroom At Diley	21/2/2022	899,986	-	-	-	899,986	
15	Construction Of Garse Dispensary	28/03/2022	4,500,000	-	-	-	4,500,000	
16	Construction Of Dispensary At Gesrebki In Banisa	28/03/2022	3,900,000	-	-	-	3,900,000	

COUNTY EXECUTIVE OF MANDERA

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17	Construction Of Dispensary At Garse Dam In Shimbir Ward	28/03/2022	5,000,000	-	-	-	5,000,000	
18	Construction Of Medical Lab At Alungu Dispensary	30/03/2022	2,400,000	-	-	-	2,400,000	
19	Construction Of Sheikh Barrow Dispensary	1/4/2022	4,500,000	-	-	-	4,500,000	
20	Construction Of Sarman Dispensary	1/4/2022	5,000,000	-	-	-	5,000,000	
21	Exapnsion Of Waranqara Hc	12/10/2021	5,000,000	-	-	-	5,000,000	
22	Renovation And Minor Alteration To Arabia Maternity	30/03/2022	4,000,000	-	-	-	4,000,000	
23	Expansion Of Fino Hc	14/06/2021	5,000,000	-	-	-	5,000,000	
24	Expansion Of Arabia Hc	14/06/2021	5,000,000	-	-	-	5,000,000	
25	Expansion Of Olla Hc	14/06/2021	5,000,000	-	-	-	5,000,000	
26	Expansion Of Guba Hc	14/06/2021	5,000,000	-	-	-	5,000,000	
27	Construction Of Placenta Pit At libehiya Dispensary	1/4/2022	1,000,000	-	-	-	1,000,000	
28	Construction Of Twin Toilet At Iresteno Dispensary	1/4/2022	500,000	-	-	-	500,000	
29	Completion Of Stalled Dormal Dispensary Staff House In Banisa Sub-County	24/3/2021	3,000,000	-	-	-	3,000,000	
30	Proposed Construction Of Miraa Market	17/03/2022	2,463,342	-	-	-	2,463,342	
31	Proposed Construction Of Milk Shade At Kotkoto Market In M. West	17/03/2022	2,500,000	-	-	-	2,500,000	
32	Proposed Construction Of Deputy Governor's Residence In Mandera East Sub County	17/03/2022	10,729,264	-	-	-	10,729,264	
33	Construction Of Rhamu Sub-County Headquarters	17/03/2022	15,000,000	-	-	-	15,000,000	
34	Under Provisions For Fire Station In Mandera Town	17/03/2022	1,213,187	-	-	-	1,213,187	
	Total		115,173,158				115,173,158	
	Construction of Roads							
1	Murraming Of ashabito town Road	4/11/2021	3,996,896	-	-	-	3,996,896	
2	Murraming Of Handadu Road	12/4/2022	2,999,980	-	-	-	2,999,980	
3	Grading And Gravelling Of Bulla Tawakal Road-M East	12/4/2022	4,200,000	-	-	-	4,200,000	
4	Proposed Murraming Of Road From Livestock Market To Slaughter House	12/4/2022	3,999,025	-	-	-	3,999,025	
5	Proposed Gravelling Of Elwak Airstrip Patrol Road	12/4/2022	4,199,124	-	-	-	4,199,124	

