

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

EQUALISATION FUND

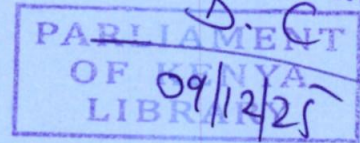
FOR THE YEAR ENDED

30 JUNE, 2025

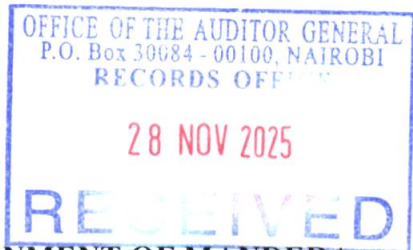
COUNTY GOVERNMENT OF MANDERA

*Ms. Karota
Ms. Macharia.*
*For tabling and
transmission to
relevant Committee*
D.C
09/12/25

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CLERK AT THE TABLE	Karota



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REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MANDERA



COUNTY GOVERNMENT OF MANDERA
EQUALISATION FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

AGPO	Access to Government Procurement Opportunities
CA	County Assembly
CBK	Central Bank of Kenya
CDF	Constituency Development Fund
CEO	Chief Executive Officer
CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CT	County Treasury
EF	Equalisation Fund
EFAB	Equalisation Fund Advisory board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
NGO	Non-Governmental Organisation
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PIIC	Project Identification and Implementation Committee
PPE	Property, Plant & Equipment
PPPs	Public Private Partnerships
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank

B: Definition of Key Terms

Fiduciary Management- Members of Management are directly entrusted with the responsibility of the financial resources of the organization.

Comparative Year- Means the prior period.

2. Key Entity Information and Management**(a) Background information**

The Equalisation Fund was established under Article 204 (1) of the Constitution of Kenya (CoK), 2010, and operationalized by the Public Finance Management (Equalisation Fund Administration) Regulations, 2021. The Equalisation Fund (EF) is domiciled in Mandera County, Kenya.

(b) Principal Activities

The EF shall be used to provide basic services, including water, roads, health facilities, and electricity, to marginalized areas to the extent necessary to bring the quality of those services to the level generally enjoyed by the rest of the nation.

(c) Key Management

The *Fund's* management is under the following key organs:

No.	Designation
1.	County Technical Committee
2.	Sub County Technical Committee
3.	Project Identification and Implementation Committee

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	County Executive Committee Member for Finance	Ibrahim Mohamed Adan
2.	Head of Finance	CPA Abdirahman Ahmed Mohamed
3.	Head of Procurement	Shukri Mohamed
4.	County Chief Officer Budget and Economic planning	Fartun Ibrahim Bulle

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

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

- Equalisation Fund Advisory Board
- Parliamentary Oversight (Special Funds Committee)
- Other oversight arrangements

(f) Entity Headquarters

P.O. Box 13-70300

Roads and Public Works House

Jamia Mosque Road

Mandera, KENYA

(g) Entity Contacts

Telephone: (+254) 720544242

E-mail: info@mandera.go.ke

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

(h) Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

1. The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
2. The County Attorney
P.O. Box 13-70300
MANDERA, KENYA

3. Key Management Team



CPA. Ibrahim Mohamed Adan, CECM; Finance and Economic Planning

Mr. Ibrahim is a distinguished professional holding a Bachelor of Commerce degree from the University of Nairobi. He has built a robust career with significant experience in public finance and administration. Notably, he served in the esteemed office of the Controller of Budget as the Mandera County Coordinator.

In his role as Mandera County Coordinator Mr. Ibrahim assumed a pivotal position responsible for overseeing a spectrum of financial and budgetary dimensions within the county's operations. He holds MBA in Islamic Financing from EUCLID University.



Fartun Bulle Ibrahim, Chief Officer Economic Planning and Statistics

Fartun is an accomplished, resourceful and ambitious economist with significant amount of expertise in banking and financial management. She possesses in-depth knowledge of complex economic concepts, mathematics, marketing and adept at applying theories and ideas in real world situation. She holds a Bachelor of Arts in Economics and currently undertaking Master of Arts in Economic

Policy Management at the University of Nairobi. She is the current County Chief Officer for Economic Planning and Statistics



CPA Abdirahman Ahmed Mohamed, Deputy Director Financial Reporting

Abdirahman is a seasoned Certified Public Accountant with over twelve years of experience in accounting, financial reporting, and compliance. He holds a Bachelor of Commerce from KCA University and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Known for his analytical skills, integrity, and leadership, Abdirahman excels in translating complex financial data into actionable insights that drive organizational efficiency and transparency.



Shukri Mohamed, Principal Supply Chain Management Officer.

Shukri is an accomplished Supply Chain Management professional with extensive experience serving the County Government of Mandera. He possesses in-depth expertise in contract management, public procurement processes, and the legal and regulatory frameworks that underpin them.

A strategic thinker and meticulous professional, he holds a Bachelor of commerce degree in procurement and Supply Chain Management from Gretsia University.

4. Report of the County Executive Committee Member for Finance

It gives me great pleasure to present the Financial Performance Report of the Mandera County Equalization Fund for the financial year 2024/25. This report reflects our collective efforts in utilizing resources allocated through the Equalization Fund to address developmental disparities, accelerate service delivery, and uplift the living standards of historically marginalized communities within Mandera County.

Over the reporting period, the Fund has enabled the County to make significant strides in improving access to essential services. Key achievements include the rehabilitation and expansion of rural water supply systems, provide reliable electricity to remote and underserved communities under energy sector, improvement of feeder roads to enhance connectivity across remote villages, and support for healthcare infrastructure and its operationalization. These interventions have positively impacted livelihoods by reducing water scarcity, improving mobility, and enhancing access to basic social health services. In addition, the Fund has strengthened community resilience by prioritizing climate-smart projects and initiatives that promote inclusivity and sustainability.

Despite these notable gains, the implementation of the Equalization Fund has not been without challenges. Delays in the release of funds, coupled with bureaucratic bottlenecks at both the national levels, have occasionally hampered timely execution of projects. Capacity gaps within implementing agencies, logistical hurdles in remote and insecure areas, and limited community awareness on the Fund's objectives have also affected the pace and scope of implementation. Furthermore, balancing competing priorities across sectors and sub-counties remains a challenge, given the vast developmental needs of Mandera County.

Moving forward, the County Government remains committed to addressing these challenges by strengthening coordination mechanisms, enhancing community participation, and advocating for timely disbursement of resources. We also intend to deepen transparency and accountability in fund utilization to ensure maximum impact.

