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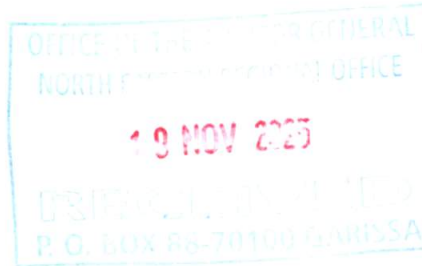
ON

COUNTY ASSEMBLY OF MANDERA

**FOR THE YEAR ENDED
30 JUNE, 2025**

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COUNTY ASSEMBLY OF MANDERA

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements /Prepared in accordance with the Accrual Basis of Accounting
Method Under International Public Sector Accounting Standards (IPSAS)

County Assembly of Mandera
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

B. Definition of Key Terms

Example

Fiduciary Management *The key management personnel who had financial responsibility*

(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

The County Assembly of Mandera is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 50 Members of County Assembly (MCAs) elected/nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

(b) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Omar Maalim Mohamed
2.	Clerk of the County Assembly	Mr. Ahmed Hassan Surow
3.	Head of Departments – Finance	Mr. Mohamed Hussein Kahia
4.	Head of Departments - Clerks	Mr. Hassan Abdullahi Abdikadir

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr. Ahmed Hassan Surow
2.	Chief Finance Officer	-
3.	Finance Director	Mr. Mohamed Hussein Kahia
4.	Principal Accountant	-

a) Fiduciary Oversight Arrangements

During the financial year 2024-2025, Mandera County Assembly upheld its fiduciary responsibilities to ensure transparency, accountability, and prudent use of public resources. The key oversight arrangements are:

- Audit and finance committee activities – They play a critical role in reviewing financial reports, budget implementation, and internal controls. The committee also review the auditor general’s reports and following up on implementation of audit recommendations. The committee further Provides advisory support to the Assembly’s accounting officer and Mandera County Assembly Service Board on financial discipline and guidelines.
- Parliamentary committee activities - The Mandera County Assembly’s Public Accounts Committee (PAC) and Budget and Appropriations Committee (BAC) conducted rigorous oversight on the use of funds.
- County Assembly - Through plenary debates and resolutions, the Assembly ensured broad-based oversight by approving the annual budget estimates and reviewing supplementary appropriations and Oversighting the County Executive’s fiscal policies and strategic priorities.
- Development partner oversight activities. Where development partners were involved in funding County programs, Joint monitoring missions between the County Assembly and Executive were undertaken to evaluate the financial and operational performance of donor-funded projects.

b) County Assembly Headquarters

P.O. Box 408 - 70300

Mandera County Assembly

MANDERA, KENYA

c) County Assembly Contacts

Telephone: (254) 01177941195

E-mail: manderaassembly.go.ke

Website: www.manderaassembly.go.ke

d) County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200

NAIROBI, KENYA

2. Other Commercial Banks

Kenya Commercial Bank
P.O. Box 275 – 70300
Mandera Branch
Mandera, Kenya.

Equity Bank Kenya Limited
P.O Box
Mandera Branch
Mandera, Kenya

e) Independent Auditor

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

f) Principal Legal Adviser

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

3. Governance Statement

a. Background and roles

The County Assembly of Mandera is constituted by the MCAs of Mandera county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012, and they include:

- i. Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- ii. Perform the roles set out under Article 185 of the Constitution.
- iii. Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- iv. Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- v. Approve county development planning; and
- vi. Perform any other role as may be set out under the Constitution or legislation.

b. Sectoral Committees

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Sectorial committees:

- i. Lands & urban Development
- ii. Trade and Co-operative Development
- iii. Finance and Economic Planning
- iv. Health Services
- v. Water, Energy, Environment and Climate Change
- vi. Public Service, Devolved Units, Administration and Community Cohesion
- vii. Agriculture, Livestock and Fisheries
- viii. Social and Development Committee
- ix. Roads public works and Transport
- x. Education and Human Capital Development

c. Select Committees

Select committees are generally responsible for overseeing the work of county departments and agencies. These committee are:

- i. Committee of Powers and Privileges
- ii. County Public Accounts/Investment Committee
- iii. County Budget and Appropriations Committee
- iv. Committee on Appointments
- v. Procedure & Rules Committee
- vi. Committee on Selection
- vii. Committee on Delegated County Legislation
- viii. Committee on Implementation
- ix. County Assembly Peace and Security
- x. County Assembly Business Committee
- xi. Liaison Committee
- xii. Justice and Legal Affairs

Below is the County Assembly of Mandera Select and Sectoral committee Members;

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held no meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Omar Mohamed	Hon. Speaker	Speaker
Hon. Adan Nura Ibrein	Member	Takaba South
Hon. Adan Ali Hussein	Member	Morothile
Hon. Abdihakim Ali Hassan	Member	sala
Hon. Bishar Sheikh Muktar	Member	Wargadud
Hon. Issack Dahir Abdi	Member	Banisa
Hon. Issack Derow Ibrahim	Member	Elwak South
Hon. Amran Adan Abdirahman	Member	Nominated
Hon. Maryam Issak Hussein	Member	Nominated
Hon. Nur Hussein Adan	Member	Nominated
Hon. Abdikarim Daud Abdi	Member	Malkamari
Hon. Eliyas Jimalle Abdille	Member	Rhamu-Dimtu

b) County Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 29 sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Abdullahi S. Ibrahim	Chairperson	Waranqara
Hon. Samia Abdi Hassan	Vice-Chairperson	Nominated
Hon. Abdullahi M. Hassan	Member	Guba
Hon. Adan Mohamed Ali	Member	Neboi
Hon. Abdiwelly Haji Bukura	Member	Nominated
Hon. Mohamed Y. Mohamud	Member	Khalalio
Hon. Zeituna Abdi Hassan	Member	Nominated

c) County Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The committee held 39 meetings in FY 2025. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Adan Maalim Mohamed	Chairperson	Elwak North
Hon. Abdikarim Daud Abdi	Vice Chair	Malkamari
Hon. Ibrahim Ali Wariyo	Member	Dandu
Hon. Ibrahim Alio Maalim	Member	Shimbirfatuma
Hon. Adan Nura Ibrein	Member	Takaba South
Hon. Hassan Hussein Adan	Member	Rhamu
Hon. Mohamed A. Mohamed	Member	Libihia
Hon. Elyas Jimalle Abdille	Member	Rhamu dimtu
Hon. Yussuf Sheikh Adan	Member	Kiliwehiri
Hon. Amran A. Abdirahman	Member	Nominated
Hon. Fardosa M. Hassan	Member	Nominated
Hon. Maryan Khalif Adan	Member	Nominated
Hon. Nasteha Abdi Ibrahim	Member	Nominated

d) Finance and Economic Planning Committee

The Finance and economic planning committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The committee held 23 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Ismail Sheikh Hussein	Chairperson	Ashabito
Hon. Zeituna Omar Osman	V/Chairperson	Nominated
Hon. Muntaza Ahmed Haji	Member	Nominated
Hon. Mohamed Rashid Golo	Member	Kutulo
Hon. Halima Khalif Sheikh	Member	Nominated
Hon. Abdullahi Shukri Ibrahim	Member	Wjarankara
Hon. Abdimalik M. Ibrahim	Member	Fino
Hon. Yussuf S. Adan	Member	Kiliwehiri
Hon. Suban Ahmed Ibrahim	Member	Nominated

