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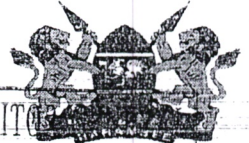
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
MANDERA EAST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017



OFFICE OF THE AUDITOR  
P. O. Box 30084 - 00100, NAIROBI

29 SEP 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
MANDERA EAST CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA  
EAST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017**

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# NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

## I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### (a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2013, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

### (b) Key Management

The Mandera East National Government Constituency Development Fund (NGCDF) day-to-day management is under the following key organs:

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

### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mohammed I. Jattani
3.	Accountant	Peter Kusumu

**(d) Fiduciary Oversight Arrangements**

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

**(e) MANDERA EAST NGCDF Headquarters**

NGCDF Office Building.

P.O Bo 197-70300

MANDERA.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - MANDERA EAST  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

**(f) MANDERA EASTNGCDF Contacts**

Telephone: (254) 0729466330

E-mail:manderaeast@ngcdf.go.ke

**(g) MANDERA EASTNGCDF Bankers**

1. Equity Bank  
Mandera

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

(E)

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

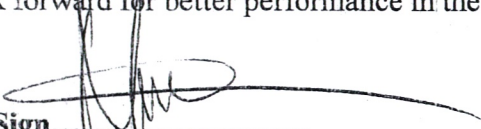
**Reports and Financial Statements  
For the year ended June 30, 2017**

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND  
COMMITTEE (NGCDFC)**

We the NGCDF-Mandera East are very happy to be part of the large NGCDF family established under the National Government Constituencies Development Fund Act 2015 and regulation 2016. During the Financial Year 2015/2016 we received **Ksh. 107,369,518.60** of which **Ksh. 19,722,475.15** was a balance of last financial year 2015/2016. The total amount available for the year was **Kshs.127,091,993.15**. the total expenditure was Kshs. 116,414,556.83 which reflects the budget utilization of 69%. The constituency have since received 50% all the allocation for the financial year. We are yet to receive **Kshs.40,948,275.12** have made the requisition. However projects worthy **Kshs.8,000,000** was reallocated during the financial year. The project reallocated was for the school bus for harei secondary school where the administration requested for electrification instead of a school bus. The electrification of the school cost ksh,2000,000 while the other remaining funds was reallocated to cater for road gravelling between darusalam-khalalio road at accost of ksh, 6000,000.

The IPSAS for the constituency this year delayed so much in the preparation due to poor record keeping by the treasury where bank reconciliations are not done on time and many a times the fund manager is being left in following them up even for a very long time and sometimes with a lot of difficulties

We look forward for better performance in the future.

  
Sign.....  
**CHAIRMAN NGCDFC**

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

**Reports and Financial Statements  
For the year ended June 30, 2017**

**III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the Mandera East National Government Constituency Development Fund is responsible for the preparation and presentation of the Mandera East National Government Constituency Development Fund's financial statements, which give a true and fair view of the state of affairs of the Mandera East National Government Constituency Development Fund for and as at the end of the financial year (period) ended on June 30, 2017. 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 NGCDF; (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 NGCDF; (v) selecting an] c applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Mandera East National Government Constituency Development Fund accepts responsibility for the Mandera East National Government Constituency Development Fund's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Mandera East National Government Constituency Development Fund's financial statements give a true and fair view of the state of Mandera East National Government Constituency Development Fund's transactions during the financial year ended June 30, 2015, and of the Mandera East National Government Constituency Development Fund's financial position as at that date. The Accounting Officer charge of the Mandera East National Government Constituency Development Fund further confirms the completeness of the accounting records maintained for the Mandera East National Government Constituency Development Fund, which have been relied upon in the preparation of the Mandera East National Government Constituency Development Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

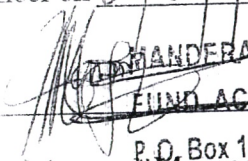
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CONSTITUENCY**

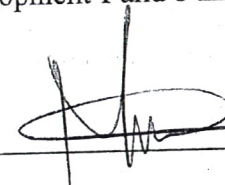
**Reports and Financial Statements  
For the year ended June 30, 2017**

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

**Approval of the financial statements**

The Mandera East National Government Constituency Development Fund's financial statements were approved and signed by the Accounting Officer on 05/09 2017.

  
**MANDERA EAST N.G - C.D.F  
FUND ACCOUNT MANAGER**  
P. O. Box 197 - 70300, MANDERA  
Fund Account Manager

  
\_\_\_\_\_  
Chairman

# REPUBLIC OF KENYA

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## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera East Constituency set out on pages 8 to 27, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money has been applied lawfully and in an effective way.