I take this opportunity to appreciate all our stakeholders including community representatives, implementing departments, development partners, and the National Treasury for their continued support and collaboration in the management of the Equalization Fund. Together, we shall continue to leverage this resource to bring Mandera closer to the national development trajectory while ensuring that no community is left behind.



.....
CECM – Finance and Economic Planning

5. Statement of Performance against Predetermined Objectives for FY 2024/2025

Section 164(2)(f) of the Public Finance Management Act, 2012 requires the Accounting Officer to present a statement of performance against predetermined objectives.

The Mandera Equalization Fund was guided by four strategic pillars derived from the Mandera County Integrated Development Plan (CIDP) 2023–2027 and the County Annual Development Plan (CADP). These pillars focused on addressing gaps in access to basic services in marginalized areas. The strategic themes were:

1. Water and Sanitation
2. Roads and Infrastructure Connectivity
3. Health care Access
4. Energy sector

Annual work plans and budgets were aligned to these pillars, and performance was assessed quarterly to monitor progress and ensure alignment with both the CIDP and performance contracts. The Fund achieved notable milestones during FY 2024/2025, despite challenges of delayed disbursements and operational constraints.

Strategic Pillar/Theme/Issue	Objective	Key Performance Indicators (KPIs)	Activities	Achievements
1. Water, Sanitation and Irrigation Development	Increase access to clean and reliable water in underserved areas	-31 projects that includes,22 tanks and water supply systems,2 boreholes drilled/rehabilitated - Households accessing safe water 5Water pans constructed/desilted	- Drilling and equipping new boreholes - Rehabilitation of non-functional boreholes - Construction/desilting of water pans	-2 boreholes drilled and equipped - 22 tanks and water supply systems rehabilitated, restoring water to over 5,000 households - 5 water pans desilted, benefiting over 8,000 households and 35,000 livestock
2. Roads and Infrastructure Connectivity	Improve rural accessibility and mobility	-19 Roads projects ie Kilometers of feeder roads graded - Number of drifts constructed	- Grading and graveling of rural access roads - Construction of drifts/culverts in flood-prone areas	- 120 km of feeder roads graded in Mandera West, North, and East sub-counties - 3 drifts constructed,

Annual Report and Financial Statements for the year ended June 30, 2025.

Strategic Pillar/Theme/Issue	Objective	Key Performance Indicators (KPIs)	Activities	Achievements
				easing transport during rainy seasons - Reduced travel time to health facilities and markets
3. Healthcare Access	Enhance delivery of health services to marginalized populations	- 18 dispensaries and 8 maternity health facilities upgraded - patients benefiting	- Procurement of medical equipment - Expansion/renovation and construction of dispensaries and maternity wings	- 18 dispensaries renovated and equipped with basic medical kits - 15,000 residents accessed better healthcare services
4. Energy Sector support	Provide reliable electricity to remote and underserved communities.	- 18 solar Power projects for Off-Grid Areas	Standalone solar PV systems for public institutions, Solar mini-grids for small settlements and Solar-powered Street lighting.	Several streets in all the sub county headquarters have solar and health centers

6. Corporate Governance Statement

a) Composition of Committees.

County Technical Committee

1. County Commissioner-Chairperson
2. County Executive Committee Member for Finance.
3. Constituency Development Fund managers.
4. Representative of County Assembly.
5. Representatives of implementing sectors with prioritized Projects.
6. Chairperson of the Constituency Development Fund (CDF)

Sub-County Technical Committee

1. Sub-County Commissioner-Chairperson.
2. Four technical officers from ministries relevant to funding priorities.
3. Chairpersons of Project Identification and Implementation Committees within the sub-county.
4. Secretary of the Constituency

Project Identification and Implementation Committee

1. Assistant Sub-County Commissioner-Chairman
2. The village administrators of areas defined by the Commission on Revenue Allocation as marginalized.
3. Representative of the women, youth, minorities and persons with disabilities from marginalized areas.
4. A representative of the Constituency Development Fund committee member at the sub-county level; A representative of religious group or local Non-Governmental Organisation (NGO) with office at ward level

b) Functions of Committees

County Technical Committee

1. Approving all projects to be financed from the Fund.

Sub-County Technical Committee.

1. Receive project funding proposals from respective Project Identification and Implementation committees.

Annual Report and Financial Statements for the year ended June 30, 2025.

2. Evaluate and prioritize all development proposals from the Project Identification and Implementation Committees.
3. Assess the feasibility and cost all project proposals received from the Project Identification and Implementation Committees.
4. Submit project proposals and funding requests received from the Project Identification and Implementation Committees to the county government.
5. Monitor all projects being undertaken and ensure they meet the objectives they are originally meant to achieve.
6. Prepare quarterly reports on funds received and implementation status of all projects financed by the Fund to the county technical committee with a copy to the County Executive Committee Member responsible for matters relating to finance.
7. Prepare and submit annual reports on implementation of all projects financed by the Fund to the county technical committee with a copy to the County Executive Committee Member for Finance.

Project Identification and Implementation Committee.

1. Undertake public participation, in beneficiary areas.
2. Identify and prioritize project in beneficiary areas in line with guidelines issued by the administrator of the Fund.
3. Prepare and submit project funding proposals to sub-county technical committee.
4. Provide oversight on project implementation.

7. Management Discussion and Analysis

1. Introduction

The Management Discussion and Analysis (MD&A) provides an overview of the operational and financial performance of the Mandera Equalization Fund for FY 2024/2025. It highlights the Fund's key projects, compliance with statutory requirements, risks encountered, and emerging opportunities. The MD&A also reviews the economic and sectoral context within which the Fund operated and sets out forward-looking plans.

2. Operational Performance

During the year under review, the Equalization Fund focused on addressing disparities in access to basic services within marginalized areas of Mandera County. The Fund implemented all the planned projects in the four strategic areas of Water and Sanitation, Roads and Infrastructure, Health and Education, and Governance/Community Participation.

3. Financial Performance

The total allocation to the Mandera Equalization Fund in FY 2024/2025 was Kshs. 693,457,163 all of which was absorbed. Thus, the fund's activities were fully undertaken.

4. Compliance with Statutory Requirements

The Fund complied with the requirements of the Public Finance Management Act, 2012 by preparing and submitting Annual Financial Statements within the statutory timelines, Quarterly Budget Implementation Reports to the County Treasury, and Project implementation progress reports to oversight bodies. Additionally, all procurement processes were guided by the Public Procurement and Asset Disposal Act, 2015 to ensure transparency and value for money.

