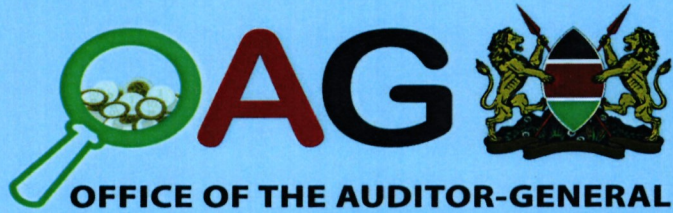


REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

THE NATIONAL ASSEMBLY

DATE: 23 NOV 2022

DAY  
Wednesday

PARLIAMENT  
OF KENYA  
LIBRARY

TABLED  
BY  
**OF**

Majority Whip

CLERK AT  
THE TABLE:

Christine

## THE AUDITOR-GENERAL

### ON

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY

### FOR THE YEAR ENDED 30 JUNE, 2021



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MANDERA EAST CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021

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

***Mandera East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021***

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Dr. Moamud M. Gedi
2.	Sub-County Accountant	Yunis Ali Dakat
3.	Chairman NGCDFC	Abdisalam Birik Aftin
4.	Member NGCDFC	Hibo Abdi Ali

**(d) Fiduciary Oversight Arrangements**

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

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

P.O. Box 197-70300  
Kassim Building  
Mandera-Rhamu rd

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

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

Telephone: (254) 721111528  
E-mail: [cdfmanderaeast@ngcdf.go.ke](mailto:cdfmanderaeast@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) MANDERA EAST Constituency NGCDF Bankers**  
Equity Bank Ltd  
Mandera Branch

**(h) Independent Auditors**

Auditor General  
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  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**II. NG-CDFC CHAIRMAN'S REPORT**



On behalf of the Committee, I take this opportunity to present the Annual Report and Financial Statements for the financial year 2020/2021. This report highlights the key achievements, learning points and challenges experienced during the reporting period. We share the activities that have been implemented to address poverty at grassroots levels. This has continually ensured there is reduction of poverty levels and enhanced regional equity.

During the period of review, the constituency continued to implement its strategic plan and guided by the NG-CDF Act 2015 and its regulation alongside other applicable laws and regulations. Specifically, the committee continued to implement National government functions in the areas of Education infrastructure, education bursary, social security programmes, security infrastructure, sports and environment.

Primary and secondary schools benefited from infrastructural development through renovation and construction of Classrooms, Administration Blocks, laboratories, Toilets and dormitories. The constituency also financed construction of National Government Administration offices especially for chiefs and assistant chiefs and security installations mainly police posts. The contribution of the Fund in the education sector has seen an increase in the enrolment and retention rates in the constituency. Additionally, there has been enhanced security as a result of security projects implemented by the Fund.

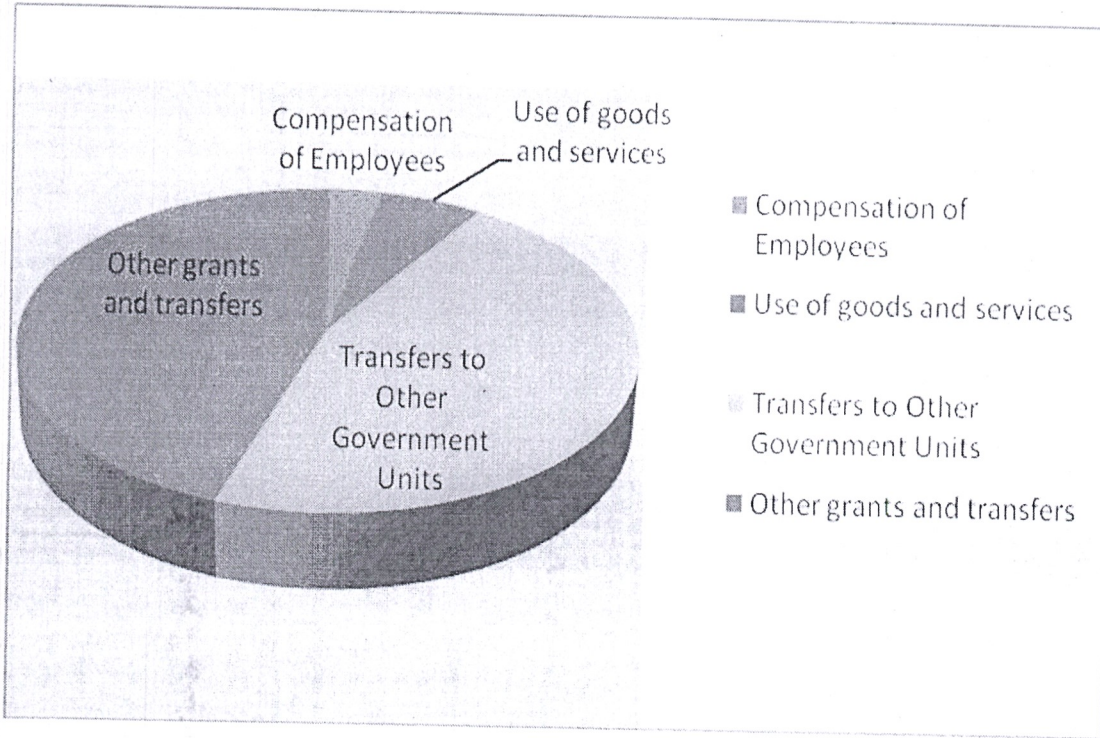
During the year under review, the constituency had an allocation of Kshs Ksh.137,088,879, opening balance of Kshs 5,924,283 and pending disbursements for previous financial years of Kshs 69,367,725. This totals to a final budget of Kshs 212,380 887. A total of Kshs 186,192,007 was received within the reporting period out of which Kshs 164,943,479 was utilized leaving a balance of Kshs 21,248,525 at the end of the financial year.