e) Land and Urban Development Committee

The Land and Urban Development committee function is Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve the committee held **28** meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Adan Mohamed Ali	Chairperson	Neboi
Hon. Nur Hussein Adan	Vice Chairperson	Nominated
Hon. Issack Dahir Abdi	Member	Banisa
Hon. Ibrahim Ali Wariyow	Member	Dandu
Hon. Adan Maalim Mohamed	Member	Elwak South
Hon. Feisal Abdinoor	Member	Township
Hon. Abdullahi Maalim Hassan	Member	Guba
Hon. Mohamed Yussuf Mohamud	Member	Khalalio
Hon. Mumtaza Haji Ahmed	Member	Nominated

f) Agriculture, Livestock and Fisheries Committee

The Agriculture, Livestock and Fisheries Committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The Committee held **29** sittings during the FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Mohamed Ibrahim Yussuf	Chairperson	Rhamu Dimtu
Hon. Maryam Issack Hussein	Vice - Chairperson	Nominated
Hon. Maryan Khalif Adan	Member	Nominated
Hon. Mohamed Ibrahim Edin	Member	Derkale
Hon. Abdikarim Daud Abdi	Member	Malkamari
Hon. Abdiwelly Bukura	Member	Nominated
Hon. Hussein Alio Maalim	Member	Lagsure
Hon. Mohamed Abdikarim Mohamed	Member	Libehiya
Hon. Khali Mohamed Salad	Member	Nominated

g) Education and Human Capital Development Committee

The Education and Human Capital Development Committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve the committee held **31** meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Mohamed Rashid Golo	Chairperson	Kutululo
Hon. Mohamed Yusuf Mohamed	Vice-Chairperon	Khalalio
Hon. Mahdi Hajji Rashid	Member	Takaba
Hon. Bishar Sheikh Muktar	Member	Wargadud
Hon. Samia Hassan Abdi	Member	Nominated
Hon. Adan Hussein Rahoy	Member	Lafey
Hon. Ismail Sheikh Hussein	Member	Ashabito
Hon. Khadra Abdullahi Mohamed	Member	Nominated
Hon. Zeituna Omar Osman	Member	Nominated

h) Water, Energy, Environment and Climate Change Committee

The Water, Energy, Environment and Climate Change function is Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The committee had **18** sittings during the FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Mahdi Haji Rashid	Chairman	Takaba ward
Hon. Hassan Hussein	Vice chairman	Rhamu ward
Hon. Mahat Hassan	Member	Alungu ward
Hon. Elias Jimale	Member	Rhamu Dimtu ward
Hon. Quresha Gedi Samatar	Member	Nominated
Hon. Shukri Abdirahman	Member	Nominated
Hon. Zeituna Abdi	Member	Nominated
Hon. Abdihakim Ali	Member	Sala ward
Hon. Hussein Alio	Member	Lagsure ward

i) Health Service Committee

The health service committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The committee held **27** meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Mahat Ibrahim Hassan	Chairperson	Alungu
Hon. Elyas Jimalle Abdille	v/Chair	Rhamu Dimtu
Hon. Bishar sheikh Muktar	Member	Wargadud
Hon. Adan Mohamed Ali	Member	Neboi
Hon. Daud sheikh Ali	Member	Arabia
Hon. Ibrahim Alio Maalim	Member	Shimbirfatuma
Hon. Halima Khalif Sheikh	Member	Nominated
Hon. Bishar Hussein Farah	Member	Nominated
Hon. Khadra Abdullahi Mohamed	Member	Nominated

j) Trade and Cooperative Committee

The Trade and cooperative committee function are to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve the committee held **20** meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Adan Hussein Rahoy	Chairperson	Lafey
Hon. Zeitun Abdi Hassan	V/Chairperson	Nominated
Hon. Adan Ali Hussein	Member	Morothile
Hon. Abdullahi Maalim Hassan	Member	Guba
Hon. Abdiwelly Bukura	Member	Nominated
Hon. Fardowsa Mohamed Hassan	Member	Nominated
Hon. Nur Hussein Adan	Member	Nominated
Hon. Nasteha Abdi Ibrahim	Member	Nominated
Hon. Shukri Abdirehman	Member	Nominated

k) Social Development Committee

The Social Development committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The committee held **32** sittings in the FY 2024/2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Ibrahim Alio Maalim	Chairperson	Shimbir Fatuma
Hon. Maryam Khalif Adan	V/Chairperson	Nominated
Hon. Mohamed Ibrahim Edin	Member	Derkale
Hon. Ahmed Rashid Ahmed	Member	Gither
Hon. Qureisha Gedi Samatar	Member	Nominated
Hon. Amran Adan Abdirahman	Member	Nominated
Hon. Zeinab Mude Hussein	Member	Nominated
Hon. Hassan Hussein Adan	Member	Rhamu
Hon. Bishar H. Farah	Member	Nominated

l) Roads, Public works and Transport Committee

The Roads, Public works and Transport function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve. The committee held **27** meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Feisal Abdinoor Issak	Chairperson	Township
Hon. Issack Derow Ibrahim	V/Chairperson	Elwak South
Hon. Mohamed Ibrahim Yussuf	Member	Guticha
Hon. Abdullahi Shukri Ibrahim	Member	Waranqara
Hon. Khali Mohamed Salad	Member	Nominated
Hon. Nasteha Abdi Ibrahim	Member	Nominated
Hon. Maryam Issak Hussein	Member	Nominated
Hon. Ahmed Rashid Mohamed	Member	Gither
Hon. Adan Nura Ibren	Member	Takaba South

m) Public Service, Devolved Units, Administration and Community Cohesion Committee

The public services committee function is to Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments and also vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, the Committee held 25 sittings. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Issack Dahir Abdi	Chairperson	Banisa
Hon. Yussuf Sheikh Adan	Vice-Chairperson	Kiliweheri
Hon. Suban Ahmed Abdinoor	Member	Nominated
Hon. Zeinab Mude Hussein	Member	Nominated
Hon. Abdimalik Mohamed Ibrahim	Member	Fino
Hon. Mohamed Abdikarim Mohamed	Member	Libahiya
Hon. Sahara Adan Mohamed	Member	Nominated
Hon. Issack Derow Ibrahim	Member	Elwak South
Hon. Samia Hassan Abdi	Member	Nominated

n) Justice and Legal Affairs Committee

The Justice and legal affairs committee function is to consider all matters related to human rights and Civic education and Study and review all county legislation referred to it;

The committee held 10 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Hussein Alio Maalim	Chairperson	Lagsure
Hon. Mumtaza Ahmed	Vice chairperson	Nominated
Hon. Adan Maalim Mohamed	Member	Elwak North
Hon. Mahdi Haji Rashid	Member	Takaba
Hon. Mahad Ibrahim Hassan	Member	Alungu
Hon. Shukri Abdirehman Abdi	Member	Nominated
Hon. Khadra Abdullahi	Member	Nominated

o) Committee on implementation

The committee on implementation scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine and whether or not such decisions and undertakings have been implemented within the minimum time. The committee held 22 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
1.Hon.Ibrahim Ali Wariyo	Chairperson	Dandu
2.Hon.Quresha Gedi Samatar	Vice- chairperson	Nominated
3.Hon.Zeituna Omar Osman	Member	Nominated
4.Hon.Fardowsa Mohamed Hassan	Member	Nominated
5.Hon.Abdi Malik Mohamed	Member	Fino