5. Major Risks Facing the Fund

The following risks were identified during the reporting period:

1. **Delayed Disbursement of Funds** – leading to project delays.
2. **Insecurity in Certain Regions** – affecting supervision and monitoring of projects.
3. **Capacity Constraints** – limited technical staff and equipment for infrastructure projects.
4. **Climate-Related Risks** – recurrent droughts and floods undermining project sustainability.
5. **Community Awareness Gaps** – limited knowledge of the Fund's objectives occasionally created unrealistic expectations.

Mitigation measures included early engagement with the National Treasury, partnership with security agencies, capacity building of local project committees, and prioritization of climate-resilient infrastructure.

6. Material Arrears and Obligations

By the close of FY 2024/2025, the Fund had no significant statutory arrears.

7. Review of the Economy and Sector Context

The Fund operated within a macroeconomic environment characterized by:

- National inflation averaging 7.5%, driven by food and fuel prices.
- Shilling depreciation that increased the cost of imported construction materials.
- Drought episodes in parts of Mandera that heightened the urgency for water-related projects.

8. Future Developments

Looking ahead, the Fund will prioritize:

1. Scaling up climate-resilient infrastructure (solar-powered boreholes, flood control structures).
2. Strengthening community ownership and sustainability through training of local committees.
3. Lobbying for timely release of funds to improve absorption rates.
4. Expanding investment in education and health infrastructure to address emerging population needs.

8. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The Mandera Equalization Fund recognizes that sustainable development is a cornerstone of equitable service delivery, particularly in marginalized regions. Global challenges such as climate change, food insecurity, and economic inequality have direct implications for Mandera County, given its arid climate, fragile ecosystems, and socio-economic vulnerabilities.

The Fund aligns its interventions with international sustainability frameworks, notably the United Nations Sustainable Development Goals (SDGs), specifically:

- SDG 6 (Clean Water and Sanitation),
- SDG 9 (Industry, Innovation, and Infrastructure),
- SDG 13 (Climate Action), and
- SDG 16 (Peace, Justice, and Strong Institutions).

At the local level, the Fund has integrated sustainability priorities within the Mandera County Integrated Development Plan (CIDP 2023–2027) and the National Climate Change Response Strategy.

Key achievements in FY 2024/2025 included prioritization of local contractors and suppliers, with a good chunk of contracts awarded to youth, women, and PWD groups in compliance with the Public Procurement and Asset Disposal Act (2015). Community engagement in project design, enhancing ownership and sustainability was also emphasized.

Challenges and mitigation measures:

- **Funding delays** hindered full implementation of green technologies. *Mitigation:* phased project execution and resource pooling with development partners.

ii) Environmental performance

The Fund adhered to the existing environmental policies in implementation of its projects.

iii) Employee welfare

- The Fund upholds inclusive policies in recruitment, training, and workplace safety.
- Diversity and Inclusion is prioritized:
- Capacity Building: Annual training programs on financial management, climate-smart project implementation, and monitoring.
- Appraisal and Rewards: Performance contracts linked to staff appraisals, with recognition awards for outstanding performance.
- Occupational Safety and Health: Offices and project sites are regularly inspected for compliance. In FY 2024/2025, only two minor work-related injuries were reported, both addressed with improved safety training and provision of protective equipment.

The Fund continuously reviews its HR policies to align with national labor laws, stakeholder feedback, and emerging workforce needs.

iv) Marketplace practices-

a) Responsible Competition Practice

The Fund ensures fair competition through open tendering systems, guided by the Public Procurement and Asset Disposal Act. Anti-corruption measures include, use of IFMIS in procurement for transparency, and public disclosure of awarded contracts on county noticeboards and the website.

b) Responsible Supply Chain and Supplier Relations

The Fund maintains good supplier relations by honoring contracts and ensuring timely payments, promoting fair and competitive procurement processes, and giving priority to local contractors, especially youth, women, and PWD groups.

c) Responsible Engagement with Citizens

Outreach is conducted through barazas, media briefings, and publication of reports. The Fund avoids exaggerated claims and ensures that all communication is factual, culturally sensitive, and accessible.

d) Awareness Creation and Safeguarding Citizen Rights

The Fund promotes citizen rights by providing clear information on eligibility, project selection, and grievance redress procedures, establishing community project committees to represent citizens during implementation, protecting citizen data and privacy in project records, and creating feedback mechanisms through suggestion boxes and toll-free numbers.

9. Statement of Management Responsibilities

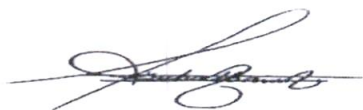
Section 167 of the Public Finance Management Act, 2012 and Sec 20 of the Public Finance Management (Equalisation Fund Administration) Regulations, 2021 requires that, at the end of each financial year, the Administrator of a County Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. The Management of the County Equalisation Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2025. 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 Fund; (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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management of the County Equalisation Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Finance Management (Equalisation Fund Administration) Regulations, 2021. The Management of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Management of the County Equalisation Fund has assessed the Fund's ability to continue as a going concern and nothing has come to the attention of the Management to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Management on 29 08-2025 and signed on its behalf by:



Name: Ibrahim Mohamed Adan

CECM Finance and Economic Planning

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON EQUALISATION FUND FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MANDERA

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Opinion

I have audited the accompanying financial statements of the Equalisation Fund - County Government of Mandera set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement 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

Report of the Auditor-General on Equalisation Fund for the year ended 30 June, 2025 - County Government of Mandera

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, the financial statements present fairly, in all material respects, the financial position of Equalisation Fund - County Government of Mandera as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Equalisation Fund - County Government of Mandera Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.753,408,998 and Kshs.592,530,494, respectively resulting in an under-funding of Kshs.160,878,504 or 21% of the budget. Similarly, the Fund spent a total of Kshs.565,377,634 against actual receipts of Kshs.592,530,494, resulting in an under-utilization of Kshs.27,152,860 or 5% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Delayed Implementation of Projects

Review of the project proposal approvals revealed that two (2) projects for upgrading of solar power plant and chain-link fencing for Sukela Tinfa Dam and mono pump draw off system all amounting to Kshs.20,524,000 had been declined by the Equalisation Board with instructions for further justification or change of projects. However, by the time of

audit inspection in the month of November, 2025 the justification for the solar project or suggestion to change the projects had not been provided to the Board.

Delayed implementation of projects might have negatively affected service delivery to the residents of Mandera County.