#### Basis for Disclaimer of Opinion

##### 1. Un-analysed Receipts and Payments Balances

Audit of the National Government Constituency Development Fund - Mandera East for the year ended 30 June, 2017 revealed that balances reflected in the statement of receipts and payments were not supported with detailed schedules or ledgers analyzing the receipts and payments listed below:

Item	Note	Amount (Kshs)
<b>Receipts</b>		
Transfers from CDF board-AIEs' Received	1	107,369,519
<b>Total</b>		<b>107,369,519</b>
<b>Payments</b>		
Compensation of employees	4	2,902,936
Use of goods and services	5	4,860,941
Transfers to Other Government Units	6	53,512,451

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Mandera East Constituency for the year ended 30 June 2017*

Other grants and transfers	7	46,507,800
Acquisition of Assets	8	8,630,429
<b>Total</b>		<b>116,414,557</b>

Under the Circumstances, the accuracy, validity and completeness of the balances amounting to Kshs.107,369,518.6 and Kshs.116,414,556.83 for receipts and payments respectively reported in the financial statements could not be confirmed as at 30 June 2017.

## **2. Variance Between Statement of Receipts and Payments and Summary Statement of Appropriation (Recurrent and Development Combined)**

The statement of Receipts and payments reflects an amount of Kshs.107,369,519 as transfers from the CDF Board. However, the Summary statement of Appropriation (Recurrent and Development Combined) indicates an amount of Kshs.127,091,994 as transfers from the CDF Board resulting to unreconciled variance of Kshs.19,722,475. There was no foot note provided to explain the difference.

Consequently, the accuracy of the actual and budget figures indicated in the financial statements could not be confirmed.

## **3. Cash and Cash Equivalents**

### **3.1 Variance Between Cash Book Balance and Statement of Assets balances**

The statement of Financial Assets reflects a bank balance of Kshs.8,568,437 as at 30 June, 2017. However, according to the cash book, Board of survey carried out on 1<sup>st</sup> July, 2017 and the bank reconciliation statement reflected an amount of Kshs.2,906,201 on the same date. The variance between the balance reported in the financial statements and balance shown in the cash book, Board of survey and bank reconciliation statement amounting to Kshs.5,662,236 has not been reconciled or explained.

In the Circumstances, the accuracy, validity and completeness of the Bank balances amounting to Kshs.8,568,437 reported in the statement of assets could not be confirmed as at 30 June 2017.

### **3.2 Bank Reconciliation Statement**

A review of the bank reconciliation statement for the month of June 2017 revealed the following anomalies:

#### **3.2.1 Payments in Cash Book not in Bank Statement (Unrepresented Cheques)**

Included in the balance of Kshs.9,587,027 in respect of payments in Cash Book not yet recorded in the Bank Statement (Unrepresented Cheques) are stale cheques amounting to Kshs.2,769,891. Some of the cheques dating back to 2011 were paid to various learning institutions being payment of bursaries to needy students and Kenya Revenue

Authority and continued being shown as unpresented cheques. No explanation was given why the cash book had not been updated.

### 3.2.2 Receipts in Bank Statement not Recorded in the Cash Book

The bank reconciliation statement indicated an amount of Kshs.10,016,680 as receipts in bank statement not recorded in the cash book as detailed below:

Date	Details	Amount (Kshs)
01/09/2015	Egerton	41,480
01/09/2015	Egerton	20,000
23/02/2016	Unpaid Cheque No. 2129	200
17/08/2016	Cash Book Balance Under Cast	10,000,000
<b>Total</b>		<b>10,061,680</b>

The nature of the cheques from Egerton totaling to Kshs.61,480 deposited in the bank and the cause of Cash Book under cast amounting to Kshs.10,000,000 has not been explained or rectified.

### 3.2.3 Receipt in Cash Book not in Bank Statement

An amount of Kshs.4,030,000 was reflected in the Bank reconciliation statement as receipt in Cash Book not in bank Statement as detailed below:

Date	Details	Amount (Kshs)
01/09/2015	Cheque Replacement (2019)	20,000
01/09/2015	Cheque Replacement (1861)	10,000
30/08/2016	Inward Swift (Direct Deposit)	4,000,000
<b>Total</b>		<b>4,030,000</b>

No explanation was given why the cheques replaced in 2015 had not been reflected in the bank statement and how the Inward Swift or direct deposit amounting to Kshs.4,000,000 made in August 2016 has not been reflected in the bank statement for ten (10) months.

### 3.2.4 Payment in Bank Statement not in Cash Book

Included in the Payments in Bank Statement not in Cash Book balance of Kshs.1,751,912 reflected in the bank reconciliation statement, is an amount of Kshs.488,925 which are mainly bank charges(198,925), Cheques not deposited (145,000) and Cash Book under/over cast (145,000). Some of the bank charges and

other transactions dated back to January, 2016 and have not been cleared. It was further noted that out of the Kshs.198,925 reflected as Bank charges, an amount of Kshs.96,307 was indicated as previous bank charges. Details of the previous bank charges and the period they relate to were not stated nor provided for audit scrutiny.