The funds were utilized as tabulated below:

Budget Item	Amount utilized	Percentage of utilization
Compensation of Employees	5,109,060	3%
Use of goods and services	9,587,265	6%


*MANDERA EAST Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

Transfers to Other Government Units	76,000,000	46%
Other grants and transfers	74,247,153	45%
TOTAL	164,943,478	



Piecemeal disbursement of the Funds from the Board as well as insecurity in some part of the constituency hampered the implementation of the approved projects within the reporting period. However, the committee commits to ensure timely disbursement of funds to the Project Management Committees once the fund are received from the Board and prudent management through continues monitoring of the projects during implementation.

Finally, I wish to thank my fellow committee members and the entire NGCDF staff for their effort in ensuring efficient and effective service delivery to the people of Mandera East.

  
CHAIRMAN NGCDF COMMITTEE

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all levels</li> </ul>	We increased number of classrooms, dormitories, laboratories by constructing additional classrooms in 30 learning institution within the reporting period.
Security	To develop and enhance physical infrastructure.	Percentage Reduction in crime rate	Number of complete and in use administrative offices and structures	In F/Y 2020/21 the constituency renovated 1 DCC office and constructed 3 police posts in Mandera East sub county.

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

## **MANDERA EAST Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Reports and Financial Statements for The Year Ended June 30, 2021**

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

#### **1. Sustainability strategy and profile -**

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

- **Education and Training:** MANDERA EAST NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

#### **2. Environmental performance**

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

As a Constituency, we ensure that Project Implementation Committees (PMC) continue to priorities and improve environmental sustainability projects. We also Encourage Community participation in identification, protection and conservation of environment by carrying out environmental awareness programmes. Create synergy between the NG-CDFC and other related players. In the financial year

2020/2021 the Constituency carried out through Mandera East National Government Constituency Development Fund Committee (NG-CDFC), Members and Public on Environmental Sustainability through sharing of best practices with other constituencies.

### **3. Employee welfare**

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

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

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

### **4. Market place practices-**

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

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

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

### **5. Community Engagements-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

*MANDERA EAST Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

**Public Awareness**

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

MANDERA EAST NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

**V. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

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Security	To ensure safety of all residents	Increased security in all areas within the Constituency	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure built</li> <li>- Reduced number of insecurity.</li> </ul>	In Financial Year 2019/2020 -we increased number of police posts and stations.
Environment	To ensure school going children are learning in a good environment and have clean water.	Clean water in schools and reduction of wind effects in schools.	Number of tanks purchased as well as number of trees planted	In the Financial Year 2019/2020 we increased number of trees planting and the purchase of water tanks

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Sports	To ensure all youths are given an opportunity to harness their potential.	Upgrading of fields in schools.	Upgraded field.		
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## **VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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*MANDERA EAST Constituency  
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the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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**VII. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

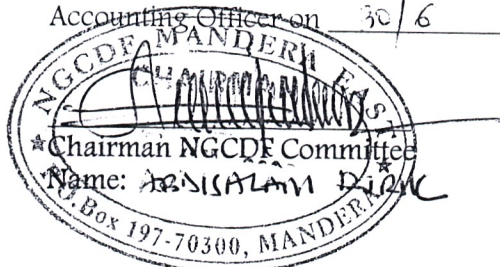
The Accounting Officer in charge of the NGCDF-MANDERA EAST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

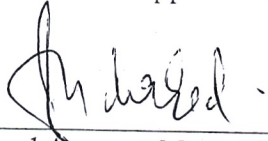
The Accounting Officer in charge of the NGCDF-MANDERA EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- MANDERA EAST Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NGCDF- MANDERA EAST Constituency financial statements were approved and signed by the Accounting Officer on 30/6 2021.