p) Peace and Security Committee

The peace and security committee engage in peace building and reconciliation initiatives within the County. The committee held 20 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon Ahmed Rashid	Chairperson	Takaba South
Hon Bishar Hussein Farah	Vice-Chairperson	Nominated
Hon Ismail Sheikh Hussein	Member	Ashabito
Hon Sahara Adan Mohamed	Member	Nominated
Hon Mohamed Ibrahim Edin	Member	Derkale
Hon Abdihakim Ali Hassan	Member	Sala
Hon Feisal Abdinoor	Member	Township
Hon Khali Salad Mohamed	Member	Nominated
Hon Daud Sheikh Ali	Member	Arabia

q) Committee on Delegated County Legislation

The Committee on Delegated County Legislation shall consider in respect of any statutory instrument. The committee held 21 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Sahara Adan Mohamed	Chairperson	Nominated
Hon Halima Khalif	Vice- Chairperson	Nominated
Hon Suban Ahmed	Member	Nominated
Hon Abdikarim Daud Abdi	Member	Malkamari
Hon Yussuf Sheikh Adan	Member	Kiliwehiri
Hon Mohamed Abdikarim Mohamed	Member	Libahiya
Hon. Daud Sheikh Ali	Member	Arabia
Hon Mohamed Rashid Golo	Member	Kutulo
Hon Mohamed Ibrahim Yussuf	Member	Guticha

r) Committee on Selection

The committee on selection nominate members to serve in Committees. The committee held 5 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon. Adan Nura Ibrein	Chairperson	Takaba South
Hon. Abdihakim Ali Hassan	Member	Sala
Hon. Adan Maalim Mohamed	Member	Elwak- North
Hon.Zeinab Mude Hussein	Member	Nominated
Hon. Ibrahim Ali Wariyo	Member	Dandu
Hon. Fardowsa Mohamed Hassan	Member	Nominated
Hon. Ibrahim Alio Maalim	Member	Shimbir-Fatuma
Hon. Issack Dahir Abdi	Member	Banisa
Hon. Feisal Abdinoor Issack	Member	Township
Hon. Yussuf Sheikh Adan	Member	Kiliweheri
Hon. Bishar Sheikh Muktar	Member	Wargadud
Hon. Mohamed Ibrahim Yussuf	Member	Guticha
Hon. Samia Hassan Abdi	Member	Nominated
Hon. Khadra Abdullahi Mohamed	Member	Nominated
Hon. Maryan Khalif Adan	Member	Nominated
Hon. Mohamed Abdikarim Mohamed	Member	Libehia

Hon. Abdullahi Shukri Ibrahim	Member	Waranqara
Hon. Abdikarim Daud Abdi	Member	Malkamari

s) Committee on Appointments

The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Articles 179 (2) (Members of County Executive Committees), County secretary and County Public Service Chairperson, Secretary and Board Members. The committee held 9 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon.Omar Mohamed Maalim	Chairperson	Hon. Speaker
Hon. Adan Nura Ibrein	Member	Takaba South
Hon.Abdihakim Ali Hassan	Member	Sala
Hon. Ibrahim Ali wariyo	Member	Dandu
Hon. Ismail Sheikh Hussein	Member	Ashabito
Hon.Shukri Abdireheman	Member	Nominated

t) County Assembly Procedures and rules Committee

The procedures and rules committee consider and report on all matters relating to these Standing Orders. The committee held 0 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation	Ward
Hon.Omar Mohamed Maalim	Hon. Speaker-Chairperson	Hon. Speaker
Hon. Mohamed Ibrahim Edin	V/Chairperson	Derkale
Hon. Nasteha Abdi Ibrahim	Member	Nominated
Hon. Adan Hussein Rahoy	Member	Lafey
Hon. Zeinab Mude Hussein	Member	Nominated

u) County Assembly Business Committee

The committee Monitor and oversee the implementation of the County Assembly Business and programmes. The committee held 20 meetings in FY 2025. The committee members during FY 2025 were:

S/No	Member	Designation	Ward
1.	Hon.Omar Mohamed Maalim	Speaker, Chairperson	N/A
2.	Hon.Adan Nura Ibrein	Member	Takaba South
3.	Hon. Hon.Abdihakim Ali Hassan	Member	Sala
4.	Hon.Adan Ali Hussein	Member	Morothile
5.	Hon. Bishar Sheikh Mukhtar	Member	Wargadud
6.	Hon. Mohamed Rashid Golo	Member	Kutulo
7.	Hon. Hussein Alio Maalim	Member	Lagsure
8.	Hon. Issack Derow Ibrahim	Member	Elwak South
9.	Hon. Amran Adan Abdirahman	Member	Nominated
10.	Hon. Zeituna Abdi Hassan	Member	Nominated
11.	Hon. Khali Mohamed Salad	Member	Nominated
12.	Hon. Maryan Isaack Hussein	Member	Nominated
13.	Hon. Ismail Sheikh Hussein	Member	Ashabito
14.	Hon. Quresha Gedi Samatar	Member	Nominated
15.	Hon. Mohamed Yussuf Mohamud	Member	Khalalio
16.	Hon. Mahat Ibrahim Hassan	Member	Alungu
17.	Hon. Nasteha Abdi Ibrahim	Member	Nominated
18.	Hon. Elyas Jimalle Abdille	Member	Rhamu-Dimtu
19.	Hon. Daud Sheikh Ali	Member	Arabia
20.	Hon. Fardowsa Mohamed Hassan	Member	Nominated
21.	Hon. Sahara Adan Mohamed	Member	Nominated
22.	Hon. Adan Hussein Rahoy	Member	Lafey
23.	Hon. Ahmed Rashid Mohamed	Member	Gather

In addition to the above committees of the County Assembly, the County Assembly of Mandera has an independent Audit Committee which was constituted in 2019 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

v) Audit Committee

The audit committee was constituted in 2019. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held 6 meetings in FY 2025. The committee members during FY 2025 were:

Member	Designation
Hassan Ahmed Mohamed	Chair Person
Abdirahman Alio Kala	Member
Abdiaziz Serad Sheikh	Member

d. Communication with all Stakeholders

The County Assembly of Mandera is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance through County Assembly website and Assembly Facebook page. The members of public are also given an opportunity through public notice with regard to vetting on public appointments or other general information that require public inputs. Members of public submits any Information /memorandum on bill and other statutory documents in accordance to public participation principles as envisaged in Article 196 of CoK,2010. The County Assembly of Mandera has severally invited state and non-state actors for consultative engagements on budget making process and other statutory document for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County’s service delivery charter. The County Assembly of Mandera also subjected seven bills through public participation and enacted into law. The acts are:

	Name of the Bill	Committee
1	The Mandera County Community Health Services acts, 2023	Health Services committee
2	The Mandera County Health Services Improvement Financing acts, 2023	Health Services committee
3	The Mandera County Supplementary Appropriation acts, 2024.	County Budget and appropriations committee
4	The Mandera County Appropriation acts, 2024	County Budget and appropriations committee
5	The Mandera County Education Bursary (Amendment) Act, 2024	Education Committee
6	The Mandera County Health Services Improvement Financing (Amendment)Act,2024	Health Services committee
7	Mandera County Supplementary appropriation Act,2025	County Budget and appropriations committee

e. Risk management

Risk management and internal control are critical components for any governmental body, including the County assembly of Mandera to ensure transparency, accountability, and efficiency. This includes risk assessment, Mitigation strategies, monitoring and internal audit functions.

The County Assembly of Mandera has in place risk management policies like Disaster risk recovery plan, ICT policies, Finance and Accounting manual procedures and internal control policies. These management policies can help the County Assembly of Mandera manage risks effectively and maintain strong internal controls, contributing to the overall efficiency and effectiveness of its operations.

f. Compliance

The County Assembly of Mandera meets its compliance obligations effectively and maintains a transparent and accountable governance structure. This compliance includes Financial, Human resource, Ethical and conduct, Environmental and Health and Legislative compliances.

