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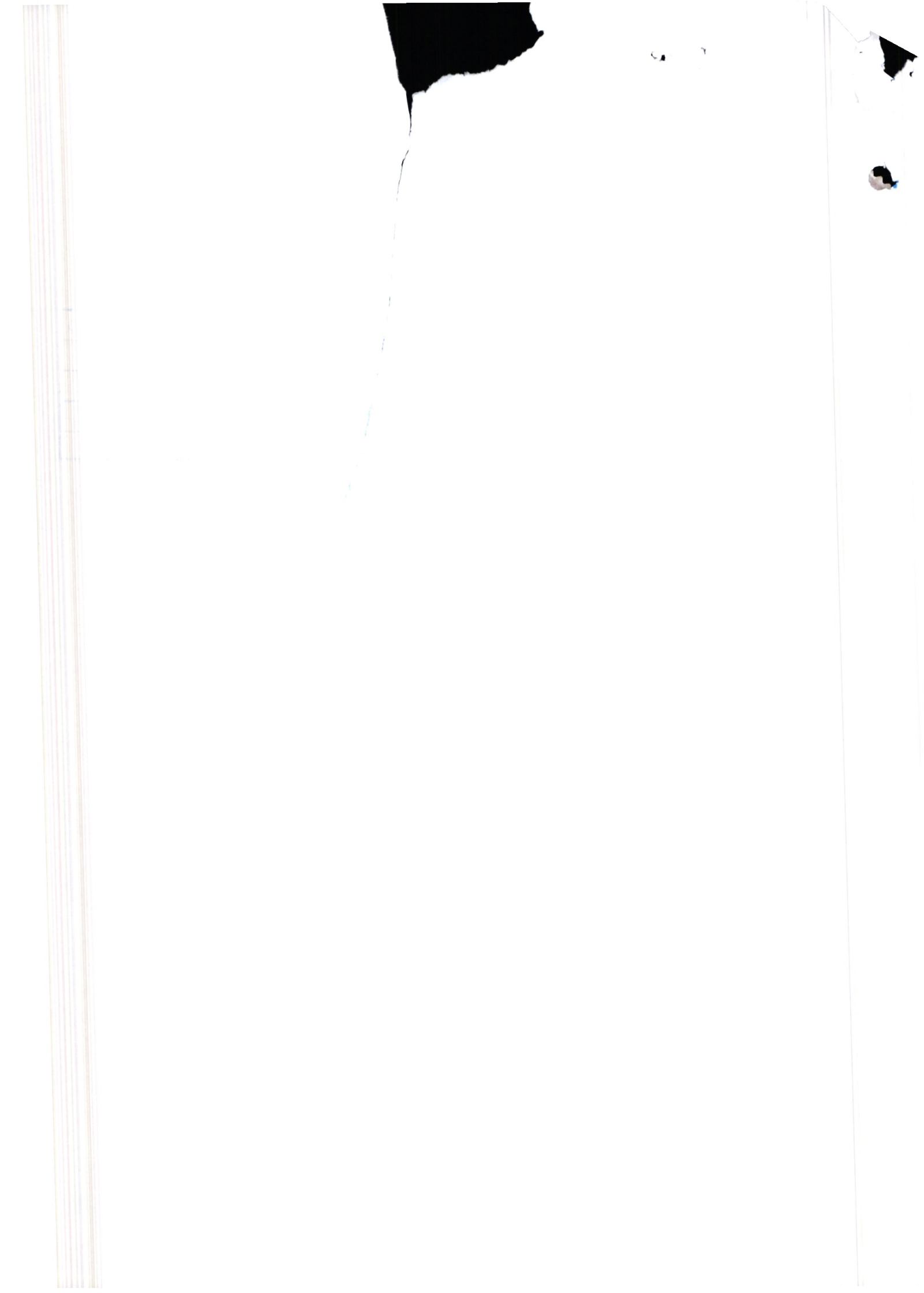
THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MANDERA

FOR THE YEAR ENDED

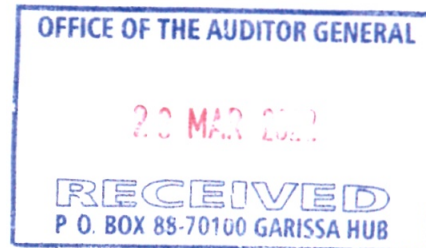
30 JUNE, 2021



REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT



MANDERA COUNTY GOVERNMENT

(THE COUNTY EXECUTIVE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

**MANDERA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.**

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KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