Other Information

The Management is responsible for the Other Information set out on page iii to xvii which comprise of Key Entity Information and Management, Key Management Team, Report of the County Executive Committee Member for Finance, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

Management submitted the annual financial statements for the year ended 30 June, 2025 on 13 November, 2025. This was contrary to paragraph 1.8 of The National Treasury Circular Ref. No.AG.3/88 Vol. II (41) issued on 4 December, 2024, which requires all public sector entities, both at the National and County levels, to prepare and submit annual financial statements by 31 August, 2025.

In the circumstances, Management was in breach of the National Treasury Circular.

2. Use of Goods and Services

The statement of financial performance reflects expenditure on use of goods and services amounting to Kshs.693,457,164 as disclosed in Note 7 to the financial statements. However, the following observations were made with regards to the expenditure:

2.1 Certified Works for Roads Projects

Included in the expenditure is an amount of Kshs.143,855,695 in respect of certified works for roads, out of which Kshs.6,100,000 was incurred on construction of Duduble Takaba Road and Kshs.5,000,000 on murraming of 4.35 Kms of Marathile Town Ashabito Girls Road, bush clearing, topsoil removal and gravelling works. However, audit inspection carried out in the month of November, 2025 revealed that the roads were impassable.

In the circumstances, value for money spent on the road projects could not be confirmed.

2.2 Certified Works for Water Projects

Included in the expenditure is an amount of Kshs.192,714,492 in respect of certified works for water projects, out of which Kshs.7,935,365 was in respect of a contract for piping water system from a borehole to town and construction of six (6) water kiosks with 5000 cubic meters plastic tank and laying of 2km pipeline in Dandu Town. However, audit inspection carried out in November, 2025 revealed that out of six (6) water kiosks, five (5) did not have water.

In addition, an amount of Kshs.11,599,455 was incurred on construction of 20,000M3 pan at Quramadow. However, audit inspection carried in the month of November, 2025 revealed that the embankment was loose and not properly compacted, the rip rap protection was poorly executed and there was insufficient clearance between the pan and embankment, resulting in high risk of overflow and damage to the pan.

Further, the Fund Management incurred an amount of Kshs.8,762,582 on construction of two (2) elevated steel water tanks, three (3) water kiosks and piping system at Akabi and Wgberi areas within Fincharo Town. However, audit inspection carried out in the month of November, 2025 revealed that the project's steel tanks were not branded and the water kiosks did not have water.

2.3 Certified Works for Health Facilities

Included in the expenditure is an amount of Kshs.268,100,205 in respect of certified works for health facilities where the Fund entered into contract with several contractors for construction of twenty-nine (29) health projects across the Mandera County.

However, audit inspection carried out in the month of November, 2025 on sampled projects revealed that an amount of Kshs.14,558,638 was spent on construction of Dandu Health Centre and equipment valued at Kshs.10,590,650 acquired for the operationalization of the Facility Theatre. However, the equipment were still not in use

despite having been acquired fully paid for. The equipment was lying idle, exposing it to potential deterioration, wear, tear and reduced lifespan before it is even utilized.

In the circumstances, value for money spent on acquisition of the equipment could not be confirmed.

3. Unapproved Reallocation of Funds

The statement of financial performance reflects expenditure on use of goods and services amounting to Kshs.693,457,164 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.143,855,695 in respect of certified works for roads, out of which Kshs.8,562,457 had been budgeted and approved for construction of 40-meter drift at Bilow-Manur Road. However, the amount was reallocated and used in the construction of a Dispensary at Bulla Mpya.

Management of the Fund did not provide authorization on reallocation of appropriated funds. This was contrary to Regulation 43(2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that County Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the County Emergency Fund, or supplementary estimates.

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

4. Non-Compliance with Law on Access to Government Procurement Opportunities

Review of the 2024/2025 Fund's Consolidated Procurement Plan revealed that the Fund allocated Kshs.165,358,802 of its budget for procurement to the disadvantaged groups, representing only 25% of the total procurement budgetary allocation. This was contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015, which provides that all procurement and asset disposal planning shall reserve a minimum of thirty per cent (30%) of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

The under-allocation indicates non-compliance with statutory requirements aimed at promoting inclusivity and empowerment of marginalized populations through public procurement.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Ineffectiveness in Project Implementation Committee for the Equalisation Fund

Management did not provide evidence of the operations of the Project Implementation Committee for Equalisation Fund. There was no documentation of committee activities on project implementation including site visits, supervision reports, or any other decisions made during project implementation due to lack of administration expenses budget. As a result, it was not possible to confirm how the Fund projects were implemented without the committee input, raising concerns about accountability and transparency.

In the circumstances, the effectiveness of the Fund's Project Implementation Committee could not be confirmed.

The audit was conducted 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 controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

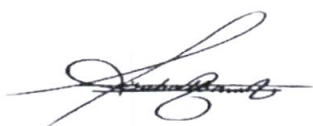
Nairobi

28 November, 2025

11. Statement of Financial Performance for the year ended 30 June 2025

	Note	June, 2025	June, 2024
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from Equalisation Fund	6	693,457,164	-
Total Revenue		693,457,164	-
Expenditure			
Use of goods and services	7	693,457,164	-
Total Expenditure		693,457,164	-
Surplus/(deficit) for the year		-	-

The notes set out on pages 7 to 22 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 22 were signed by:



Name. Ibrahim Mohamed Adan
CECM-Finance and Economic Planning

Date. 29-08-2025



Name: Abdirahman Ahmed Mohamed
Fund Accountant

ICPAK M/No:15737

Date. 29-08-2025

12. Statement of Financial Position as at 30 June 2025

Description	Note	June 2025	June 2024
		Kshs	Kshs
Assets			
Current Assets			-
Cash And Cash Equivalents	8	27,152,860	-
Receivables non-exchange transactions	9	100,926,670	-
Total Current Assets		128,079,530	-
Total Assets (A)		128,079,530	-
Liabilities			
Current Liabilities			
Certificates Payable	10	100,423,436	-
Retention	11	27,656,094	-
Total Current Liabilities		128,079,530	-
Total Liabilities (B)		128,079,530	-
Net Assets (A-B)		0	-
Represented By:			
Accumulated Surplus		-	-
Net Assets		-	-

The financial statements set out on pages 1 to 22 were signed by:



Name. Ibrahim Mohamed Adan
CECM-Finance and Economic Planning

Date. 29-08-2025



Name: Abdirahman Ahmed Mohamed
Fund Accountant

ICPAK M/No:15737

Date. 29-08-2025

13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated surplus
	Kshs
Prior Year	
Balance As At 1 July 2023	-
Surplus/(Deficit) For the Year	-
Balance As At 30 June 2024	-
Current Year	
Balance As At 1 July 2024	-
Surplus/(Deficit) For the Year	-
Balance As At 30 June 2025	-

14. Statement of Cash Flows for the year ended 30 June 2025

Description	Note	Period ended 30, June 2025	Period ended 30, June 2024
		Kshs	Kshs
Cash flows from operating Activities			
Receipts			
Receipt from Equalisation Fund		592,530,494	-
Total Receipts		592,530,494	-
Payments			
Use of goods and services		565,377,634	-
Net cash flows (to)/from operating activities (a)	12	27,152,860	-
Cash flows from investments			
		-	-
Net cash flows (to)/from investing activities (b)		-	-
Cash flows from financing			
		-	-
Net cash flows (to)/from financing activities (c)		-	-
Movement in cash and cash equivalents			
Net increase/ decrease in cash and cash equivalents. (d) = (a) + (b) + (c)		27,152,860	-
Cash and cash equivalents at July 1st 2024	8	-	-
Cash and cash equivalents at June 30th 2025	8	27,152,860	-

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original budget(s) As Appropriated in current Year	Balance from Previous Years	Final budget of Total funds appropriated	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Transfers from EF	753,408,998	-	753,408,998	592,530,494	160,878,504	79%
			-			
Expenses			-			
Road projects	151,387,930	-	151,387,930	129,368,978	22,018,952	85%
Water project	227,905,312	-	227,905,312	164,714,031	63,191,281	72%
Health facilities	285,325,730	-	285,325,730	203,988,198	81,337,532	71%
Energy	88,790,026	-	88,790,026	67,306,427	21,483,599	76%
Education facilities	-	-	-	-	-	
Others (<i>specify</i>)	-	-	-	-		
Total Expenditure	753,408,998	-	753,408,998	565,377,634	188,031,364	75 %
Surplus/Deficit	-	-	-	27,152,860	-27,152,860	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	
1	This is the differences for the outstanding retentions for the road's projects	7,158,621
2	This is the differences for the outstanding retentions for the water's projects	6,851,756
3	This is the differences for the outstanding retentions for the health's projects	13,142,483
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	27,152,860

16. Notes to the Financial Statements

1. General Information

Equalisation Fund as an entity is established by and derives its authority and accountability from Article 204 of the Constitution of Kenya. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is to provide basic services including water, roads, health facilities and electricity to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation so far as possible.

2. Statement of Compliance and Basis of Preparation

The County Equalisation Fund Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The Financial Statements are prepared on the accrual basis.

3. Adoption of New and Revised Standards

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.

Annual Report and Financial Statements for the year ended June 30, 2025.

Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.

Standard	Effective date and impact:
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the

Standard	Effective date and impact:
	amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The county did not adopt any new or amended standards in the financial year 2024/25

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognised upon submission and approval of the payment request by the transferring agency (Equalisation Fund).

b) Certified Works

Certified works are recognized when the works can be measured reliably and/ or when certificates of work done are received and approved by the Equalisation Fund.

c) Budget information

The Appropriation Act for the FY was passed by Parliament. The allocation shall continue in force until all projects identified are completed.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. Included in the budget statement are balances of appropriations from previous years, not yet disbursed.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

d) Financial instruments

IPSAS 41 addresses the classification, measurement, and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting, and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i) Financial assets

Classification of financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note* .

ii) Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

e) Changes in accounting policies and estimates

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

f) Related parties

The Fund regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management of the Fund are regarded as related parties.

g) Cash and cash equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya special purpose account and the deposit account at the end of the financial year.

h) Comparative figures

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

i) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

6. Transfers from Equalisation Fund

Description	June 2025	June 2024
	Kshs	Kshs
Transfers for roads	143,855,694	-
Transfers for water projects	192,714,492	-
Transfers for health facilities	268,100,205	-
Transfers for energy	88,786,773	-
Transfers for education facilities	-	-
Others (<i>specify</i>)	-	-
Total	693,457,164	-

7. Use of Goods and Services

Description	June 2025	June 2024
	Kshs	Kshs
Certified works for roads	143,855,694	-
Certified works for water project	192,714,492	-
Certified works for health facilities	268,100,205	-
Certified works for energy	88,786,773	-
Certified works for education facilities	-	-
Others (<i>specify</i>)	-	-
Total	693,457,164	-

8. Cash and Cash Equivalents

Description	June 2025	June 2024
	Kshs	Kshs
Special Purpose Account	-	-
Deposit Account	27,152,860	-
Cash balances	-	-
Total Cash and cash equivalents	27,152,860	-

9. Receivables from non-exchange transactions

Description	June 2025	June 2024
	Kshs	Kshs
Receivables from Equalisation Fund	100,926,670	
Total receivables	100,926,670	

Ageing analysis for Receivables from non-exchange transactions

Description	June 2025		June 2024	
	Kshs		Kshs	
		% of the total		% of the total
Less than 1 year	100,926,670	100	0	0
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total	100,926,670	100	0	0

10. Certificates Payable

Description	June 2025	June 2024
	Kshs	Kshs
Certificates payables	100,423,436	
Total Payables	100,423,436	

Ageing analysis of certificates payable

Description	June 2025		June 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	100,423,436	100	0	0
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total	100,423,436	100	0	0

11. Retention

Description	June 2025		June 2024	
	Kshs		Kshs	
Retention monies	27,656,094		0	
Total retention money	27,656,094		0	
Ageing analysis: (Retention deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	27,656,094	100	0	0
1-2 years				
2-3 years				
Over 3 years				
Total	27,656,094	100	0	0

(Provide brief explanation)

12. Cash Generated from Operations

Description	June 2025		June 2024	
	Kshs		Kshs	
Surplus for the year before tax				
Adjusted for:				
Working capital adjustments				
Increase in receivables	-100,926,670		0	
Increase in payables	128,079,530		0	
Net cash flow from operating activities	27,152,860		0	

13. Financial Risk Management

The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The fund's financial risk management objectives and policies are detailed below:

i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, as well as receivables. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30th June 2024-25				
Receivables from non-exchange transactions	100,926,670			
Bank balances	27,152,860			
Total	128,079,530			
As at 30 June (Previous FY)				
Receivables from non-exchange transactions				
Bank balances				
Total	128,079,530			

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from xxx. The Board of Directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund's management, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Payables				
Total				
As at 30th June (Previous FY)				
Payables				
Total				

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day

implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on the surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The County Government of Mandera considers relevant and observable market prices in its valuations where possible.