This Compliance with laws and regulations is crucial for the County Assembly of Mandera to ensure its operations are lawful, transparent, and accountable.

4. Foreword by the Clerk of the County Assembly

It is with great honour and responsibility that I present the Financial Statement Reports of the County Assembly of Mandera for the financial year ended 30 June 2025. This report is prepared in accordance with the Public Finance Management (PFM) Act, 2012, and the International Public Sector Accounting Standards (IPSAS). These statements provide a transparent account of how public funds have been allocated, utilized, and managed by the County Assembly of Mandera in executing its mandate.

The core mandate of the County Assembly of Mandera is legislation, Representation and Oversight over the county executive of Mandera. To effectively carry out this mandate, the Assembly must ensure that its financial and operational performance is aligned with principles of accountability, efficiency, and value for money. Our financial operations are structured to ensure that public resources are managed prudently and directed toward programs that promote good governance, equitable development, and improved service delivery.

During the financial year 2024-2025, the County Assembly of Mandera had an approved budget of **KES 956,332,517**, out of which **KES 932,664,158** was utilized, representing a **98% absorption rate**. This performance demonstrates our improved efficiency in budget execution and our focus on ensuring that funds are directed toward high-impact programs and operations. the Assembly operated within the allocated budget and achieved commendable performance in its core functions.

During the year under review, the County Assembly of Mandera successfully debated and passed key legislation and policies aimed at strengthening Ccounty governance, improving access to services, and fostering inclusive development. A total of seven bills were passed and enacted into laws. Oversight committees intensified scrutiny of county projects, and a number of public participation forums were conducted across the sub-counties to ensure community voices informed legislative priorities.

During the year under review, the County Assembly of Mandera recorded improved development budget absorption, with significant resources directed towards Construction of additional works Phase 11 and other infrastructure and civil works in Ccounty Assembly H/Q Building to enhancing legislative space and committee operations.

In terms of value-for-money achievement, the Assembly has remained committed to achieving value for money in all its operations and development initiatives. Through competitive procurement, project

cost control, staff capacity development, and internal audits, the Assembly ensured that resources were directed toward high-impact programmes.

During the financial year 2024-2025, despite the notable achievements, the County Assembly of Mandera encountered a number of challenges:

- Delays in disbursement of funds from the exchequer, which affected timely implementation of development projects.
- Unreliable internet connectivity to access IFMIS and Internet Banking
- Occasionally achieving quorum in the Plenary and Committees is an issue thereby slowing legislative and oversight business of the County Assembly.

It's my humble request to recommend the above challenges through strengthening engagement with the National Treasury to enhance predictability of cash flows to County Government and County Assemblies, improved internet connectivity through reliable networks and improvement on attainment of quorum by the Hon. Members.

I extend my heartfelt appreciation to the members of the County Assembly, the members of the board of management and other staff who have contributed to the budget planning and execution process. Their expertise, dedication, and collaborative spirit have been instrumental in achieving our financial objectives and upholding the principles of good governance. I also acknowledge the support from the Office of the Controller of Budget, the Office of the Auditor General, and the Mandera County Treasury in ensuring that the County Assembly of Mandera remains financially sound and institutionally accountable.

As we move forward, the County Assembly of Mandera remains committed to sustaining institutional growth, strengthening oversight frameworks, and ensuring that every budget spent contributes meaningfully to the wellbeing of the people of Mandera County.

Signed on 20th August 2025.



.....
Name: Ahmed Hassan Surow

Clerk of the County Assembly

5. Statement of Performance against Predetermined Objectives

Strategic development objectives

The key mandate of the County Assembly of Mandera is legislation, oversight, and representation. To achieve this, the Assembly’s program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2025.

(NB: entities may use a presentation format more relevant to their operations or use the table below)

Program 1	Strategic Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/ Overperformance)
Legislation, oversight and representation	Seven Bills passed into Acts of the County Assembly	Improved service delivery to citizens	No of bills passed in the County Assembly	In FY 2025 seven number of bills were passed	
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	90% Increase in efficient Assembly operation	54 standing orders were reviewed and resulted to service delivery	

6. Environmental and Sustainability Reporting

The County Assembly of Mandera exists to transform lives and the primary mandate is to legislate, provide oversight, and represent the interests of its citizens. It is what guides us to deliver our strategy, which is founded on Sustainable strategy, environmental performance, employee welfare, marketplace practices and community engagement pillars; putting the citizen first, delivering relevant services and improving operational excellence. Below is a brief highlight of our achievement in each pillar.

a) Sustainability strategy and profile –

The County Assembly of Mandera have made various sustainable efforts that focus on service delivery to the citizen. The strategic area of focus for service delivery includes but not limited to:

- County's Legislative Agender
- Oversight Through Committees
- Staff Management and development
- Physical infrastructure development
- Financial Resource Management
- Application of ICT's
- Strategic Partnerships to service delivery (including development partners)

b) Environmental performance

The County Assembly of Mandera works towards the Health and Safety measures that aims at prevention and protection of officers against accidents and occupational hazards arising at workplace as well as reduce the environmental impact of the institution activities and products.

The Assembly have put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events.

The Clerk of the County Assembly has put in place measures to ensure that the fire protection facilities are provided in the buildings under the assembly control and are adequate and maintained as advised by Fire Officers and Occupational Safety and Health Officers. The management is responsible for enforcing all necessary fire precaution measures as directed by both the County Department responsible for Public Works and the Directorate responsible for Labour.

c) Employee welfare

The County Assembly of Mandera commits to ensure employee welfare is taken into consideration to ensure maximum efficiency and effectiveness. Amongst the welfare opportunities present to County Assembly of Mandera Members and Staff includes: Prompt payment of Salaries, Annual incremental of Salaries, advance of salary, subsistence & foreign allowance, acting allowance and leave allowance.

The Assembly also provides Medical Cover to the Members and Staffs as per SRC advice. The medical covers entail inpatient, outpatient, dental, Optical Maternity as well as last expense.

In addition, the Assembly takes into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit (WIBA).

The Members and staff of County Assembly of Mandera enjoy other benefit like leave allowances, including Annual Leave, Maternity & Paternity Leave, Unpaid Leave, Compassionate Leave, Sick/Convalescent Leave, Terminal and Study leave.

The Members and staff also enjoy various workshops and training programme intended to improve the employee performance and shortcomings. The Supervisor addresses this through training, mentorship and coaching.

d) Market place practices-

Various rules and regulations, Acts and other government directions to run its day-to-day activities guide the County Assembly of Mandera.

The procurement department of Assembly does market place practices on behalf of the institution following the Public Procurement and Asset Disposal and PFM Acts to guide them.

All procurement related issues are published through supplier portals to give fair competitions to suppliers.

e) Community Engagements

The County Assembly of Mandera engaged the general public through public participations in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted. The institution also organises local sports events to promote physical fitness and community spirit.

7. Management Discussion and Analysis

The Mandera County Assembly remains committed to its constitutional mandate of representation, legislation, and oversight, with a focus on enhancing governance, accountability, and service delivery to the people of Mandera County. Over the last five years, the Assembly has navigated both opportunities and challenges arising from economic conditions, policy reforms, and county-specific development priorities. This Management Discussion and Analysis presents an overview of the County Assembly of Mandera's operational and financial performance, key projects, compliance with statutory requirements, risk management, and forward-looking plans.