Vision

To be a regionally competitive and self-reliant county

Mission

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

Motto

A county with unlimited opportunities and endless possibilities

Core Values

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

b) Key Management

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

1.	Governor	H.E Capt. Ali Ibrahim Roba
2.	Deputy Governor	H.E Ahmed Mohamed Arai
3.	County Secretary	Abdinur Maalim Hussein
4.	Accounting Officer for Finance	Alinoor Mohamed Ali
5.	CECM For Finance and Economic Planning	Sulekha Harun Hulbale
6.	CECM for Public Service,	Abdulaziz Said Omar

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	Conflict Management, Cohesion, Integration and Devolved Units	
7.	CECM for Youth, Gender and Social Services	Issadin Adawa Edow
8.	CECM for Roads, Public Works and Transport	Ahmed Sheikh Mohamed
9.	CECM for Water, Energy, Environment and Natural Resource	Mohamed Ali Omar
10.	CECM for Education, Sports and Culture	Nadhifa Ahmed Mohamed
11.	CECM for Health Services	Dr. Mohamud Adan Mohamed
12.	CECM for Agriculture, Livestock and Fisheries	Adan Dagane Hamud
13.	CECM for Trade, Investment, Industrialization and Cooperative Development.	Rahma Abdow Abdirahman
14.	CECM for Lands, Housing and Physical Planning	Adan Hussein Hassan

THE LEADERSHIP OF MANDERA COUNTY GOVERNMENT

For the Financial Year 2020/2021

The County Executive team during the financial year consisted of the following key officers:

H.E Captain Ali Ibrahim Roba – Governor



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

levels within the general aviation industry in Kenya.

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

H.E Ahmed Mohamed Arai - Deputy Governor



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

Abdinur Maalim Hussein - County Secretary/Head of Public Service



Mr. Abdinur is the county secretary for Mandera County Government and secretary to the cabinet. He holds a bachelor of arts in Business Administration from Kenya Methodist University and a Diploma in telecommunications from Kenya College of communications technology. He has a wealth of experience in public service and corporate sector. He worked as the chairperson to Mandera Public Service Board from 2013-

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2018 and as a district telecommunication officer with Telkom Kenya limited from 1992-2012.



Ahmed Sheikh Mohamed - CECM Roads, Transport and Public Works

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



Adan Hussein Hassan - CECM Lands, Housing and Physical Planning

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



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

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



Suleikha Harun - CECM Finance and Economic Planning

Mrs. Sulekha holds a Bachelor of Commerce degree; finance option from Masinde Muliro University and is currently awaiting her graduation with a Master of Arts degree in Gender and Development Studies at Kenyatta University.

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



Dr. Mohamud Adan Mohamed - CECM Health Services

Dr. Mohamud is an anaesthesiologist. He previously worked as a doctor /Anaesthesiologist course coordinator & lecturer in Anaesthesia for Clinical officer anaesthetists at Coast General Teaching and Referral Hospital (CPGH) Mombasa.

He also worked in various rural hospitals in Kenya scooping various awards as a hardworking civil servant.



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

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

Agriculture from October 2020-march 2021. Mrs. Rahma is currently a CECM for the Trade, Investment, Industrialization and Co-operative Development since March, 2021.

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Alinoor Mohamed Ali - Chief Officer Accounting and Financial Services

Mr. Alinoor is the Accounting Officer for Mandera County Government. He holds a Master of Arts in Economic Policy and Planning, Bachelor of Business Administration, and Diploma in Accountancy. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya. He was appointed as the chief officer for Finance and Economic Planning in August 2015 and reappointed in his current docket in September 2018. Mr. Alinoor has a vast experience in Public Service and was an auditor before he was appointed by the Governor of Mandera County Government to spearhead the Accounting and Financial Services department.



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

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



Issadin Adawa Edow – CECM Gender and Social Service

Issadin was born on 15 of March in 1982. He is an experienced career civil servant with over 15 years of experience. His career with UK Civil Services started in 2003 starting with National Health Service in England, Ministry of Justice and Local Government. In 2010 he was promoted and seconded to Ministry of Justice as Operations Manager.

Issadin graduated from the University of Northampton with a Joint Honours in Sociology with Politics, and he is currently pursuing an MSc in Integrated Urbanism and Sustainable Development at the University of Northampton. He is a nationally accredited Race Equality and Diversity trainer. Issadin had previously undertaken more than five community research projects in collaboration with University of Central Lancashire (UCLAN), Health Delivery Unit with National Health Services and De Monfort University Leicestershire. He was the founder and Managing Director of a Social enterprise organisation called the diversity centre based in Northampton.