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There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Fund's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	June 2025	June 2024
	Kshs	Kshs
Accumulated surplus		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess cash and cash Equivalents)		
Gearing		

14. Related Party Disclosures

a) Nature of related party relationships

Entities and other parties related to corporation include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates and close family members.

b) County Government of Mandera

The county Government of Mandera is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

c) Other related parties include:

- i) The Parent Department.
- ii) County Governments
- iii) Other County Corporations
- iv) Key management.

d) Transactions with related parties

Description	June 2025	June 2024
	Kshs	Kshs
a) Sales to related parties		
Others (<i>specify</i>)		
Total		
B) purchases from related parties		

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Description	June 2025	June 2024
	Kshs	Kshs
Others (<i>specify</i>)		
Total		
b) Grants /transfers from the government		
Grants from EF	693,457,164	
Grants from other levels of Government		
Donations in kind		
Total	693,457,164	
c) Expenses incurred on behalf of related party		
Payments for goods and services for xxx		
Total		
d) Key management compensation		
Compensation to key management		
Total		

15. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	June 2025	June 2024
	Kshs	Kshs
Contingent Assets		
Receivables from government entities		
Others (<i>Specify</i>)		
Total		

Contingent Liabilities

Description	June 2025	June 2024
	Kshs	Kshs
Contingent Liabilities		
Court case xx against the entity		
Others (<i>Specify</i>)		
Total		

16. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

17. Ultimate And Holding Entity

The Entity is a Fund under the Department of Finance. Its ultimate parent is the County Government of Mandera.

18. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.....

17. Appendices

Appendix 1: Implementation Status of Auditor General'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)



.....

County Executive Committee Member for Finance

Date. 29-08-2025

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Appendix II: Projects Implementation Status Report.

S/No	Project Name (A)	Sector (B)	Constituency (C)	Ward (D)	Approved Budget/total allocation (E)	Contract Sum (F)	Amount certified (G)	Amount Paid (H)	Payable amount I=(G-H)	% Status of implementation (J)
1	Construction of incinerator at Qalanqalesa Dispensary	Health	Mandera South	Shimbir Fatuma	2,000,000	2,000,000	2,000,000	2,000,000	-	100
2	OPERATIONALIZATION OF USUBEY DISPENSARY	Health	Mandera North	Mandera North	2,000,000	2,000,000	2,000,000	2,000,000	-	100
3	CONSTRUCTION OF STAFF QUARTERS AT GUTICHA DISPENSARY	Health	Mandera North	Guticha	3,000,000	3,000,000	3,000,000	3,000,000	-	100
4	CONSTRUCTION OF LABORATORY AND MATERNITY WING FOR MALKAMARI HEALTH CENTRE	Health	Banisa	Malkamari	12,000,000	11,426,770	11,426,770	11,426,770	-	100
5	CONSTRUCTION OF 6 BED MATERNITY AND DELIVERY BLOCK AT OLLA	Health	Mandera North	Guticha	5,000,000	4,928,178	4,928,178	4,928,178	-	100
6	Construction of Jabi Baar Dispensary	Health	Mandera North	Rhamu	5,000,000	4,974,544	4,974,544	4,974,544	-	100
7	UPGRADING OF SALA HEALTH CENTRE MATERNITY AND PLACENTA PIT AND CONNECTION OF PIPED WATER AND CONSTRUCTION OF INCINERATOR.	Health	Lafey	Sala	5,951,210	5,785,111	5,785,111	5,785,111	-	100

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8	Construction of dispensary at Burashum	Health	Banisa	Derkale	7,000,000	6,988,957	6,988,957	6,988,957	-	100
9	Construction of dispensary , twin toilets and staff quarters at Tuli in Udolle location	Health	Mandera South	Elwak South	8,153,934	8,031,492	8,031,492	8,031,492	-	100
10	UPGRADE GITHER HEALTH CENTRE BY CONSTRUCTING MATERNITY WARDS, LABORATORY, PHARMACY AND SOLARIZATION.	Health	Mandera West	Gither	16,338,698	16,299,824	16,299,824	16,299,824	-	100
11	OPERATIONALIZATI ON AND EQUIPING OF THEATER AT DANDU HOSPITAL	Health	Mandera West	Dandu	12,000,000	10,590,650	10,590,650	10,590,650	-	100
12	Construction of dispensary at Andarak	Health	Banisa	Banisa	8,700,000	8,500,000	8,500,000	8,500,000	-	100
13	Construction of dispensary at Merile	Health	Banisa	Banisa	8,961,006	8,500,000	8,500,000	8,500,000	-	100
14	Construction and operationalization of maternity wing, laboratory, and fencing of Guba Health centre	Health	Banisa	Guba	9,500,000	8,855,382	8,855,382	8,855,382	-	100
15	Construction of modern theatre at Kutulo Level 4 Hospital	Health	Mandera South	Kotulo	20,000,000	19,999,999	19,999,999	19,999,999	-	100
16	EXPANSION AND OPERATIONALIZATI ON OF RHAMU DIMTU HEALTH CENTRE WITH MATERNITY WING AND WARDS	Health	Mandera North	Rhamu Dimtu	18,223,928	17,589,297	17,589,297	17,589,297	-	100

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17	CONSTRUCTION OF MATERNITY WING, REPAIR OF OPD UNIT AND CHAIN LINK FENCING OF QUMBISO DISPENSARY.	Health	Lafey	Libehia	29,075,439	28,043,232	28,043,232	11,630,175	15,909,823	100
18	OPERATIONALIZATION AND SOLARIZATION OF THEATRE BLOCK AT LAFEY HOSPITAL	Health	Lafey	Lafey	13,906,739	13,809,560	13,809,560	13,809,560	-	100
19	Construction of modern drugs store at Takaba hospital	Health	Mandera West	Takaba	5,430,187	5,359,502	5,359,502	5,359,502	-	100
20	Solarization of Boji Garse Dispensary	Health	Mandera South	Kotulo	5,000,000	4,904,750	4,904,750	4,904,750	-	100
21	Kalicha Dispensary maternity wing	Health	Mandera North	Rhamu Dimtu	7,100,000	7,054,308	7,054,308	7,054,308	-	100
22	Installing solar lights and construction of twin toilets at Qarba Qoley Helath centre	Health	Mandera East	Khalalio	7,422,132	6,618,902	6,618,902	6,618,902	-	100
23	Construction of Ogorweyne Dispensary, Twin toilet, Elevated Water Tank and Incinerator.	Health	Mandera North	Ashabito	10,000,000	9,388,160	9,388,160	9,388,160	-	100
24	Solarization of Shimpir Fatuma Dispensary and ODP, maternity and incinerator	Health	Mandera South	Shimbir Fatuma	12,000,000	11,986,000	11,986,000	8,400,000	3,586,000	100
25	Upgrading and equipping of shafshafey dispensary maternity wing	Health	Mandera East	Township & Bulla Mpya	15,000,000	14,558,638	14,558,638	10,500,000	4,058,638	100
26	Upgrading of maternity wing, construction of incinerator and	Health	Lafey	Warankara	15,000,000	14,406,393	14,406,393	14,406,393	14,406,393	100