### 3.3 Outstanding Imprest

The statement of financial assets and Note 11 of the financial statements reflects outstanding imprest of Kshs.2,109,000 as at 30th June, 2017 held by the Fund Account. The purpose of the imprest and due date for surrender were not stated. No reason was given why the imprest remained un-surrendered contrary to the financial regulations.

In view of the foregoing, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,568,437 as at 30 June 2017 could not be ascertained.

## 4. Transfers to Other Government Units

### 4.1 Irregular Procurement of Secondary School Projects

Examination of payment vouchers, project files and other records revealed that the National Government Constituency Development Fund – Mandera East transferred an amount of Kshs.6,200,000 as grants to various Secondary schools for construction of class rooms, Staff houses and Laboratory block. It was however observed that the tender notices and tender documents submitted by the tenderers did not set the criteria to be used for the evaluation of tenders. It was therefore not clear how the tenders were evaluated. Further, the project files did not contain documents such as tender opening register, certificate of practical completions, inspection and acceptance committee reports. There were no contract agreements created and signed between Project Management Committees and Contractors contrary to the provision of section 135 of the Public Procurement and Asset Disposal Act 2015. In addition, the PMCs tender committee did not sign one or more pages of the Bills of quantities as required by Public Procurement and Asset Disposal Act, 2015.

In the Circumstances, the probity and propriety of the expenditure amounting to Kshs.6,200,000 could not be ascertained as at 30 June 2017.

## 5. Purchase of Motor Vehicles

Included in the balance of Acquisition of Assets under Note 9 to the financial statement is an expenditure on the following assets;

<b>Assets Procured</b>	<b>Amount (Kshs)</b>
Refurbishment of Buildings	1,000,000
Purchase of Vehicles	6,630,429
Purchase of Office furniture and fittings	1,000,000
<b>TOTAL</b>	<b>8,630,429</b>

However, examination of payment vouchers, supporting documents and tender documents in respect of motor vehicle purchase revealed that the National Government Constituency Development Fund – Mandera East purchased a 4X4 H/Duty Land cruiser single cab pickup costing Kshs.5,684,000 and a Hilux 4x4 double cabs costing Kshs.4,895,000 all totalling to Kshs.10,579,000 procured from Toyota Kenya. The difference between the balance reported in the financial statement on purchase of vehicles and what was supported by the payment vouchers, supporting documents and tender documents amounting to Kshs.1,048,571 has not been explained or reconciled.

It was further observed that the Vehicles were directly procured without competitive bidding. There was no evaluation report, delivery notes and the report of the inspection and acceptance committee attached to the payment voucher or availed for audit review. Although the vehicles were delivered and physically verified, it could not be confirmed whether the vehicles supplied met the specifications of the vehicles ordered and paid for. It was further noted that log books of the motor vehicles were not availed for audit review to confirm ownership of the vehicles.

In consequence, the accuracy, validity, probity, valuation, and ownership of the motor vehicles stated at Kshs.10,579,000 could not be confirmed.

## **6. Other Grants and Transfers**

### **6.1 Unsupported Environmental Projects**

Included in the Other grants and transfers balance of Kshs.44,175,286 reflected under Note 7 to the financial statement is an expenditure of Kshs.2,513,000 incurred on establishment of school's tree nurseries and seedling development within the constituency. However, the expenditure was not supported with contract agreement and minutes of award of contract and inspection and acceptance committee reports, among other records. Further, distribution list to various school were not acknowledged by the schools' managements. It was therefore not possible to confirm whether the seedlings were procured, supplied, delivered to the schools

Under the circumstances, it has not been possible to confirm the authenticity and value for money of the expenditure amounting to Kshs.44,175,286 as at 30 June 2017.

### **6.2 Procurement of Security Projects**

Included in the Other grants and transfers balance of Kshs.44,175,285.83 reflected under Note 7 to the financial statement is an expenditure of Kshs.3,000,000 incurred on fencing of arabia Administration Police Camp. Examination of payment vouchers and other records revealed that the payment was not supported with tender evaluation report, contract agreement, Certificate of practical completion and inspection and acceptance Committee report. It was therefore not possible to confirm whether the project was implemented in accordance with the project specifications.

Further, the tender opening committee did not sign one or more pages of the Bills of quantities as required by section78 (9) of the Public Procurement and Disposal Act, 2015. It was further observed that the tender notices availed did not set the criteria to be

used for evaluation of tenders, contrary to section 80(2) of the Public Procurement and Asset Disposal Act, 2015, which sets out that evaluation and comparison shall be done using the procedures and criteria set out in the tender documents.