Key Programs, Projects, and Investment Decisions

During the review period, the County Assembly prioritized initiatives aligned with the Assembly's and annual budgets. Key highlights include:

Legislative Achievements:

Enactment of 7 County Laws in 2024/25 addressing governance, revenue administration, and sector-specific regulations such as Health and Education management. Approval of supplementary budgets and policy frameworks to enhance service delivery efficiency.

Financial Performance Overview (Last 3–5 Years)

Over the last five years, the Assembly's budgetary allocation has been as per the CARA allocation.

The 2024/25 Budget Execution:

Approved Budget: KES 956,332,517

Actual Expenditure: KES 932,664,158 (98% absorption rate)

Compliance with Statutory Requirements

The County Assembly of Mandera complied with key statutory requirements, including:

Submission of financial reports to the Controller of Budget and Office of the Auditor-General within statutory timelines.

Adherence to the Public Finance Management Act (PFMA), the County Governments Act, and other relevant legislation.

Timely remittance of statutory deductions (PAYE, pension contributions, NHIF, NSSF, SHIF & HOUSING LEVY) with no significant arrears reported as of 30 June 2025.

Major Risks Facing the Organisation

Political Transition Risks: Election cycles can affect legislative priorities and operational continuity.

Cybersecurity Threats: Increased digital operations heighten exposure to data breaches and IT system vulnerabilities.

Mitigation measures include strengthening internal controls, and investing in ICT security.

Material Arrears in Statutory and Other Obligations

As of the close of FY 2024/25, the Assembly had no significant arrears in statutory or contractual obligations. Minor pending bills amounting to KES 6,073,972 were related to works certified but unpaid by year-end.

Review of the Economy and Sector

Mandera County faced challenges from drought and cross-border security concerns, which influenced development priorities and resource allocation.

Future Outlook

Looking ahead, the County Assembly of Mandera will prioritize:
Enacting laws that enhance revenue mobilization and service delivery efficiency.
Enhancing public participation in law-making and budget processes.

The County Assembly of Mandera remains committed to prudent financial management, ensuring value for money, and safeguarding public trust in legislative governance.

8. Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly of Mandera is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended 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 County Assembly.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the County Assembly.
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the Assembly's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly financial statements give a true and fair view of the state of the County Assembly's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

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

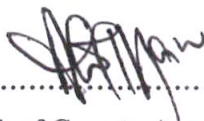
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Clerk confirms that the County Assembly'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.

County Assembly of Mandera
Annual Report and Financial Statements for the year ended June 30, 2025.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk for finance on 20th August 2025.



.....
Clerk of County Assembly

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

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

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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of the County Assembly of Mandera set out on pages 1 to 40, 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 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of the County Assembly of Mandera as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Government Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS)". This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Unsupported Domestic Travel and Subsistence Allowances

The statement of financial performance reflects an expenditure of Kshs.337,761,464 in respect of use of goods and services as disclosed in Note 8 to the financial statements. Included in the expenditure is domestic travel and subsistence amount of Kshs.84,637,763. However, payments amounting to Kshs.2,088,800 were not supported by way of invitation letters, letters nominating staff to participate in official activities outside Mandera County Headquarters, copies of certificates of training, evidence of participation and the signed expenditure schedules with participant details.

In the circumstances, the accuracy, and validity of the domestic travel and subsistence amount of Kshs.2,088,800 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly 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 qualified opinion.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the prior years' audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the County Assembly in 2024/2025 revealed that the following thirteen (13) issues remained unresolved as at 30 June, 2025:

No.	Audit Issue
1	Unsupported Domestic Travel and Subsistence Allowances
2	Unconfirmed Cash and Cash Equivalents Balances for: - 1. Equity Bank Retention Account 2. Kenya Commercial Bank (KCB) Account 3. Central Bank of Kenya (CBK) Recurrent Account
3	Un- procedural Voiding of Payments
4	Budgetary Control and Performance
5	Unresolved Prior Year Matters
6	Irregular Expenditure on Subscriptions
7	Delayed Exchequer Releases
8	Non-Compliance with Ward Partisan Staffing Levels
9	Non-Compliance with Provisions for Regional Balance and Affirmative Action on Gender and Disabilities.
10	Non-adherence to Fiscal Responsibility Principle on Disbursements to County Assembly.
11	Failure to Deliberate on the Audit Reports and Implement Senate Resolutions.
12	Non provision of Project Implementation Status Records for: – 1. Proposed works at County Assembly in Mandera Town. 2. Proposed Speakers Residence in Mandera Town
13	Failure to Establish Audit Committee

Other Information

The Management is responsible for the Other Information set out on page iv to xxx which comprise of Key Entity Information and Management, Governance Statement, Foreword by the Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis, and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on County Assembly'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 and 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. Irregular Payment of Subscriptions

Review of the Assembly records revealed that amounts of Kshs.5,500,000 and Kshs.750,000 were paid to the County Assembly Forum (CAF) and Society of Clerks the Table in Kenya (SOCATT(K) respectively as subscription fees. However, the payments lacked legal backing or supporting policy guidelines.

In the circumstances, the legality and value for money from the payment of subscription of Kshs.6,250,000 could not be confirmed.

2. Non-Compliance with Fiscal Responsibility Principles on Wage Bill

The statement of financial performance and Note 7 to the financial statements reflects the gross wage bill of Kshs.455,691,457 against the total revenue of Kshs.932,664,153 and representing 49% of the revenue. This exceeded the 35% limit set by the Public Finance Management (County Governments) Regulations, 25 (1) (b), 2015 which states that the County Government's expenditure on wages and benefits for its public officers shall not exceed 35% of the County Government's total revenue.

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

3. Unoccupied Speaker's Residence

Note 10 to the financial statements discloses buildings balance of Kshs.120,901,863 which includes capital expenditure on the construction of servant quarters and other amenities at the speaker's residence of Kshs.19,949,730. Physical inspection conducted in the month of October, 2025 revealed that the speaker's residence was

complete but remained unoccupied. Management did not provide explanations for failure to occupy the residents.

In the circumstances, the value for money on the expenditure of Kshs.19,949,730 on the speaker's residence has not been realized.

4. Non-Compliance with the Law on Gender Balance in Employment

Review of the payroll data revealed that the County Assembly had a total of ninety-seven (97) staff members, twenty-six (26) were female accounting for 27% of the staff composition. This was lower than the set threshold of at least one third for each gender as set out under Paragraph B22 of Human Resource policies and procedure Manual for the Public Service which provides that the Government will endeavor to have a gender balance civil service by ensuring that not more than two thirds of positions in its establishment are filled by either gender.

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

5. Non-Compliance with the Law on Staff Ethnic Diversity

Review of records revealed that of the total of ninety-seven (97) staff members 53% of the employees were from the dominant community in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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 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 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 Assembly'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 County Assembly'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

02 December, 2025

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

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	932,664,158
Total		932,664,158
Total revenue		932,664,158
Expenses		
Employee costs	7	455,691,457
Use of goods and services	8	337,761,464
Total expenses		793,452,921
Surplus/Deficit for the year		139,211,237
Net Surplus/Deficit		139,211,237

The Financial Statements set out on pages i to 45 were signed by:

.....


Name: Ahmed H. Surow
Clerk of The County Assembly


.....