  
Fund Account Manager  
Name: Dr. Mohamud Gedi

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

- A. Report on the Financial Statements which considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations which 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 the entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera East Constituency set out on pages 18 to

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*Report of the Auditor-General on National Government Constituencies Development Fund - Mandera East Constituency for the year ended 30 June, 2021*

49, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Mandera East Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

The following balances reflected in the financial statements were not supported with sufficient appropriate records:

#### **1. Other Grants Transfers**

The statement of receipts and payments reflects other grants and transfers totalling Kshs.74,247,153 , as further disclosed in Note 5 to the financial statements. The balance includes bursaries totalling Kshs.37,133,700 disbursed to tertiary institutions. However, payments totalling Kshs.129,500 are double payments made to the same students whereas bursaries totalling Kshs.376,500 and Kshs.200,000 denoted as having been paid to the Ministry of Foreign Affairs were issued to undisclosed individual beneficiaries, and an institution, respectively. In addition, letters from beneficiary institutions acknowledging receipt of the bursaries were not provided for audit.

In the circumstances, the propriety and accuracy of bursaries reported to have been disbursed to tertiary institutions totalling Kshs.706,000 could not be confirmed.

#### **2. Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other government entities totalling Kshs.76,000,000, as further disclosed in Note 4 to the financial statements. The following unsatisfactory matters were noted in relation to the balance:

- i. Transfers totalling Kshs.44,500,000 were made to secondary schools out of which payments totalling Kshs.44,000,000 were not supported with minutes of the meetings of the Project Management Committees at which the payments were authorized. In addition, the respective work plans and expenditure returns, lists of registered suppliers, contractors and consultants were not provided for audit.

- ii. Projects implemented at a cost of Kshs.26,000,000 were not supported with contract agreements and completion certificates.
- iii. Purchases of laboratory equipment and beds at a cost of Kshs.24,000,000 were not supported with stores records and as a result, their delivery and receipt could not therefore be confirmed.
- iv. Transfers to primary schools totalling Kshs.17,250,000 were not supported with completion certificates and minutes of the meetings that authorized the payments.
- v. Expenditure totalling Kshs.2,000,000 incurred on purchase of desks for six (6) primary schools were not supported with stores records that confirmed receipt of the stores.
- vi. A sum of Kshs.4,000,000 was transferred to Neboi Primary School for renovation of six (6) classrooms and construction of two (2) new ones. However, verification at the School in April, 2022 indicated that the project was not implemented. In addition, the respective project files and expenditure returns were not provided for audit.
- vii. Four (4) classrooms and two (2) pit latrines at Duse Primary School built and completed at a cost of Kshs.4,250,000 were not labelled as NGCDF projects.

In view of these discrepancies, the propriety, occurrence and accuracy and completeness of transfers to other government entities expenditure totalling Kshs. 76,000,000 could not be confirmed.

### **3. Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers totalling Kshs.74,247,153, as further disclosed in Note 5 to the financial statements. The balance includes social security programmes totalling Kshs.12,000,000 which denote payments for medical insurance cover for two thousand (2,000) households. However, the amount was not supported by minutes of the Social Security Program Sub-committee meetings. In addition, the updated register of all households that benefited from the sponsored medical insurance scheme was not provided for audit. Further there were no receipts from National Hospital Insurance Fund (NHIF) and information on membership to NHIF by the persons reported to have benefited from the scheme.

In the circumstances, the occurrence and propriety of the expenditure on social security programmes totalling Kshs.12,000,000 could not be confirmed. Further, value for money and sustainability on the one-year social security programme was doubtful.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Mandera East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key Audit Matters are those matters which, 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**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling Kshs.212,380,887 and Kshs.186,192,007 respectively, resulting in an under-funding of Kshs.26,188,880 or 12% of the budget. Similarly, the Fund spent Kshs.164,943,479 out of the approved expenditure budget of Kshs.212,380,886, resulting in an under-expenditure of Kshs.47,437,407 or 22% of the budget.

The shortfall of revenue and under-expenditure constrained execution planned activities and may have hampered the Fund's delivery of public services to the residents of Mandera East Constituency.

## **2. Prior Year Issues**

The audit report for the financial year ended 30 June, 2020 raised several issues relating to the balances reflected in the financial statements and on internal control. The report on progress made in following up on the issues indicates that the matters had since been resolved. The actual status of the issues shall be confirmed after they are discussed by Parliament.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Un-implemented Projects**

During the year under review, the Fund budgeted to implement seventy-three (73) projects at a cost of Kshs.134,754,441. However, only Kshs.88,000,000 was disbursed to forty-five (45) projects. Therefore, funds totalling Kshs.46,754,441 for twenty-eight (28)

projects were not disbursed and as a result, the respective projects were not implemented. No explanation was provided by Management for the failure to disburse the funds.

In the circumstance, the residents of the Constituency did not benefit from goods and services valued Kshs. 46,754,441 budgeted for their use.

## **2. Unsupported Expenditure on Security Projects**

Records on expenditure on grants and payments indicated that the Fund made various payments totalling Kshs.12,088,112, as disclosed in Note 5 to the financial statements. However, the list of registered suppliers, contractors and consultants for goods, works and services were not provided for audit verification. Further, certificates of practical completion for the construction of Arabia Deputy County Commissioner's office and Bulla Jamhuri Chief's Office at Kshs.4,000,000 and work plans for projects costed at Kshs.12,000,000 in aggregate were not provided for audit.

In the circumstances, the regularity and value for money on the security projects totalling Kshs.12,088,112 could not be confirmed.