Under the circumstances, it has not been possible to confirm whether the project worth Kshs.3,000,000 was procured in a fair and transparent manner

### **6.3 Procurement of Sport Project**

Included in the Other grants and transfers balance of Kshs.44,175,285.83 reflected under Note 7 to the financial statement is an expenditure of Kshs.2,000,000 incurred on Procurement of Sport Project. However, examination of payment voucher number 240 of 13/12/2017, the Project files and other supporting documents revealed that the payment was not supported with by contract agreements signed between the contractors and the Procurement Entity, report of the Inspection and Acceptance Committee to support the payments. Further, Signed distribution list showing the beneficiaries of the sports equipment was not attached to the payment vouchers or availed for audit review.

Under the circumstances, it has not been possible to confirm the authenticity of the expenditure amounting to Kshs.2,000,000 as at 30 June 2017.

### **6.4 Unaccounted for Bursary Expenses**

Included in the Other grants and transfers balance of Kshs.44,175,286 reflected under Note 7 to the financial statement is an expenditure on bursary to secondary schools amounting to Kshs.11,484,200 and bursary to tertiary institutions amounting to Kshs.8,894,085.83 all totaling to Kshs.20,378,286. It was however observed that the criteria used in awarding the bursary was not known since the minutes of the vetting committee and the application forms were not made available for audit review.

Further, out of the Kshs.20,378,286 paid as bursaries to the needy students, an amount of Kshs.4,516,586 has not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions. It was further observed that cheque dispatch register was not opened to record the cheques that were issued out and the payment schedule supporting the payments did not show the level of studies of the bursary beneficiaries

In the Circumstances, the propriety of the expenditure amounting to Kshs.20,378,286 could not be ascertained as at 30 June 2017.

## **7. Budget Control and Performance**

A review of the summary statement of appropriation revealed that during the year under review, the National Government Constituency Development Fund - Manderu East had an approved budget amounting to Kshs.168,040,268.87. Out of the Kshs.168,040,268.87 budgeted, an amount of Kshs.19,722,475.15 was unspent balance from the financial year 2015/2016. Budget utilization on receipts and expenditure are as follows:

Item	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	% Utilization
Receipts	168,040,269	127,091,994	40,948,275	76%
Expenditure	168,040,269	118,523,557	49,516,712	71%

The above analysis reflects actual receipts of Kshs.127,091,994 against a budgeted amount of Kshs.168,040,269 resulting to underfunding of Kshs.40,948,275 or 24% of the funds budgeted for the year. Further, the Fund spent an amount of Kshs.118,523,557 against a budgeted amount of Kshs.168,040,269 resulting to under expenditure of Kshs.49,516,712 or 29% of the approved budget. The under expenditure was recorded in all the components as detailed below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	% Difference
Compensation of employees	4,710,753	2,682,206	2,028,547	43%
Use of goods and services	6,837,069	6,563,177	273,892	4%
Transfer to other Government units	67,250,000	49,650,000	17,600,000	26%
Other grants and transfers	73,362,879	44,175,286	29,187,593	40%
Acquisition of assets	15,879,568	15,452,888	426,680	3%
<b>TOTAL</b>	<b>168,040,269</b>	<b>118,523,557</b>	<b>49,516,712</b>	

No explanation was given why the funds were not fully utilized as budgeted for. The underutilization of the funds may deny the constituents the services they require.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's or to cease operations, or have no realistic alternative but to do so.

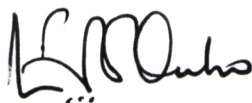
Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

My responsibility is to conduct an audit of the Fund's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matter described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of National Government Constituencies Development Fund - Manderu East Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**11 October 2018**

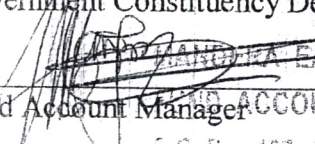
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CONSTITUENCY**

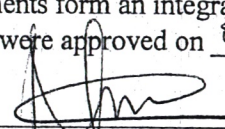
**Reports and Financial Statements  
For the year ended June 30, 2017**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	(Reclassified) 2016-2017 Kshs	2015-2016 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	107,369,518.60	141,332,736.50
Proceeds from Sale of Assets	2	0	-
Other Receipts	3	0	-
<b>TOTAL RECEIPTS</b>		<b>107,369,518.60</b>	<b>141,332,736.50</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,902,936.00	2,234,460.00
Use of goods and services	5	4,860,940.83	2,690,299.00
Transfers to Other Government Units	6	53,512,451.00	80,088,257.00
Other grants and transfers	7	46,507,800.00	37,615,662.00
Acquisition of Assets	8	8,630,429.00	-
Other Payments	9	0	-
<b>TOTAL PAYMENTS</b>		<b>116,414,556.83</b>	<b>122,628,678.00</b>
<b>SURPLUS/DEFICIT</b>		<b>(9,045,038.23)</b>	<b>18,704,058.50</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 09/09 2017 and signed by:

  
Fund Account Manager  
P.O. Box 157 - 70300, MANDERA

  
Chairman


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - MANDERA EAST  
CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2017**

**V. STATEMENT OF ASSETS**

	Note	2016-2017 Kshs	2015-2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	8,568,436.92	19,722,475.15
Cash Balances (cash at hand)	10B	0	-
Outstanding Imprest	11	2,109,000.00	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,677,436.92</b>	<b>19,722,475.15</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	19,722,475.15	4,613,616.65
Surplus/Deficit for the year		(9,045,038.23)	15,108,858.50
Prior year adjustments	14	0.00	-
<b>NET FINANCIAL POSITION</b>		<b>10,677,436.92</b>	<b>19,722,475.15</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 05/09 2017 and signed by:

  
Fund Account Manager

  
Chairman

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

**Reports and Financial Statements  
For the year ended June 30, 2017**

**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2016-2017</b>	<b>2015- 2016</b>
		<b>Kshs.</b>	<b>Kshs.</b>
Transfers from CDF Board	1	107,369,518.60	141,332,736.50
Other Receipts	3	-	-
		<b>107,369,518.60</b>	<b>141,332,736.50</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,902,936.00	2,234,460.00
Use of goods and services	5	4,860,940.83	2,690,298.85
Transfers to Other Government Units	6	53,512,451.00	80,088,257.00
Other grants and transfers	7	46,507,800.00	37,615,662.00
Other Payments	9	-	-
		<b>107,784,127.83</b>	<b>122,628,678.00</b>
<b>Adjusted for:</b>			
Adjustments during the year		-	(3,595,200.00)
<b>Net cash flow from operating activities</b>		<b>(414,609.23)</b>	<b>15,108,858.50</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	8,630,429.00	0
<b>Net cash flows from Investing Activities</b>		<b>8,630,429.00</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(9,045,038.23)</b>	<b>15,108,858.50</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>19,722,475.15</b>	<b>4,613,616.65</b>
<b>Cash and cash equivalent at END of the year</b>	<b>10A</b>	<b>10,677,436.92</b>	<b>19,722,475.15</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 07/09 2017 and signed by:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - MANDERA LAS,  
 CONSTITUENCY

Reports and Financial Statements  
 For the year ended June 30, 2017

Fund Account Manager

Chairman

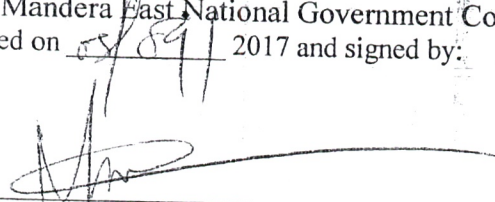
I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,551.72	86,143,717.15	168,040,268.87	127,091,993.75	40,948,275.12	76
Proceeds from Sale of Assets	-	0	-	-	-	0
Other Receipts	-	0	-	-	-	0
	<b>81,896,551.72</b>	<b>86,143,717.15</b>	<b>168,040,268.87</b>	<b>127,091,993.75</b>	<b>40,948,275.12</b>	<b>76</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,700,000.00	2,010,753.00	4,710,753.00	2,902,936.00	1,807,817.00	62
Use of goods and services	3,252,585.15	3,584,484.15	6,837,069.30	4,860,940.83	1,976,128.47	71
Transfers to Other Government Units	32,900,000.00	34,350,000.00	67,250,000.00	53,512,451.00	13,737,549.00	80
Other grants and transfers	35,794,827.57	37,568,051.00	73,362,878.57	46,507,800.00	26,855,078.57	63
Acquisition of Assets	7,249,139.00	8,630,429.00	15,879,568.00	8,630,429.00	7,249,139.00	54
<b>TOTALS</b>	<b>81,896,551.72</b>	<b>86,143,717.15</b>	<b>168,040,268.87</b>	<b>116,414,556.83</b>	<b>51,625,712.04</b>	<b>69</b>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –  
MANDERA EAST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017

- (a) All our revenue was a disbursement from the National Government Constituencies Development Fund Board.
- (b) All category of spending during the financial year were above 50%.
- (c) Outstanding imprest for FY 2016/17 as at 30/6/2017 was Kshs, 2,109,000.00.

The Mander East National Government Constituency Development Fund financial statements were approved on 28/09/2017 and signed by:

  
Chairman NGCDF

  
Fund Account Manager

## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG-CDF.

### **2. Recognition of revenue and expenses**

The NG-CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NG-CDF. In addition, the NG-CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NG-CDF.