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	renovation of OPD at Warankara Health Centre	Health	Mandera West	Dandu	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000			
27	Solarization of Dandu Hospital	Health	Mandera West	Dandu	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	100		
28	Construction of bulampya dispensary at lagsure	Health	Mandera West	Laghsure	8,562,457	8,500,555	8,500,555	8,500,555	8,500,555	100		
29	CONSTRUCTION OF MASONRY WATER TANK AT DARAB ATHATHI	Water	Mandera North	Guticha	2,000,000	1,800,000	1,800,000	1,800,000	1,800,000	100		
30	CONSTRUCTION OF UNDERGROUND WATER TANK IN W'YEMLENGHA WITHIN BURMAYO LOCATION	Water	Mandera South	Shimbir Fatuma	2,000,000	2,000,000	1,999,650	1,999,650	1,999,650	100		
31	Construction of underground water tank, piping and water connection to Bambo Town	Water	Lafey	Warankara	3,000,000	2,998,500	2,998,500	2,053,750	944,762	100		
32	CONSTRUCTION OF WATER TANK AT KOBDERTU	Water	Mandera West	Takaba	3,000,000	2,998,905	2,998,905	2,998,905		100		
33	PROPOSED ALUNGU WATER SUPPLY PROJECT	Water	Lafey	Alango	3,226,000	3,226,000	3,226,000	3,226,000		100		
34	Construction of elevated water tank and reticulation of water to homesteads.	Water	Mandera East	Arabia	4,000,000	3,998,000	3,998,000	3,998,000		100		
35	CONSTRUCTION OF ELEVATED WATER TANK AT SARMAN DISPENSARY	Water	Mandera North	Guticha	4,000,000	4,000,000	4,000,000	4,000,000		100		

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36	PIPING WATER FROM BOREHOLE TO VILLAGE AND CONSTRUCTION OF WATER KIOSKS AT LANQURAC	Water	Mandera North	Guticha	5,000,000	4,100,000	4,100,000	4,100,000	4,100,000	100
37	Construction of water piping system from borehole to the underground water tank in Barvaqo Location	Water	Mandera North	Guticha	5,000,000	4,200,000	4,200,000	4,200,000	4,200,000	100
38	Construction of drift at Khalafow to pave way for inlet of the Dam.	Water	Mandera West	Gither	5,000,000	4,931,102	4,931,102	4,931,102	4,931,102	100
39	Extension of Qorahey water supply	Water	Mandera North	Rhamu Dimtu	5,000,000	4,999,900	4,999,900	4,999,900	4,999,900	100
40	PROPOSED ALUNGU WATER SUPPLY PROJECT	Water						5,064,000	5,064,000	100
41	Piping of fresh water Bula Afya and extension to Elgoliha	Water	Mandera South	Elwak North	16,252,095	13,852,500	13,852,500	13,852,500	13,852,500	100
42	KILWEHIRI WATER DISTRIBUTION PIPES AND CONNECTION TO WATER KIOSK WITHIN KILWEHIRI TOWN PROJECT	Water	Banisa	Kilaweheri	18,488,693	17,673,800	17,673,800	17,673,800	17,673,800	100
43	PIPING WATER SYSTEM FROM THE BOREHOLE TO TOWN AND CONSTRUCTION OF 6 WATER KIOSKS	Water	Mandera West	Dandu	9,207,391	7,935,365	7,935,365	7,935,365	7,935,365	100
44	Construction of earth pan at mkutano village	Water	Mandera South	Elwak South	8,000,000	7,998,400	7,998,400	7,998,400	7,998,400	100
45	Water pipeline extension from Busley to Coner B	Water	Mandera East	Neboi	9,412,538	9,000,000	9,000,000	9,000,000	9,000,000	100

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46	PIPING OF WATER FROM BOREHOLE TO TOWN AND WARGADUD DISPENSARY	Water	Mandera South	Wargadud	10,336,305	9,473,800	9,473,800	9,473,800	9,473,800	100
47	CONSTRUCTION OF 20,000 CM3 PAN AT QURAMADHOW	Water	Mandera North	Ashabito	13,000,000	11,599,455	11,599,455	11,599,455	11,599,455	100
48	CONSTRUCTION OF OVERHEAD/ELEVATED OD WATER TANK AND PIPING TO WATER KIOSKS IN LIBEHIA	Water	Lafey	Libehia	30,000,000	27,377,500	27,377,500	27,377,500	27,377,500	100
49	underground water tank at tossi village	Water	Lafey	Sala	2,000,000	1,999,030	1,999,030	1,999,030	1,999,030	100
50	Distilling of Murathelo Water Pan	Water	Banisa	Guba	2,435,527	2,400,000	2,400,000	2,400,000	2,400,000	100
51	Water supply extension to Bulla majani	Water	Mandera South	Kotulo	3,000,000	2,999,900	2,999,900	2,999,900	2,999,900	100
52	Drilling Borehole at Karow	Water	Mandera East	Khalalio	7,447,183			5,057,500	5,057,500	100
53	Construction of elevated water tank 50m3 and trough for sheikh Barrow Location.	Water	Lafey	Fino	5,182,993	5,182,000	5,182,000	5,182,000	5,182,000	100
54	Extension of water system in Rhamu Town	Water	Mandera North	Rhamu	9,826,227	5,640,000	5,640,000	5,640,000	5,640,000	100
55	Construction of 2No. Elevated water tanks, 3No. Water kiosks and piping system at Akabi and Wgeri areas within Fincharo town	Water	Mandera South	Shimbir Fatuma	10,000,000	8,762,582	8,762,582	8,762,582	8,762,582	100
56	Construction of underground water tank for Arda, Tambo and Qatis village	Water	Banisa	Derkale	3,946,588	3,946,588	3,946,588	3,946,588	3,946,288	100