## **3. Failure to Report Utilization of the Emergency Reserves**

Examination of expenditure records indicated the Fund spent Kshs.7,309,814 on emergency projects. However, contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, Management did not report to the Board details on use of the emergency reserves. The provision requires any of use emergency reserves to be reported to the Board within thirty days of the occurrence of the emergency in the format prescribed by the Board.

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

## **4. Delay in Remittance of Statutory Deductions**

Review of payrolls and records on statutory deductions indicated that National Social Security Fund(NHIF) deductions totalling Kshs.50,800 were remitted late contrary to Section 53A (1) of the Retirement Benefits Act, 2012. Similarly, Kshs.70,650 due to Kenya Revenue Authority (KRA) was remitted late contrary to Section 37(1) of the Income Tax Act. The delayed payments may have exposed the Fund to penalties and interest on the taxes due.

In the circumstances, Management was in breach of the law and as a result the Fund to the risk of penalties on the outstanding amounts.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 which 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 to sustain its services, disclosing, as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which 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 which 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 which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 which 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 which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

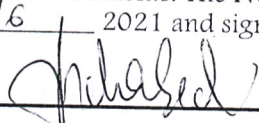
**Nairobi**

**19 September, 2022**

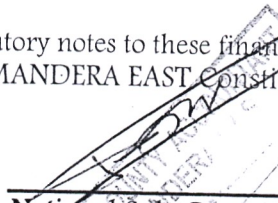
**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

<b>IX. STATEMENT OF RECEIPTS AND PAYMENTS</b>			
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	<b>1</b>	180,267,724	70,453,451
<b>TOTAL RECEIPTS</b>		<b>180,267,724</b>	<b>70,453,451</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>2</b>	5,109,060	4,293,154
Use of goods and services	<b>3</b>	9,587,265	4,553,369
Transfers to Other Government Units	<b>4</b>	76,000,000	27,999,800
Other grants and transfers	<b>5</b>	74,247,153	25,597,354
Acquisition of Assets	<b>6</b>	-	4,000,000
<b>TOTAL PAYMENTS</b>		<b>164,943,479</b>	<b>66,443,677</b>
<b>SURPLUS/DEFICIT</b>		<b>15,324,246</b>	<b>4,009,774</b>

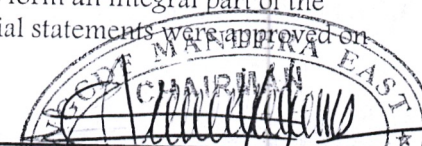
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA EAST Constituency financial statements were approved on 30/6 2021 and signed by:

  
 Fund Account Manager

Name: Dr. Mohamud Gedi

  
 National Sub-County Accountant

Name: Yunis Ali  
 ICPAK M/No: 27901

  
 Chairman NG-CDF Committee  
 P.O. Box 197-70300, MANDERA EAST

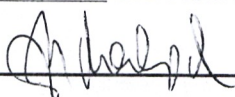
Name: Abdisalam Birik Aftin

MANDERA EAST Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021

X. STATEMENT OF ASSETS AND LIABILITIES

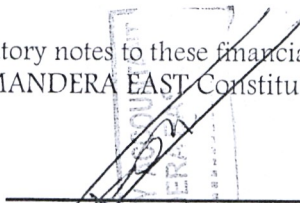
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	21,248,529	5,924,283
<b>Total Cash and Cash Equivalents</b>		<b>21,248,529</b>	<b>5,924,283</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,248,529</b>	<b>5,924,283</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)		-	-
<b>NET FINANCIAL ASSETS</b>		<b>21,248,529</b>	<b>5,924,283</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	8	5,924,283	1,914,509
Surplus/Deficit for the year		15,324,246	4,009,774
<b>NET FINANCIAL POSITION</b>		<b>21,248,529</b>	<b>5,924,283</b>

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

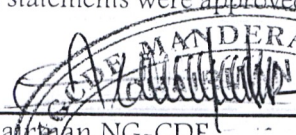


Fund Account Manager

Name: Dr. Mohamud Gedi

  
National Sub-County  
Accountant

Name: Yunis Ali  
ICPAK M/No: 27901

  
Chairman NG-CDF  
Committee

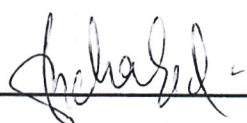
Name: Abdissalam Birik Affin

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**


**STATEMENT OF CASHFLOW**

		<b>2020-2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	180,267,724	70,453,451
		<b>180,267,724</b>	<b>70,453,451</b>
<b>Payments for operating activities</b>			
Compensation of Employees	2	5,109,060	4,293,154
Use of goods and services	3	9,587,265	4,553,369
Transfers to Other Government Units	4	76,000,000	27,999,800
Other grants and transfers	5	74,247,153	25,597,354
		<b>164,943,479</b>	<b>62,443,677</b>
<b>Adjusted for:</b>			
<b>Net Adjustments</b>			
<b>Net Cash flows from operating activities</b>		<b>15,324,246</b>	<b>8,009,774</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	-	(4,000,000)
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(4,000,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	8	<b>5,924,283</b>	<b>1,914,509</b>
<b>Cash and cash equivalent at END of the year</b>		<b>21,248,529</b>	<b>5,924,283</b>