### **3. In-kind contributions**

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

### **4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Pending bills**

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

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-CDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. 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, 2017.

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

<b>I. NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>GFS CODES</b>				
<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
	<b>Description</b>		<b>2016-2017</b>	<b>2015-2016</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>1330407</b>	Normal Allocation	A839507	66,421,242.00	14,388,789.50
		A855691	36,853,449.00	49,432,460.00
		A829909	4,094,827.60	12,511,487.00
				40,000,000.00
				25,000,000.00
<b>1330408</b>	Conditional grants			
		AIE NO...	-	
<b>1330409</b>	Receipt from other Constituency	AIE NO...	-	
	<b>TOTAL</b>		<b>107,369,518.60</b>	<b>141,332,736.50</b>
<b>3510000</b>	<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>			
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>3510202</b>	Receipts from the Sale of Buildings		-	
<b>3510601</b>	Receipts from the Sale of Vehicles and Transport Equipment		-	-
<b>3510801</b>	Receipts from the Sale Plant Machinery and Equipment		-	
<b>3510803</b>	Receipts from the Sale of office and general equipment		-	
			-	-

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

		Total		
<b>1400000</b>	<b>3 OTHER RECEIPTS</b>			
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
			<b>Kshs</b>	<b>Kshs</b>
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Interest Received		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>Total</b>		-	-
<b>2110000</b>	<b>4 COMPENSATION OF EMPLOYEES</b>			
	<b>Description</b>		<b>2016-2017</b>	<b>2015-2016</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		2,558,936.00	2,075,420.0
2120101	Employer Contribution NSSF		276,480.00	116,640.00
2110202	Basic wages of casual labour			
	<b>Personal allowances paid as part of salary</b>			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments		67,520.00	42,400.0
2710120	gratuity			
	<b>Total</b>		<b>2,902,936.00</b>	<b>2,234,460.00</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	-	-
Office rent	480,000.00	480,880.00
Communication, supplies and services	-	50,200.00
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	492,524.00
Rentals of produced assets	-	-
Training expenses	1,000,000.00	-
Committee Allowance	-	702,000.00
Other Allowance Expenses	218,030.00	632,000.00
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	790,857.00	259,634.85
Fuel ,oil & lubricants	258,768.83	73,060.00
Other operating expenses	2,113,285.00	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
<b>Total</b>	<b>4,860,940.83</b>	<b>2,690,298.8</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
	<b>Description</b>	<b>2016-2017</b>	<b>2015-2016</b>
		<b>Kshs</b>	<b>Kshs</b>
2630204	Transfers to primary schools	46,512,451.00	32,485,109.00
2630205	Transfers to secondary schools	7,000,000.00	47,603,148.00
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	-	0.00
	<b>TOTAL</b>	<b>53,512,451.00</b>	<b>80,088,257.00</b>
<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
	<b>Description</b>	<b>2016-2017</b>	<b>2015-2016</b>
		<b>Kshs</b>	<b>Kshs</b>
2640101	Bursary -Secondary	14,016,800.00	2,342,500.00
2640102	Bursary -Tertiary	8,694,000.00	9,520,722.00
2640104	Bursary-Special schools	-	-
2640105	Mocks & CAT	1,500,000.00	-
2640504	water	-	1,750,000.00
2640505	Agriculture (food security)	-	-
2640506	Electricity projects	-	-
2640507	Security	14,300,000.00	9,000,000.00
2640508	Roads	-	9,994,440.00
2640509	Sports	2,000,000.00	-
2640510	Environment	2,513,000.00	-
2640200	Emergency Projects (specify)	3,484,000.00	5,008,000.00
	<b>Total</b>	<b>46,507,800.00</b>	<b>37,615,662.00</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

3100000	8 ACQUISITION OF ASSETS		
	Non Financial Assets	2016-2017	2015-2016
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	1,000,000.00	-
3110701	Purchase of Vehicles	6,630,429.00	-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of office furniture and fittings	1,000,000.00	-
3111002	Purchase of computers ,printers and other IT equipments	-	-
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipments	-	-
3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
	<b>Total</b>	<b>8,630,429.00</b>	<b>-</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**TO THE FINANCIAL STATEMENTS (Continued)**

9	Other Payments		
specify		-	-
specify		-	-
specify		-	-
<b>TOTAL</b>		-	-
<b>10A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>		<b>2016-2017</b>	<b>2015-2016</b>
	<b>Account Number</b>	<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
Equity Bank Manderu Branch A/C	100029654354	8,568,436.92	19,722,475.15
<b>Total</b>		<b>8,568,436.92</b>	<b>19,722,475.15</b>
<b>10B: CASH IN HAND)</b>			
		<b>2016-2017</b>	<b>2015-2016</b>
		<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
<b>Total</b>		-	-
		<i>[Provide cash count certificates for each]</i>	