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57	Elevated water tank and piping system for Kabo Location	Water	Lafey	Lafey	5,000,000	4,999,980	4,999,980	-	4,999,980	100
58	construction of underground water tank at shoptoy village	Water	Banisa	Malkamari	2,500,000	2,500,000	2,500,000	-	2,499,985	100
59	Construction of dispensary, twin toilets and staff quarters at Tuli in Udolle location	Roads	Banisa	Derkale	7,000,000	5,042,195	5,042,195	5,042,195		100
60	Gravelling and grading of Arabia-Bambo-Odha Libihiya Road	Roads	Banisa	Guba	5,000,000	4,907,844	4,907,844	4,907,844		100
61	Construction of modern theatre at Kutulo Level 4 Hospital	Roads	Banisa	Malkamari	11,484,976	9,644,240	9,644,240	9,644,240		100
62	Grading of road from Mzee Billoo Kabage stage to Boystown	Roads	Lafey	Warankara	8,000,000	7,719,238	7,719,238	7,719,238		100
63	Solarization of Boji Garse Dispensary	Roads	Mandera East	Arabia	10,000,000	9,807,800	9,807,800	9,807,800		100
64	Grading and gravelling between khalalio and Darika	Roads	Mandera East	Neboi	9,000,000	8,995,916	8,995,916	8,995,916		100
65	Construction of incenerator at Qalanqalesa Dispensary	Roads	Mandera East	Khalalio	6,109,456	6,060,000	6,060,000	6,060,000		100
66	Construction of culvert at Bela Primary school	Roads	Mandera East	Khalalio	5,679,579	5,659,988	5,659,988	5,659,988		100
67	Murraming of Ashabito - Ogorweyn-Elele	Roads	Mandera North	Ashabito	8,818,140	8,261,259	8,261,259	8,261,259		100
68	Murraming of Guticha - Langura-Saraman Road	Roads	Mandera North	Guticha	10,847,044	9,992,507	9,992,507	9,992,507		100
69	Murraming of road from Marothile town to Ashabito Girls	Roads	Mandera North	Marothile	8,904,425	8,452,781	8,452,781	8,452,781		100

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70	Murraming of road from Mubarak Village to Kubi Junction	Roads	Mandera North	Marothile	7,000,000	6,406,796	6,406,796	6,406,796	6,406,796	100
71	Grading and patch improvement of Rhamu Dimtu-Garse Gabray farm road	Roads	Mandera North	Rhamu Dimtu	5,900,000	5,702,699	5,702,699	5,702,699	5,702,699	100
72	Construction of access road from Kutulo to Suleka Dima	Roads	Mandera South	Kotulo	12,000,000	11,850,796	11,850,796	11,850,796	11,850,796	100
73	Proposed Graveling of Kutulo-Kutayu Road in Mandera South Sub-County	Roads	Mandera South	Kotulo	15,226,095	15,226,095	15,226,095	15,226,095	7,328,095	100
74	Grading murraming and culverting of 30km roads Shimbir Fatuma town centre and Burmayo.	Roads	Mandera South	Shimbir Fatuma	10,731,886	10,600,312	10,600,312	10,600,312	10,600,312	100
75	Grading and gravelling of Bulla Bilow - Dadashatune-Lagsure Road	Roads	Mandera West	Takaba South	3,586,329	3,476,520	3,476,520	3,476,520	3,476,520	100
76	Grading and gravelling from Duduble to Takaba.	Roads	Mandera West	Takaba South	6,100,000	6,048,530	6,048,530	6,048,530	6,048,530	100
77	Installation of Solar Street lighting at fino town	Energy	Mandera East	Khalalio	5,824,875	5,824,873	5,824,873	5,824,873	5,824,873	100
78	Installation of Solar Street lighting at Warankara town	Energy	Mandera South	Wargadud	6,000,000	5,999,989	5,999,989	5,999,989	5,999,989	100
79	Extension of KPLC Connectivity Barwaqo to Koromey	Energy	Mandera East	Township & Bulla Mpya	6,653,572	6,653,572	6,653,572	6,653,572	6,653,572	100
80	Installation of Solar Street lighting at township and PB1	Energy	Mandera East	Khalalio	6,796,857	6,796,856	6,796,856	6,796,856	6,796,856	100

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81	Installation of solar and flood lights at Seda Jirow	Energy	Lafey	Warankara	10,861,150	10,861,143	10,861,143	10,861,143	10,861,143		100
82	Installation of street solar lights and floodlights at Lemadid.	Energy	Lafey	Fino	11,000,000	10,999,990	10,999,990	10,999,990	10,999,990		100
83	Installation of solar street light in Ashabito	Energy	Mandera North	Ashabito	4,000,000	3,998,789	3,998,789	3,998,789	3,998,789		100
84	Street lighting at W'argadud Town	Energy	Mandera West	Takaba South	15,000,000	14,999,991	14,999,991	14,999,991	14,999,991		100
85	Solar flooding Lighting of Githier Town and Burduras.	Energy	Mandera West	Githier	5,000,000	4,998,000	4,998,000	4,998,000	4,998,000		100
86	Installation of Solar Street lights at takaba.	Energy	Mandera East	Township & Bulla Mpya	17,653,572	17,653,570	17,653,570	8,826,796	8,826,774		100
	TOTALS				723,765,226	683,335,801	683,335,451	619,436,926	100,423,436		

NB. The delayed projects are not included in the project status report

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Appendix III: Transfers from Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Total Amount - KES	Where Recorded/recognized		
			Statement of Financial Performance	Receivables	Total Transfers during the Year
Equalisation Fund	17-Jan-25	160,976,905	160,976,905		160,976,905
Equalisation Fund	21-Jan-25	258,260,572	258,260,572		258,260,572
Equalisation Fund	09-Apr-25	173,293,018	173,293,018		173,293,018
Equalisation Fund	04-Jul-25	100,926,670	100,926,670	100,926,670	100,926,670
Total		693,457,165	693,457,165	100,926,670	693,457,165

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Appendix IV: Funding Summar

Financial Year	Appropriation during the FY a	Funds received during the FY b	Outstanding funds c=a-b
2024/2025	753,408,998	592,530,494	160,530,494
Total	753,408,998	592,530,494	160,878,504