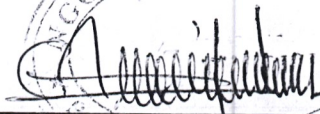
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA EAST Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
 \_\_\_\_\_  
 Fund Account Manager

Name: Dr. Mohamud Gedi

  
 \_\_\_\_\_  
 National Sub-County  
 Accountant

Name: Yunis Ali  
 ICPAK M/No: 27901

  
 \_\_\_\_\_  
 Chairman NG-CDF  
 Committee

Name: Abdisalam Birik Aftin

XI. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	5,924,283	212,380,887	186,192,007	26,188,880	87.7%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.00%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>5,924,283</b>	<b>212,380,887</b>	<b>186,192,007</b>	<b>26,188,880</b>	<b>87.7%</b>
<b>PAYMENTS</b>						
Compensation of Employees	4,951,200	18,759	5,654,195	5,109,060	545,135	90.4%
Use of goods and services	7,386,799	3,515,722	10,902,521	9,587,265	1,315,256	87.9%
Transfers to Other Government Units	71,750,000	-	109,465,005	76,000,000	33,465,005	69.4%
Other grants and transfers	53,000,880	98,241	84,067,605	74,247,153	9,820,452	88.3%
Acquisition of Assets		2,291,560	2,291,560	-	2,291,560	0.0%

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

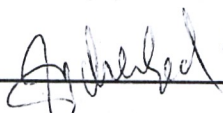
Other Payments	0	0	0	0	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>5,924,282</b>	<b>69,367,725</b>	<b>212,380,886</b>	<b>164,943,479</b>	<b>47,437,407</b>
						<b>77.7%</b>

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

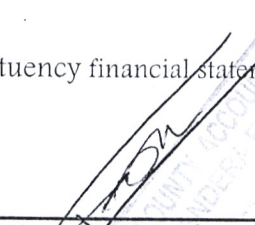
- (a) The underutilization of 12.1% under use of goods and services was due to delay in receipt of the funds
- (b) The underutilization of 30.6% under transfer to other government institutions was due to delayed receipts of funds
- (c) The underutilization of 12.7% under other grants and transfer was due to delayed receipt in funding.
- (d) The assets acquisition budget could not be utilized due to delay in funding.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	47,437,407
Less undisbursed funds receivable from the Board as at 30th June 2021	26,188,880
	21,248,528
Add Change in Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202021	21,248,528

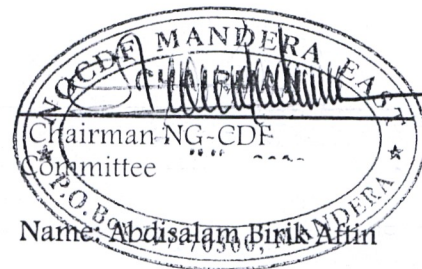
The NGCDF-MANDERA EAST Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
 \_\_\_\_\_  
 Fund Account Manager

Name: Dr. Mohamud Gedi

  
 \_\_\_\_\_  
 National Sub-County Accountant

Name: Yunis Ali  
 ICPAK M/No: 27901



Name: Abdisalam Birik Affin

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a) 2020/2021	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d) 30/06/2021	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,951,200	18,759	684,236	5,654,195	5,109,060	545,135	
1.2 Committee allowances	1,248,000	258,000		1,506,000	1,505,707	293	100
1.3 Use of goods and services	2,026,133	657,177		2,683,310	2,063,000	620,310	77
<b>Total</b>	<b>8,225,333</b>	<b>933,936</b>	<b>684,236</b>	<b>9,843,505</b>	<b>8,677,767</b>	<b>1,165,738</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,500,000	1,500,000		3,000,000	3,301,400	-301,400	110
2.2 Committee allowances	1,500,000	96,000		1,596,000	1,591,016	4,984	100
2.3 Use of goods and services	1,112,666	1,004,545		2,117,211	1,214,254	902,957	57

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
<b>Total</b>	4,112,666	2,600,545	6,713,211	6,106,670	606,541	
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,192,206	98,241	7,290,447	7,309,814	-19,367	100
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilised						
<b>Total</b>	7,192,206	98,241	7,290,447	7,309,814	-19,367	
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	12,000,000		25,212,384	37,133,700	-11,921,316	147
4.2 Tertiary Institutions	13,825,119		25,825,119		25,825,119	46
4.3 Social Security				12,000,000	-12,000,000	

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
4.4 Special Needs						#DIV/0!
<b>Total</b>	25,825,119	-	51,037,503	49,133,700	1,903,803	
5.0 Sports						
5.1	2,741,778		2,741,778	5,715,528	-2,973,750	208
<b>Total</b>	2,741,778	-	2,741,778	5,715,528	-2,973,750	
6.0 Environment						
Buruburu girls secondary school	94,422.52		94,422.52		94,423	
Arabia girls secondary school	600,000.00		600,000.00		600,000	
Neboi secondary school	150,000.00		150,000.00		150,000	
Moi girls secondary school	150,000.00		150,000.00		150,000	
Barwaqo boys secondary school	150,000.00		150,000.00		150,000	