Name: Mohamed H. Kahia
Principal Finance Officer –
County Assembly
ICPAK M/No. 20956

11. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	21,174,555	18,413,341
Total Current Assets		21,174,555	18,413,341
Non-Current Assets			
Property, Plant and Equipment	10	145,247,606	-
Total Non- Current Assets		145,247,606	-
Total Assets (A)		166,422,161	18,413,341
Liabilities			
Current Liabilities			
Trade and Other Payables	11	6,073,972	4,538,872
Refundable Deposits and Prepayments	12	21,136,952	18,413,341
Total Current Liabilities		27,210,924	22,952,213
Total Liabilities (B)		27,210,924	22,952,213
Net Assets(A-B)		139,211,237	(4,538,872)
Represented By:			
Accumulated Surplus		139,211,237	(4,538,872)
Net Assets		139,211,237	(4,538,872)

The financial statements set out on pages i to 45 were signed by:



.....

Name: Ahmed H. Surow

Clerk of The County
Assembly



.....

Name: Mohamed H. Kahia

Principal Finance Officer – County
Assembly

ICPAK M/No. 20956

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	-			-
Adjustments:				-
Recognition of assets	-			
Recognition of liabilities	(4,538,872)			(4,538,872)
As at July 1, 2024	(4,538,872)	-	-	(4,538,872)
Return to CRF	-			-
Surplus/ deficit for the year	139,211,237			139,211,237
Additions during the period-Pending bills	4,538,872	-	-	4,538,872
As at June 30, 2025	139,211,237	-	-	139,211,237

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

		2024-2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		932,664,158
Total receipts		932,664,158
Payments		
Employee costs		455,691,457
Use of goods and services		332,685,442
Total payments		788,376,899
Net cash flows from/(used in) operating activities		144,287,259
Cash flows from investing activities		
Purchase of PPE		(132,159,470)
Payment of retention		(9,366,575)
Net cash flows from/(used in) investing activities		(141,526,045)
Net increase/(decrease) in cash & Cash equivalents		2,761,214
Cash and cash equivalents at 1 July	9	18,413,341
Cash and cash equivalents at 30 June	9	21,174,555

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

Recurrent and Development Budgets Combined

Receipts/Payments 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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)		-	-	18,413,341		
Receipts						
Transfers from the CRF	986,332,517	(30,000,000)	956,332,517	932,664,158	23,668,359	98
Total Receipts	986,332,517	(30,000,000)	956,332,517	951,077,499	23,668,359	99
Payments						
Compensation of employees	515,238,204	(54,535,956)	460,702,248	455,691,457	5,010,791	99
Use of goods and services	324,573,000	15,068,452	339,641,452	332,685,442	6,956,010	98
Acquisition of assets	146,521,313	9,467,504	155,988,817	132,159,470	23,829,347	85
Total	986,332,517	(30,000,000)	956,332,517	929,902,944	35,796,148	97
Surplus	-	-	-	21,174,555	-	

Reconciliation table

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	21,174,555
Closing Cash and Cash Equivalent as per the statement of Cash flows	21,174,555

- The changes between the original and final budget are as a result of reallocations within the budget during supplementary budget.

15. Notes to the Financial Statements

1. General Information

County Assembly of Mandera is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are Legislation, Representation and Oversight.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), The County Assembly of Mandera has adopted the accrual basis of accounting in accordance with IPSAS, but has taken advantage of the transitional provisions under IPSAS 33 – First-time Adoption of Accrual Basis IPSASs. Accordingly, certain elements of the financial statements have not yet been fully recognised or measured in compliance with the full IPSAS requirements. This includes: Property, Plant, and Equipment – Certain classes of assets have not yet been measured at fair value or historical cost in accordance with IPSAS 17, Intangible Assets – Not yet recognised pending asset identification and measurement framework development.

These financial statements were authorised for issue by the accounting officer on 20th August 2025

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Mandera. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended 30 June 2025.

Notes to the financial statements

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of an entity for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The County Assembly of Mandera pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the County Assembly of Mandera is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the County Assembly of Mandera policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the County Assembly of Mandera future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario

of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
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IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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State the expected impact of the standard to the Entity if relevant

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>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.</p>
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State the expected impact of the standard to the Entity if relevant

IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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.</p>
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State the expected impact of the standard to the Entity if relevant

IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> 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;
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Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>ii) <i>New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025</i></p>	

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> 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.

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

State the expected impact of the standard to the Entity if relevant

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

Notes to the Financial Statements (Continued)

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 Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfillment of the set conditions.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 7th August 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific

approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of *supplementary* on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Budget information (continued)

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 financial cash flows has been presented under section xxx of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

Notes to the Financial Statements (Continued)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

The entity recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the entity; the entity controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criterion is not met, the entity discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will

obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale;
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the asset;
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) 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. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). 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 entity 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.

Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized 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.

Notes to the Financial Statements (Continued)

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 entity 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 xx.

ii. Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

Notes to the Financial Statements (Continued)

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. (No reserves are maintained by the County Assembly of Mandera).

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates

different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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. Members of key management are regarded as related parties and comprise the Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

t) Service concession arrangements.

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

v) Comparative figures

In preparing these financial statements the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

w) 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.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Assembly of Mandera 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.

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024-2025
	Kshs	Kshs	Kshs
Recurrent	811,762,295	-	811,762,295
Development	120,901,863	-	120,901,863
Special purpose transfers	-	-	-
Total	932,664,158	-	932,664,158

7. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	139,749,135
Basic wages of temporary employees	44,053,640
Personal allowances – part of salary	213,564,446
Pension and other social security contributions	35,302,074
Employer contributions to compulsory national social security schemes	18,079,550
Other social benefit schemes	4,942,611
Total Employee costs	455,691,457

8. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	5,112,636
Communication, supplies and services	1,299,992
Domestic travel and subsistence	84,637,763
Foreign travel and subsistence	29,043,127
Printing, advertising, and information supplies & services	6,657,186
Rentals of produced assets	15,113,317
Training expenses	17,345,040
Hospitality supplies and services	26,299,538
Insurance costs	73,339,716
Specialized materials and services	1,897,985
Other operating expenses <i>including bank Charges</i>	44,982,068
Office and general supplies and services	10,149,750
Fuel Oil and Lubricants	6,850,000
Routine maintenance – vehicles and other transport equipment	7,335,708
Routine maintenance – other assets	7,697,638
Total	337,761,464

Notes to the Financial Statements (Continued)

9. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	37,602	-
Development Account	-	-
Deposits Account	21,136,952	18,413,341
Total	21,174,555	18,413,341

9 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK00001</i>	1000240897	37,602	0
<i>Kenya Commercial Bank</i>	1143310691	0	0
Development Accounts			
<i>CBK00002</i>	1000380508	0	0
Deposits Accounts			
<i>EQUITY</i>	1000278516437	21,136,952	18,413,341
Total		21,174,555	18,413,341

Notes to the Financial Statements (Continued)

10. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-	-
Additions	-	120,901,863	-	-	16,897,843	7,447,900	-	-	-	145,247,606
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
As At /Jun 2025	-	120,901,863	-	-	16,897,843	7,447,900	-	-	-	145,247,606
Depreciation And Impairment										
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As At Jun 2025	-	-	-	-	-	-	-	-	-	-
Net Book Values										
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-	-
As At 30 JUNE, 2025	-	120,901,863	-	-	16,897,843	7,447,900	-	-	-	145,247,606

Notes to the Financial Statements (Continued)

11. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	5,076,022		-	
Employee payables	-		4,538,872	
Third-party payments	-		-	
Other payables (PPE)	997,950		-	
Total trade and other payables	6,073,972		4,538,872	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	6,073,972	100%	4,538,872	100%
Total (tie to above total)	6,073,972	100%	4,538,872	100%

12. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	21,136,952		18,413,341	
Prepayments	-		-	
Other deposits	-		-	
Total deposits	21,136,952		18,413,341	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year	12,090,186	57%	18,413,341	%
1-2 years	8,142,105	39%	-	%
2-3 years	904,661	4%	-	%
Over 3 years	-	%	-	%
Total	21,136,952		18,413,341	

Notes to the Financial Statements (Continued)**13. Related Party Disclosures****Nature of related party relationships**

Entities and other parties related to the *Entity* 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) County Government Entities
- ii) National Government Entities
- iii) Key management.