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>11: OUTSTANDING IMPRESTS</b>				
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2016)</i>
	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
MOHAMMED JATTAN		2,109,000.00	-	2,109,000.00
		2,109,000.00		
			-	
<b>12: RETENTIONS</b>		-	-	-
<i>Name of Company</i>		-	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA  
EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs'000)**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

13 BALANCES BROUGHT FORWARD		2016-2017	2015-2016
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		19,722,475.15	3,152,616.6
Cash in hand		-	
Imprest			1,461,000.0
<b>Total</b>		<b>19,722,475.15</b>	<b>4,613,616.6</b>
	<i>[Provide short appropriate explanations as necessary]</i>		
14 PRIOR YEAR ADJUSTMENTS		2016-2017	2015-2016
		Kshs	Kshs
Bank accounts			
Cash in hand		-	
Imprest		-	
		-	
<b>Total</b>		<b>-</b>	<b>-</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA  
EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs'000)**

<b>OTHER IMPORTANT DISCLOSURES</b>		
<b>15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>		
	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	8,718,704.00
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	<b>8,718,704.00</b>
<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>		
	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-
Middle management	-	1,976,293.00
Unionisable employees	-	-
Others (specify)	-	-
	-	<b>1,976,293.00</b>
<b>15.3: OTHER PENDING PAYABLES (See Annex 3)</b>		
	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	7,000,000.00	38,969,160.00
Amounts due to other grants and other transfers (see attached list)	42,516,712.04	38,113,760.00
Others (specify)	-	500,000.00
	<b>49,516,712.04</b>	<b>77,582,920.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA  
EAST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017 (Kshs'000)**

**15.4 PMC account balances (see annex 5)**

	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	1,093,855.00	XX
	<u>1,093,855.00</u>	<u>XX</u>

**15.5 Amount Due from NG-CDF Board**

	<b>Kshs</b>	<b>Kshs</b>
Financial Year 2016/2017	40,948,275.12	XX
	<u>40,948,275.12</u>	<u>XX</u>

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

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
		b	c	2,015	2,014	
				d=a-c		
<b>Construction of buildings</b>	a					
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10. Use of services						

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs'000)**

	-					
11.						
12.						
<b>Sub-Total</b>	-					
<b>Grand Total</b>	-					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MANDERA EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs'000)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF  
 PAYABLES**

Name of Staff	Job Group(Designation)	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
<b>Sub-Total</b>							
<b>Middle Management</b>							
<b>Sub-Total</b>							

<b>Unionisable Employees</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
4. NSSF Employer Contribution	All staffs Contributions						
Grand Total							

**ANNEX 3 - ANALYSIS OF  
OTHER PENDING  
PAYABLES**

Name		Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
	<b>Brief Transaction Description</b>				<b>2,017</b>		
		a	b	c	d=a-c		
<b>Amounts due to other Grants and other transfers</b>	*						
NG-CDF Office	Construction of office	7,448,275.12		NIL	7,448,275.12		
Bursary secondary schools	Payment of bursary to needy student	9,049,569.00			9,049,569.00		
Bursary Tertiary schools	Payment of bursary to needy student	15,750,431.00		NIL	15,750,431.00		

Daasalam-khalalio Road	Gravelling of the roads	6,000,000.00		NIL	6,000,000.00		
Staff Employee	Payment of staff salaries	1,807,817.00		NIL	1,807,817.00		
Goods/services	Purchase of fuel, repairs and subsistence.	1,976,128.47			1,976,128.47		
Emergency		484,491.45			484,491.45		
Sub - Total		<b>42,516,712.04</b>			<b>42,516,712.04</b>		

## ANNEX 4- SUMMARY OF FIXED ASSET REGISTER

Asset Class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land		
Building and Structures	4,000,000.00	3,000,000.00
Transport equipment	6,809,959.00	175,500.00
Office equipment ,furniture and fittings	1,115,000.00	115,000.00
ICT Equipment ,Software and other ICT Assets	173,000.00	173,000.00
Other Machinery and equipment		
Heritage and cultural assets		
Nontangible assets		
<b>Total</b>	<b>12,097,959.00</b>	<b>3,463,000.00</b>