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Total			19,395,025				19,395,025
Purchase of Office Furniture							
1	Operationalization Of Ardahalo(Exam Couch, Tables,Chairs)	1/4/2022	2,150,000	-	-	-	2,150,000
2	Operationalization Of Ardahalo(Exam Couch, Tables,Chairs)	1/4/2022	1,500,000	-	-	-	1,500,000
3	Supply, Delivery And Installation Of Two Generator And Cabling	1/4/2022	3,000,000	-	-	-	3,000,000
4	Supply And Delivery Of Electrical Appliances	1/4/2022	3,000,000	-	-	-	3,000,000
Total			9,650,000				9,650,000
Refurbishment of Buildings							
1	renovation of ECDE classroom at Wargadud	28/01/2021	499,990	-	-	-	499,990
2	renovation of ECDE classroom at Burmayo	21/2/2022	450,000	-	-	-	450,000
3	Renovation Of Ecd Classroomm at Arda Agarsu	21/02/2022	360,000	-	-	-	360,000
4	Renovation Of Ecd Classroomm at At Buruburu	21/02/2022	360,000	-	-	-	360,000
5	Proposed Repair And Renovation Of 1 No Kitchen And Construction Of Twin Toilet At Birkan	21/02/2022	1,799,984	-	-	-	1,799,984
6	Renovation of 2No. ECDE classroom and construction of twin toilets at Sheikh Barrow	21/02/2022	1,200,000	-	-	-	1,200,000
7	Renovation Of Staff Quarters In Elwak Hospital	15/03/2022	3,000,000	-	-	-	3,000,000
8	Restructuring Of Elwak Maternity Theatre And Installation Of Overhead Beam To Support Theatre Lamp	18/03/2022	4,900,000	-	-	-	4,900,000
9	Installation Of Theatre Overhead Beam And Drainage At Kutulo Hospital	18/03/2022	4,800,000	-	-	-	4,800,000
10	Installation Of Overhead Theatre Lamp Support Beam And Other Accessories At Dandu Hospital	18/03/2022	4,900,000	-	-	-	4,900,000
11	Complete Renovation Of Kalicha Dispensary	28/03/2022	2,500,000	-	-	-	2,500,000
12	Renovation Of Staff House	28/03/2022	2,000,000	-	-	-	2,000,000
13	Rehabilitation Of Dandu Hospital	28/03/2022	4,000,000	-	-	-	4,000,000
14	Renovation Of El Danaba Dispensary	28/03/2022	3,300,000	-	-	-	3,300,000
15	Renovation Of Staff House At Dandu Health Centre	28/03/2022	1,900,000	-	-	-	1,900,000

COUNTY EXECUTIVE OF MANDERA

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16	Repair And Rehabilitation Of Laboratory At Dandu Health Centre	1/4/2022	2,400,000	-	-	-	2,400,000
17	Renovation And Alteration Of Elgolicha Maternity And Costruction Of Placenta Pit	30/03/2022	4,000,000	-	-	-	4,000,000
18	Renovation And Refurbishment Of Guba Dispensary	30/3/2022	2,600,000	-	-	-	2,600,000
19	Proposed repair and renovation of laboratory at Takaba hospital	1/4/2022	2,069,800	-	-	-	2,069,800
20	Proposed repair and renovation of laboratory at Dandu hospital	1/4/2022	2,160,000	-	-	-	2,160,000
21	Renovation Of Survey Office	12/5/2022	1,998,862	-	-	-	1,998,862
22	Renovation & Operationalisation Of Protocol Office	12/5/2022	8,500,000	-	-	-	8,500,000
23	Repair And Renovation Of Ward Office At Mandera West	02/08/2021	2,000,000	-	-	-	2,000,000
24	Repair And Renovation Of Ward Office At Mandera South	02/08/2021	2,000,000	-	-	-	2,000,000
25	Proposed Renovation Of Ward Administrator Office At Alungu	3/1/2022	2,250,000	-	-	-	2,250,000
26	Renovation And Refurbishment Of Guba Ward Administration Office	3/1/2022	2,700,000	-	-	-	2,700,000
27	Proposed Renovation Of Ward Offices At Banisa Subcounty	3/1/2022	1,700,000	-	-	-	1,700,000
	Total		70,348,636				70,348,636
Specialized Materials							
1	Purchase Og Genset For Fino Borehole	8/3/2022	2,700,480	-	-	-	2,700,480
2	Supply And Delivery Of Assorted Crop Seeds And Fertilizer	20/05/2022	1,745,000	-	-	-	1,745,000
3	supply and delivery of farm inputs(farn tools, chemical and fertilizers)	22/3/2022	1,974,680	-	-	-	1,974,680
4	supply and delivery of farm inputs(farn tools, chemical and fertilizers)	25/3/2022	1,974,680	-	-	-	1,974,680
	Total		8,394,840				8,394,840
	Grand Total		500,228,176				500,228,176