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Odha primary school	150,000.00		150,000.00		150,000	
Duse primary school	150,000.00		150,000.00		150,000	
Barwaqo primary school	47,354.48		47,354.48		47,354	
Aresa primary school	600,000.00		600,000.00		600,000	
Arabia Primary school	150,000.00		150,000.00		150,000	
			2,747,354.00		2,747,354	
6.1					-	
<b>Total</b>	<b>2,241,777</b>		<b>4,989,131</b>	<b>-</b>	<b>4,989,131</b>	
<b>7.0 Primary Schools Projects</b>						
Aresa Primary School		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Aresa Primary School		250,000.00	250,000.00	250,000.00	-	100
Aresa primary school		650,000.00	650,000.00		650,000	-

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Bula Mpya Primary school		487,500.00	487,500.00		487,500	-
Hareri Primary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Hareri Primary school		211,250.00	211,250.00		211,250	-
Sunnah Intergrated		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Sunnah Intergrated		1,000,000.00	1,000,000.00	1,000,000.00	-	100
Libahiya Pri School		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Libahiya Pri School		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Odha Primary School		1,000,000.00	1,000,000.00	1,000,000.00	-	100
Sarohindi Primary School		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Farey Primary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Farey Primary School		1,000,000.00	1,000,000.00	1,000,000.00	-	100

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Bella Primary school		650,000.00	650,000.00		650,000	-
Township primary school		650,000.00	650,000.00		650,000	-
Dusey Primary school		325,000.00	325,000.00		325,000	-
Khalilo Primary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Arabia Primary school	4,000,000.00		4,000,000.00		4,000,000	-
Arabia girls boarding primary school	250,000.00		250,000.00		250,000	-
Kheiriya intergrated primary school	2,000,000.00		2,000,000.00		2,000,000	-
Duse primary school	4,000,000.00		4,000,000.00	4,000,000.00	-	100
Duse primary school	250,000.00		250,000.00	250,000.00	-	100
Neboi primary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Boystown primary school	2,000,000.00		2,000,000.00	2,000,000.00	-	-

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Daua Intergrated primary school	2,000,000.00		2,000,000.00		2,000,000	
Neboi primary school	2,000,000.00		2,000,000.00	2,000,000.00		100
Duse primary school	2,000,000.00		2,000,000.00		2,000,000	
Sharif Iley primary school	2,000,000.00		2,000,000.00		2,000,000	
Aresa primary school	2,000,000.00		2,000,000.00	2,000,000.00		100
Bulla mpya primary school	2,000,000.00		2,000,000.00	2,000,000.00		100
Khalallio -Aresa primry access road	4,000,000.00		4,000,000.00		4,000,000	
<b>Total</b>	<b>30,500,000</b>	<b>-</b>	<b>52,723,750</b>	<b>31,500,000</b>	<b>21,223,750</b>	<b>60</b>
8.0 Secondary Schools Projects						
Neboi Secondary school			500,000.00		500,000	

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Mandera secondary school		500,000.00	500,000.00		500,000	
Moi girls secondary school		500,000.00	500,000.00		500,000	
Khalilio Girls secondary school		4,000,000.00	4,000,000.00	4,000,000.00	-	100
Khalilio Girls Secondary school		500,000.00	500,000.00		500,000	
Shafshafey Day Boy's secondary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Shafshafey Day Boy's secondary school		250,000.00	250,000.00	250,000.00	-	100
Arabia Boys secondary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Kamor Girls secondary school		2,000,000.00	2,000,000.00	2,000,000.00	-	100
Kamor girls secondary school		250,000.00	250,000.00	250,000.00	-	100
Arabia econdary school	250,000.00		250,000.00		250,000	
Aresa girls secondary school	4,000,000.00		4,000,000.00	4,000,000.00	-	100
Aresa girls secondary school	4,000,000.00		4,000,000.00	4,000,000.00	-	100
Hareri boys secondary school	4,000,000.00		4,000,000.00		4,000,000	
Buruburu girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Shafshafey boys secondary school	3,000,000.00		3,000,000.00		3,000,000	

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Kamor mixed secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Moi girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Mandera secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Buruburu Boys secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Aresa girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Neboi Boys secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Arabia boys secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Arabia girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Kamor mixed secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Buruburu girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Hareri boys secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Barwaqo boys secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Total	41,250,000		53,750,000	44,500,000	9,250,000	83
9.0 Tertiary institutions Projects						
Total						
10.0 Security Projects						
10.2 Libahiya's Chief's office		2,000,000.00	2,000,000.00	2,000,000.00	-	100