<b>ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017</b>									
<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance</b>	<b>Bank Balance</b>					
			<b>2016/17</b>	<b>2015/16</b>					
Sarohindi Pri Project Mgt. Committee	Equity	100016429736	1001495						
Hegalow Pri. Project Mgt. Committee	Equity	1000271017326	390						
Arabia Pri	Equity	1000264458777	1725						
Koromey	Equity	1000271735001	200						
Khadija Girls Pri	Equity	1000264453164	5,670						
Kamor Pri	Equity	1000271745212	450						
B/mpya Pri	Equity	1000271831295	1000						
Darika Pri	Equity	1000271756028	240						
Karo Pri	Equity	1000265512485	958						
Gadudia Pri	Equity	1000265472698	60						
Ugas Hirsi Pri	Equity	1000263147965	840						
Bella Pri	Equity	1000271733283	200						
Sharif elley Pri	Equity	1000264471039	280						
Shafshafey pri	Equity	1000271746391	500						
Bur abor pri	Equity	1000265473965	1780						

Bulla Haji pri	Equity	1000265460871	49,980						
BuruBuru Pri	Equity	1000266305560	670						
Mandera Arid zone	Equity	1000199794332	1065						
Mandera Boystown	Equity	1000263489655	3775						
Tawakal pri	Equity	1000264464417	1780						
Township Pri	Equity	1000265495788	780						
Omarr Jilaow	Equity	1000271818807	1000						
Kamor mixed Sec	Equity	1000271800994	500						
Neboi Sec	Equity	1000164294280	2803						
Neboi Sec	Equity	1000164294280	2803						
BuruBuruu sec	Equity	1000271774183	545						
Fiqow Pri	Equity	1000265460572	280						
Chiefs Office-Burabor	Equity	1000271744960 1	550						
Arabia Ap station	Equity	1000264471709	5660						
Chiefs office Barwaqo	Equity	1000271716929	200						
Bulla mpya chiefs office	Equity	1000172998783	1450						
Quracgher Pri	Equity	1000273186316	50						
Township Chef's Office	Equity	1000173042993	390						
Odha Primary	Equity	1000265598396	475						
Bulla mpya chiefs office	Equity	*1000172998783	1450						
Hareri Hosle	Equity	1000265491675	780						
farey Pri	Equity	1000266119317	881						
Sarohindi	Equity	1000273186770	200						
			<b>1,093,855.00</b>						

**ANNEX 6:- PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)
	<p>-Cash and equivalents-There was no analysis for the outstanding imprest of ksh,4613617 and there was no board of survey conducted at the closure of business on 30<sup>th</sup> June</p> <p>Irregular procurement of school buses - 13,999,440</p> <p>- the advertisement was done within the constituency instead of national open tender</p> <p>-there was no contract agreement signed and entered for the purchase of the cabin and chases</p>	<p>- The analysis of the outstanding imprest has been done while the board of survey was availed to the auditors</p>	FAM	Resolved

		The constituency did the tendering perfectly well within the threshold of the tender. This is so because the tenders for the cabin and the chassis and body works were done differently. It was realized that if the chassis and the body work were done from one supplier the cost of the purchase of the buses would have been higher	FAM/CDFC OFFICIAL	UNRESOLVE D
	Unaccounted for bursaries- of the 19,953,535 Ksh,6,144,500 had no school fees payments receipts and acknowledgement letters from the institutions	This was noted as a major issue and the constituency due to its distance from almost all of the institutions the receipts are not received on time  -However the fund account manager has agree to write to the institutions so that this receipts are received and this has already materialized where receipts and acknowledgement letters are being received	FAM/CDFC OFFICIAL	Resolved
	Unaccounted for Grants-  Ksh, 5,668,000	The PMC files were not availed to the office by the time the auditors were on the ground	FAM	UN- RESOLVED

	<p>-Moi girls secondary school-266800</p> <p>-Kamor sec-800,000</p> <p>-Neboi sec- 800,000</p> <p>-Sarohindi primary-700,000</p> <p>-Neboi sec-700,000</p> <p>Project procurement files were not verified whether the procurement procedures were followed in a awarding the contract.</p>	<p>-The auditors were on the ground when the institutions mentioned above on recess and it was not possible to avail the files during that period</p> <p>However the files have since been availed and are availed for</p> <p>Scrutiny.</p>		
	<p>-Payments for emergency water trucking services-</p> <p>It was not possible to confirm the expenditure of Kshs. 5,765,000 as a proper charge to public funds.</p> <p>Unaccounted for administration monitoring and evaluation expense- an expense of Kshs.9,583,249 on M&amp;E was not supported by the list of project visited, temporary work tickets for vehicles availed</p>	<p>The schedules were properly filled with the required documents attached to them, signature of the receiving member of the committee, driving license of the water tracking was availed and notification to unsuccessful bidders were done.</p> <p>-The work tickets were provided and the project monitoring reports were a vailed showing the list of projects visited.</p> <p>-Completion certificate by works engineer were provided.</p> <p>-Temporary work tickets of vehicles hired and logbooks of drivers were also hired and the progress reports were not attached.</p>	<p>FAM</p> <p>FAM</p>	<p>resolved</p> <p>Resolved</p>