COUNTY EXECUTIVE OF MANDERA
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For the year ended June 30, 2022

Annex 3 – Summary Of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2020-2021
Land	24,141,291	-	-	-	24,141,291
Buildings And Structures	10,273,750,279	1,143,160,866	-	-	11,416,911,145
Transport Equipment	808,607,955	9,871,951	-	-	818,479,906
Office Equipment, Furniture And Fittings	519,206,150	13,050,000	-	-	532,256,150
ICT Equipment	-	-	-	-	-
Machinery And Equipment	1,049,661,340	115,939,189	-	-	1,052,578,954
Heritage And Cultural Assets	-	-	-	-	-
Biological Assets	33,464,110	-	-	-	33,464,110
Intangible Assets	997,331,961	-	-	-	997,331,961
Infrastructure Assets- Roads, Rails	20,738,658,084	2,659,112,928	-	-	23,397,771,012
Work In Progress	-	-	-	-	-
Total	34,444,821,170	3,941,134,934	-	-	38,272,934,528

COUNTY EXECUTIVE OF MANDERA

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Annex 4 – Inter-Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	Mandera County Assembly	157,557,808	251,782,723	109,815,357	330,017,284	849,173,172	849,173,172	-	
2	MANDAWASCO	26,000,000	50,000,000	65,000,000	23,000,000	164,000,000	164,000,000	-	
3	Mandera Municipality	30,000,000	144,000,000	90,000,000	86,000,000	350,000,000	350,000,000	-	
4	Transfers to KCASP	-	-	-	164,328,885	164,328,885	164,328,885	-	
5	Transfers to ASDSP	-	-	-	10,522,896	10,522,896	10,522,896	-	
6	Transfers to Vocational Training Centres	-	7,500,000	-	7,549,000	15,049,000	15,049,000	-	
7	Transfers to Hospitals, Dispensary and CHMT	-	-	-	17,744,806	17,744,806	17,744,806	-	
8	Transfer Locust Fund	-	-	-	19,661,447	19,661,447	19,661,447	-	
9	ELWASCO	15,000,000	20,000,000	35,000,000	9,397,886	79,397,886	79,397,886	-	
10	Elwak Municipality	15,000,000	5,000,000	10,000,000	10,000,000	40,000,000	40,000,000	-	
	TOTAL	243,557,808	478,282,723	309,815,357	678,222,204	1,709,878,092	1,709,878,092	-	

COUNTY EXECUTIVE OF MANDERA
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Director of Finance
County Executive



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Director of Finance
County Assembly/fund/project

COUNTY EXECUTIVE OF MANDERA
Annual Report and Financial Statements
For the year ended June 30, 2022

Annex 5: – Bank Reconciliation/FO 30 Reports

(Attach FO 30 Reports from IFMIS for all CBK Accounts)

BANK REONCILIATION

From Date : 01-JUL-21 To : 30-JUN-22

Bank : Central Bank of Kenya

Branch: Head Office, Account Number: 1000170913

Balance as per bank certificate	601.30
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	601.30

Reconciled by: HASSAN ABDON Signature:  Date: 06-09-22

Reviewed by: Ahmedsalim Ali Signature:  Date: 06-09-22

Approved by: Ahmed Mohamed Signature:  Date: 06-09-22

BANK REONCILIATION

From Date : 01-JUL-21 To : 30-JUN-22

Bank : Central Bank of Kenya

Branch: Head Office, Account Number: 1000170848

Balance as per bank certificate	1,469.20
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	1,469.20

Reconciled by: HASSAN ABDOW Signature: [Signature] Date: 06-09-22
Reviewed by: Ahmed Ismail Ali Signature: [Signature] Date: 06-09-22
Approved by: [Signature] Signature: [Signature] Date: 06-09-22