	2024-2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	3,172,636
Purchase of water from govt service providers	1,940,000
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	2,499,698
Others (specify)	-
Total	7,612,334
b) Grants /transfers from the government	
Grants from national govt	-
Grants/Transfers from county government	932,664,158
Donations in kind	-
Total	932,664,158
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	
d) Key management compensation	
Compensation to key management	187,046,292
Total	187,046,292

Notes to the Financial Statements (Continued)

14. Events after the Reporting Period

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

15. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

16. Currency

The financial statements are presented in Kenya Shillings (Kshs).

16. Appendix

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)
1.	Unsupported Domestic Travel and Subsistence Allowances	The expenditure reported as not supported amounting to Kshs. 3,163,786 was incurred in relation to officers and Hon members on official duty outside their work stations. The Assembly management is committed to accounting for all expenditures incurred by our staff and Hon Members in the course of official duties. In this case, the supporting documents such as invitations to the attended meetings, approval letters, program of events, work/bus tickets, attendance registers and copies of a letter from the training institutions indicating the data protection laws restricting participants from training attendance register that were observed as not attached to the payment vouchers are hereby provided for your audit review and verification.	Not Resolved	
2.	Cash and Cash Equivalents Balance			
2.1	Equity Bank Retention Account	The unexplained variance is for the retention that was paid during the extension of payment period by the government after 30th June due to late disbursement of exchequer. Due to these directions from the National Treasury payments	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>are related to financial year ending 30th June 2024.</p> <p>The summery page of the cashbook was signed by the board of survey after the closure of financial year.</p>		
2.2	Kenya Commercial Bank (KCB) Account	<p>The unexplained variance is due to technicality related to exact period of closure of the financial year given that some funds for financial year 2022/23 were received and spent after 30th June 2024.</p> <p>The summery page of the cashbook was signed by the board of survey after the closure of financial year and any alterations in the cashbook were counter signed by the officer in charge of cashbook.</p>	Not Resolved	
2.3	Central Bank of Kenya (CBK) Recurrent Account	<p>The balance of Kshs.1,610,598 noted in respect to Central Bank of Kenya (CBK) recurrent account as at 30th June was a working balance at that period as the financial year is yet to be closed due to the directions from the National Treasury as extension for payment period was extended due to late disbursement of exchequer.</p> <p>The summery page of the cashbook was signed by the board of survey after the closure of financial year and any alterations in the cashbook were</p>	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved/ Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		counter signed by the officer in charge of cashbook.		
3.	Un-procedural Voiding of Payments	The voiding transactions relates to: i) Daily substances allowances and tickets for the members and staff who were to travel for official duty but failed to travel for the trip. ii) Payment that was voided due to wrong account particulars e.g., those due to KSG together with their VATs. We have very minimal voided transactions and we will strive to eliminate the same in the future.		
Emphasis of Matter				
	Budgetary Control and Performance	The county assembly makes fund requisition through County treasury. However, the County Treasury was not able to fully fund our approved budget due to non-disbursement of June 2024 shareable share. This resulted to underfunding of the Assembly which led to under absorption of the budget.	Not Resolved	

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)
Other Matter				
	Unresolved Prior Year Matters	We were able to attend to some of the issues that were previously in the auditor’s report and we are endeavouring to clear outstanding issues.	Partially Resolved	
	Delayed Exchequer Releases	The County Assembly of Mandera has no control over the timeline of exchequer releases and Assembly normally complies with guidelines from the National Treasury on late releases of the funds.	Not Resolved	
Basis for Conclusion				
1.	Irregular Expenditure on Subscriptions	The County Assembly Forum (CAF) and Society of Clerks at the Table in Kenya SOCATT (K) are associations of County Assemblies and of the Clerks of County Assemblies and their officers. It is a platform for sharing best practices and harmonize the legislative procedures and practice across the County Assemblies in Kenya.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Through the activities of the two organizations there have been several successes in capacity development, parliamentary strengthening and networking and collaboration. These achievements include several trainings with staff of the County Assemblies, development and publication of Model Manuals, the National Symposium for Clerk and their Assistants, the successful negotiation of increased County Assembly ceilings, and contributed to heightening public awareness and understanding of the County Assemblies. The County Assembly will work with other Assemblies to ensure that there is a legislation for the two organizations.</p>		
2.	Non-Compliance with Ward Partisan Staffing Levels	<p>It is important to note that one of the core functions of the County Assembly Service Board is to create and abolish offices within the County Assembly Service as indicated in Section 24(1) of the County Assembly Services Act, 2017. It created four (4) offices to facilitate each of the fifty (50) Hon Members of the County Assembly. It's also hereby clarified that the Commission on Revenue Allocation (CRA) has only fixed the gross amount the Board can pay for the ward staff per ward at a ceiling of Ksh Ksh91,023, but never indicated how much a particular staff should be earning as it's not its mandate to do so. In any case it's not practically</p>	Not Resolved	

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)
		possible for the Ward Manager to be paid similar amount with the ward office watchman. Overall, the Board has adhered to the set limits in the ceilings and therefore in compliance with the law.		
3.	Non-Adherence to Fiscal Responsibility Principle on Disbursements to County Assembly	<p>The County Assembly of Mandera is fully committed to complying with the provisions of the Public Finance Management Act, 2012, and appropriate regulations to ensure prudent fiscal management. However, the matter of revenue ceilings is now governed by the County Allocation of Revenue (CARA) Act, a law that's passed annually by parliament to determine each particular County's equitable share, amounts of conditional grants as well as the recurrent revenue ceilings of the County Assemblies, while the development budget is negotiated between the County Treasury and the Assembly during the preparation and approval of the Fiscal Strategy Paper. The total figure also includes the amounts carried forward from the previous year's budget due to late disbursements of June 2023. From the forgoing, it's clear that we are not in breach of any law.</p> <p>Attached see a copy of the CARA Act, 2023 and schedule (iii) of the Act.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved/ Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
4.	Non-Compliance with Provisions for Regional Balance and Affirmative Action on Gender and Disabilities	<p>The ethnic composition of the County Assembly of Mandera workforce is influenced by the local population demographics. The payroll consists of elected honorable members, County Assembly Service Board members, regular staff who are on permanent and pensionable terms as well as ward office staff who are on contractual terms. However, your above analysis includes some Wards Office Staff. Overall, we feel we are compliant as no community in the County is overwhelmingly represented.</p>	Not Resolved	
5.	Failure to Deliberate on the Audit Reports and Implement Senate Recommendations	<p>The County Assembly of Mandera has noted that the PAIC has not deliberated on the Auditor-General's reports for the County Executive and the County Assembly's operations and funds, as well as the Mandera Water and Sewerage Company accounts since the inception of devolved governments. However, some process has been initiated by the 2nd Assembly and has not beard much fruits though the Assembly is in the process of fully initiating the programme. Furthermore, reports detailing how the County Assembly has addressed the Senate's recommendations on audit reports over the last ten years have not been submitted within the prescribed time frames.</p> <p>The County Assembly of Mandera fully acknowledges its responsibility to adhere to the provisions of the Public Audit Act, 2015, and it</p>	Not Resolved	