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
10.3 Busley chief's office		1,000,000.00	1,000,000.00	1,000,000.00	-	100
10.7 Bula Jamhuriya chief's office		2,000,000.00	2,000,000.00	2,000,000.00	-	100
10.8 Garaba Qoley Chief's camp		1,000,000.00	1,000,000.00	1,000,000.00	-	100
Deputy county commissioner Arabia	2,000,000.00		2,000,000.00	2,000,000.00	-	100
Central Chiefs Office	1,000,000.00		1,000,000.00		1,000,000	-
Gaddudiye chiefs office	2,000,000.00		2,000,000.00		2,000,000	-
Arabia sub county police station	2,000,000.00		2,000,000.00		2,000,000	-
Arabia sub county police station	2,000,000.00		2,000,000.00		2,000,000	-

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Arabia sub county police Line	1,000,000.00		1,000,000.00		1,000,000	-
Arabia sub county police line	1,000,000.00		1,000,000.00		1,000,000	-
Omar Jialow -Arabia road	4,000,000.00		4,000,000.00	4,000,000.00		100
<b>Total</b>	<b>15,000,000</b>	<b>-</b>	<b>21,000,000</b>	<b>12,000,000</b>	<b>9,000,000</b>	<b>57</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-					
11.2 Construction of CDF office	-	2,291,560	2,291,560		2,291,560	-
11.3 Purchase of furniture and equipment	-					
11.4 Purchase of computers	-					
<b>Total</b>	<b>-</b>	<b>2,291,560</b>	<b>2,291,560</b>	<b>-</b>	<b>2,291,560</b>	<b>-</b>

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
12.0 Other payments						
Total	-	-	-	-	-	
13.0 unallocated fund						
Unapproved projects						
AIA						
PMC savings						
Total	137,088,879	5,924,282	212,380,885	164,943,478	47,437,407	78

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

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash 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 various commercial banks at the end of the financial year.

**7. Accounts Receivable**

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

**8. Accounts Payable**

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition

**MANDERA EAST Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**14. Errors**

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

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

**15. Related Party Transactions**

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

*MANDERA EAST Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	Reference No.	2020 - 2021	2019 - 2020
		Kshs	Kshs
AIE	B096974	20,000,000.00	0
AIE	B104637	35,000,000.00	0
AIE	A823673	14,367,724.10	0
AIE	B104931	5,000,000.00	0
AIE	B124602	9,000,000.00	0
AIE	B119557	12,000,000.00	0
AIE	B119946	15,000,000.00	
AIE	B128189	6,900,000.00	
AIE	B129151	8,000,000.00	
AIE	B132244	6,000,000.00	
AIE	B138912	15,000,000.00	
AIE	B126206	6,000,000.00	
AIE	B105001	13,000,000.00	
AIE	B140644	15,000,000.00	
AIE	B047273		2,453,451.00
AIE	B041121		4,000,000.00
AIE	B047735		7,000,000.00
AIE	B047966		9,000,000.00
AIE	B049368		19,000,000.00
AIE	B041316		20,000,000.00
AIE	B1014392		9,000,000.00
<b>TOTAL</b>		<b>180,267,724</b>	<b>70,453,451</b>

**MANDERA EAST Constituency**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**2. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,890,900	3,165,394
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	1,071,360	1,071,360
Employer Contributions Compulsory national social security schemes	146,800	56,400
<b>TOTAL</b>	<b>5,109,060</b>	<b>4,293,154</b>

**3. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	0	2,159,369
Training expenses	3,301,400	0
Hospitality supplies and services	0	0
Other committee expenses	1,591,016	2,394,000
Committee allowance	1,505,708	0
Office and general supplies and services	2,063,000	0
Other operating expenses	1,126,142	0
<b>TOTAL</b>	<b>9,587,265</b>	<b>4,553,369</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	31,500,000	12,749,800
Transfers to Secondary Schools	44,500,000	15,250,000
<b>TOTAL</b>	<b>76,000,000</b>	<b>27,999,800</b>

**MANDERA EAST Constituency**  
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5. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary -Tertiary ( see attached list)	37,133,700	-
Social Security programmes (NHIF)	12,000,000	-
Security Projects ( see attached list)	12,088,112	8,750,000
Sports Projects ( see attached list)	5,715,528	2,747,354
Emergency Projects ( see attached list)	7,309,814	7,100,000
Roads	-	7,000,000
<b>TOTAL</b>	<b>74,247,153</b>	<b>25,597,354</b>

6. ACQUISITION OF ASSETS

Non-Financial Assets	2020 - 2021	2019 - 2020
	Kshs	Kshs
Construction of Buildings	-	4,000,000
<b>TOTAL</b>	<b>-</b>	<b>4,000,000</b>

7: CASH BOOK BANK BALANCE

7: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Name of Bank, Account No. 1000296543528</i>	21,428,529	5,924,283
<b>Total</b>	<b>21,428,529</b>	<b>5,924,283</b>

**MANDERA EAST Constituency**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	5,924,283	1,914,509
<b>Total</b>	<b>5,924,283</b>	<b>1,914,509</b>