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)
		is committed to improving the County Assembly's oversight function. The PAIC is now focused on addressing the backlog of audit reports and ensuring timely deliberation and submission of reports going forward.		
6.Non-Provision of Project Implementation Status Records				
6.1	Proposed Works at New County Assembly in Mandera Town	The progress and inspection report for the Proposed construction of paved parking, water reticulation, land scaping, washrooms, lift installation and other ancillary works at new county assembly were hereby provided as required.	Not Resolved	
6.2	Proposed Speaker's Residences in Mandera Town	The progress and inspection report for the construction of servant quarter at the speakers' residences in Mandera town project were hereby provided as required.	Not Resolved	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
	Failure to Establish Audit Committee	As required by Section 155(5) of the PFM Act, an internal audit committee was established, with appointments made on March 23, 2020, for a three-year term as per attached appointments in the Appendix shown below. The term of this committee ended in March 23, 2023. However, the same was established from 1 June, 2024 after advertisement through a gazette notice on 9 December, 2023 as required under Section 155(5) of the Public Finance Management Act, 2012 to support the accounting officers with	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved/ Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>regard to their responsibilities for issues of risk control, governance and associated assurance. This led to the delay of establishment of audit committee but its fully operational now. Furthermore, the internal audit unit is fully factional as it performs its duty diligently. They actually carry out their duties as required by law and the report given to the external auditors are an indication of delivering their duties and responsibilities.</p>		



Accounting Officer/Clerk of the County Assembly

20th August 2025

County Assembly of Mandera
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Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Where Recorded/recognized					
				Statement of Financial Performance		Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year
County Treasury	09-Sep-24	Recurrent	451,490				Receivable		451,490
	09-Sep-24	Recurrent	30,946,986				Receivable		30,946,986
	24-Oct-24	Recurrent	451,490				Receivable		451,490
	24-Oct-24	Recurrent	4,250,000				Receivable		4,250,000
	24-Oct-24	Recurrent	17,426,352				Receivable		17,426,352
	24-Oct-24	Recurrent	31,252,385				Receivable		31,252,385
	25-Oct-24	Recurrent	32,080,901				Receivable		32,080,901
	31-Oct-24	Recurrent	477,995				Receivable		477,995
	31-Oct-24	Recurrent	29,513,613				Receivable		29,513,613
	31-Oct-24	Recurrent	36,030,125				Receivable		36,030,125
	05-Nov-24	Recurrent	4,538,872				Receivable		4,538,872
	18-Nov-24	Recurrent	913,640				Receivable		913,640
	18-Nov-24	Recurrent	9,812,727				Receivable		9,812,727
	18-Dec-24	Recurrent	478,740				Receivable		478,740
	18-Dec-24	Recurrent	3,251,900				Receivable		3,251,900

County Assembly of Mandera

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	19-Dec-24	Recurrent	26,509,879					Receivable		26,509,879
	24-Dec-24	Recurrent	30,478,370					Receivable		30,478,370
	15-Jan-25	Recurrent	478,740					Receivable		478,740
	15-Jan-25	Recurrent	30,624,249					Receivable		30,624,249
	21-Jan-25	Recurrent	7,073,762					Receivable		7,073,762
	21-Jan-25	Recurrent	17,105,613					Receivable		17,105,613
	21-Jan-25	Recurrent	18,012,689					Receivable		18,012,689
	22-Jan-25	Recurrent	1,429,980					Receivable		1,429,980
	22-Jan-25	Recurrent	2,047,650					Receivable		2,047,650
	11-Feb-25	Recurrent	4,700,000					Receivable		4,700,000
	25-Feb-25	Recurrent	483,390					Receivable		483,390
	25-Feb-25	Recurrent	6,380,868					Receivable		6,380,868
	25-Feb-25	Recurrent	11,549,200					Receivable		11,549,200
	25-Feb-25	Recurrent	31,582,042					Receivable		31,582,042
	07-Mar-25	Recurrent	502,535					Receivable		502,535
	07-Mar-25	Recurrent	4,108,700					Receivable		4,108,700
	07-Mar-25	Recurrent	29,761,485					Receivable		29,761,485
	12-Mar-25	Recurrent	21,056,913					Receivable		21,056,913
	17-Mar-25	Recurrent	8,288,450					Receivable		8,288,450
	17-Mar-25	Recurrent	8,416,032					Receivable		8,416,032

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	26-Mar-25	Recurrent	2,880,040					Receivable		2,880,040
	26-Mar-25	Recurrent	5,160,650					Receivable		5,160,650
	26-Mar-25	Recurrent	34,114,312					Receivable		34,114,312
	15-Apr-25	Recurrent	531,230					Receivable		531,230
	15-Apr-25	Recurrent	621,423					Receivable		621,423
	28-Apr-25	Recurrent	2,820,000					Receivable		2,820,000
	29-Apr-25	Recurrent	653,100					Receivable		653,100
	29-Apr-25	Recurrent	29,379,427					Receivable		29,379,427
	08-May-25	Recurrent	562,650					Receivable		562,650
	08-May-25	Recurrent	6,788,500					Receivable		6,788,500
	08-May-25	Recurrent	29,726,959					Receivable		29,726,959
	04-Jun-25	Recurrent	1,029,350					Receivable		1,029,350
	04-Jun-25	Recurrent	5,094,735					Receivable		5,094,735
	04-Jun-25	Recurrent	61,571,670					Receivable		61,571,670
	11-Jun-25	Recurrent	1,925,000					Receivable		1,925,000
	11-Jun-25	Recurrent	5,723,127					Receivable		5,723,127
	16-Jun-25	Recurrent	1,450,488					Receivable		1,450,488
	19-Jun-25	Recurrent	2,644,110					Receivable		2,644,110
	19-Jun-25	Recurrent	4,222,420					Receivable		4,222,420
	23-Jun-25	Recurrent	6,339,100					Receivable		6,339,100

County Assembly of Mandera

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	03-Jul-25	Recurrent	298,893					Receivable		298,893
	03-Jul-25	Recurrent	468,100					Receivable		468,100
	03-Jul-25	Recurrent	4,424,000					Receivable		4,424,000
	03-Jul-25	Recurrent	4,631,200					Receivable		4,631,200
	03-Jul-25	Recurrent	5,557,598					Receivable		5,557,598
	03-Jul-25	Recurrent	9,334,950					Receivable		9,334,950
	03-Jul-25	Recurrent	11,268,068					Receivable		11,268,068
	03-Jul-25	Recurrent	30,618,970					Receivable		30,618,970
	08-Jul-25	Recurrent	620,600					Receivable		620,600
	08-Jul-25	Recurrent	4,198,000					Receivable		4,198,000
	08-Jul-25	Recurrent	5,637,408					Receivable		5,637,408
	08-Jul-25	Recurrent	7,309,591					Receivable		7,309,591
	08-Jul-25	Recurrent	27,928,863					Receivable		27,928,863
	08-Jul-25	Recurrent	30,000,000					Receivable		30,000,000
	10-Jul-25	Recurrent	3,760,000					Receivable		3,760,000
	18-Dec-24	Development	70,160,320					Receivable		70,160,320
	17-Mar-25	Development	19,949,730					Receivable		19,949,730
	10-Jul-25	Development	30,791,813					Receivable		30,791,813

Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures	-	120,901,863			120,901,863
Transport equipment	-				-
Office equipment, furniture and fittings	-	16,897,843			16,897,843
ICT Equipment	-	7,447,900			7,447,900
Machinery and Equipment	-				-
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets	-				-
Work in Progress	-	-			-
Total	-	145,247,606			145,247,606