**9. OTHER IMPORTANT DISCLOSURES**

**9.1 : UNUTILIZED FUND (See Annex1)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	545,135	702,995
Use of goods and services	1,315,256	3,515,722
Amounts due to other Government entities (see attached list)	33,465,005	37,715,005
Amounts due to other grants and other transfers (see attached list)	9,820,452	31,066,725
Acquisition of assets	2,291,560	2,291,560
<b>Total</b>	<b>47,437,407</b>	<b>72,292,007</b>

**9.2: PMC account balances (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	33,771	30,083
<b>Total</b>	<b>33,771</b>	<b>30,082</b>

**MANDERA EAST Constituency**  
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**ANNEX 1 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21 Kshs	Outstanding Balance 2019/20 Kshs	Comments
Compensation of employees		545,135	702,995	
Use of goods & services		1,315,256	3,515,722	
Amounts due to other Government entities				
Aresa primary school		650,000		
Bula Mpya Primary school		487,500		
Hareri Primary school		211,250		
Bella Primary school		650,000		
Township primary school		650,000		
Dusey Primary school		325,000		
Arabia Primary school		4,000,000		
Arabia girls boarding primary school		250,000		
Kheiriya intergrated primary school		2,000,000		
Boystown primary school		2,000,000		
Daua Intergrated primary school		2,000,000		
Duse primary school		2,000,000		
Sharif Iley primary school		2,000,000		
Khalallio - Aresa primry access road		4,000,000		
Neboi Secondary school		500,000		



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

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	14,249,139	-	-	14,249,139
Transport equipment	6,809,959	-	-	6,809,959
Office equipment, furniture and fittings	1,115,000	-	-	1,115,000
ICT Equipment, Software and Other ICT Assets	173,000	-	-	173,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>22,347,098</b>			<b>22,347,098</b>

**MANDERA EAST Constituency**  
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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

NO.	PMC NAME	ACCOUNT NUMBER	BANK	BALANCE AS AT 30/6/2021 (Kshs)	BALANCE AS AT 30/6/2020 (Kshs)
1	mandera east sports pmc	1000176848348	EQUITY	892	
2	Barwago ward Lab pmc	1000180781076	EQUITY	880	
3	Libehiya ward lab pmc	1000180781206	EQUITY	380	
4	Bulla mpya lab pmc	1000180781238	EQUITY	880	
5	Township ward lab pmc	1000180779762	EQUITY	880	
6	Arabia ward lab pmc	1000180780015	EQUITY	380	
7	Neboi ward lab pmc	1000180779662	EQUITY	380	
8	Farrey Pri Sch	1000266119317	EQUITY	1681	
9	Farrey Pri Sch	1000266119317	EQUITY	1681	
10	Kamor Mixed Sec	1000271800994	EQUITY	40	
11	kamor girls	1000180196490	EQUITY	800	215
12	aresa pri sch	1000264381077	EQUITY	2517	
13	odha pry sch	1000176856737	EQUITY	1360	
14	hareri pry sch	1000264391720	EQUITY	2825	10,933
15	Sarohindi Pri Sch	1000164297367	EQUITY	2716	
16	khalalio pri sch	1000265473562	EQUITY	1500	
17	Arabia boys sec	1000264454661	EQUITY	1899	
18	khalalio girls sec	1000180244116	EQUITY	800	4,305.
19	duse pry pmc	1000264429091	EQUITY	1140	
20	buruburu girls	1000280772843	EQUITY	1000	
21	neboi pry pmc	1000264459748	EQUITY	1500	
22	Aresa girls sec pmc	1000176849607	EQUITY	3100	13,814
23	neboi pry pmc	1000264459748	EQUITY	1500	
24	Arabia DCC office pmc	1000180964782	EQUITY	880	
25	shafshafey chief office	1000180116510	EQUITY	880	
26	Libehiya chief office	1000180169227	EQUITY	1280	
27	Neboi Secondary	1000176849607			815
<b>TOTAL</b>				<b>33,771</b>	<b>30,082</b>

**MANDERA EAST Constituency**  
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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MANDERA EAST/CDF/No.1	Cash & Cash Equivalents - The statement of financial position indicates that stale cheques amounted to Kshs. 452,206. Further bank charges amounting to Kshs. Kshs. 361,715 were not recorded in the cashbook	Stale cheques has been received back in the cashbook and the bank charges have been posted to the cashbook	Resolved	Resolved
MANDERA EAST/CDF/No.2	Unsupported transfer to primary school- PMC bank statements for projects amounting to Kshs. 8,646,368 were not availed for audit. Further, tender documents were not signed and payments done before issuance of certificate of completion	The PMC bank statements have been availed for audit purposes and certificate of completion have been obtained. All tender documents are now fully signed.	Resolved	Resolved
MANDERA EAST/CDF/No.3	Unsupported expenditure –Sports- There was no evidence to support that sports equipment amounting to Kshs. Kshs.2,747,354 were taken on charge	The documentation to show that the stores were taken on charge has been availed.	Resolved	Resolved
MANDERA EAST/CDF/No.4	Incomplete Asset register	The asset register has been duly updated	Resolved	Resolved