Adan Dagane Hamud – CECM Agriculture, Irrigation, Livestock, Fisheries and Veterinary Services

Mr. Dagane was born in the year 1968. He possesses a Bachelor of Education degree from Busoga University, a Diploma in Education from Kenya institute of Education, a Diploma on Technical Education (Entrepreneurship Development) from Kenya Technical Teachers' College, Kenya Certificate of Primary Teachers' Examination (PTE), Kenya Certificate of Education (KCE) from Kigari Teachers' Training College and Certificate of Primary Education (CPE) from Bulla Mpya Primary school.

Mr. Dagane started his teaching career as a trained teacher in July 1992 where he served many schools in Mandera County. He rose to the rank of headteacher in 2006 and have since served as the headteacher for Barwaqo Primary school between 2006 to 2019 before moving to Tawakal primary school both in Mandera County.



Nadhifa Ahmed – CECM Ministry of Education, Sports, Culture and Tourism

Mrs. Nadhifa studied at the University of Nairobi with a Diploma in Business Management and Bachelor degree in Social Science. She has professional experience that span 8 years that she gained from different organizations. She worked with RACIDA (Rural Agency for Community Development and Assistance) from 2014- 2016 as a program officer, providing technical support and capacity building on governance issue, devolution, citizen participation and County planning.

May 2016, she joined URAIA TRUST as a civic educator, basically training the public of Mandera County on the aspects of devolution, constitution and public participation. She also worked with KLMC (Kenya Livestock Marketing Council) an advocacy organization that supports rural community in Arid and Semi-Arid Lands of Kenya on matters related to - Livestock markets, economic empowerment for the pastoralist communities through strengthening their resilient to vagaries of climate change. She worked as a project officer and policy specialist with extensive experience in conceptualizing, Managing and monitoring development programs in ASAL region of Kenya on issues related to livestock marketing, policy advocacy, climate change and resilience. While in KLMC (2017-2020), she closely worked with project beneficiaries and other rural communities on subject of collective actions, such as livestock marketing group formation, registration of rural enterprises and cooperative and managing small grants for enterprise development as well as linking them to other rural finance opportunities. She also supported women enterprise development in far rural areas in product development, value addition and market linkages to diverse end markets and clients. October,

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2020 she was appointed by His Excellency the governor of Mandera County to head the ministry of Youth, Gender and Social service where she supported Youth, Person Living with Disabilities, women and girls in areas of economic opportunities, entrepreneurship and leadership. She further advocated for elimination of GBV (Gender Based Violence) in Mandera County.

c) Fiduciary Management

The key management personnel who held office during the financial period ended June 30, 2021 and who had direct fiduciary responsibility were:

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

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25.	Dr. Ali Mahat	Chief Officer, Special Programs, Disaster Preparedness & Management
26.	Fartun Bulle Ibrahim	Chief Officer, Economic Planning
27.	Maryam Dubow Dahir	Chief Officer, Livestock and Fisheries

d) Fiduciary Oversight Arrangements

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

- Mandera County Assembly
- Controller of Budget
- Public Accounts Committee
- Budget and Appropriations Committee
- Finance Committee
- Audit Committee

e) Mandera County Executive Headquarters

P.O. Box 13-70300
Roads and Public Works House
Jamia Mosque Road
Mandera, KENYA

f) Mandera County Executive Contacts

Telephone: (+254) 722466499/0725421888
E-mail: info@mandera.go.ke
Website: www.mandera.go.ke

g) Mandera County Executive Bankers

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

h) Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way

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P.O. Box 30084
GPO 00100
NAIROBI, KENYA

i) Principal Legal Adviser

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

1. FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING

It's my pleasure to present Mander County Executive's full year financial statements and reports for the 2020/2021 financial period ending 30th June, 2021. This report was prepared and presented as required by section 164 of the Public Finance Management (PFM) Act 2012. The report expounds on the revenues received from national equitable share alongside the expenditure incurred by the county government in service provision during the financial year.

In the Financial year 2020/2021 the County had an approved supplementary budget of Kshs. 13,211,360,847 of which Kshs. 7,573,664,649 (57%) was allocated for recurrent expenditure and Kshs. 5,637,696,228 (43%) was allocated for development expenditure. The County, therefore, met the minimum requirements of PFM Act section 107 (2) which requires that at least 30% of the County budget to be dedicated for development. The County Budget revenues were made up of transfers from the Equitable Share, National Government Conditional Grants, Donor Funding, Own Source Revenues (OSRs) and Unspent Balances carried forward from the 2019/2020 Financial Year.

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process. In the FY 2020/2021 the County Departments were funded in line with the ceilings captured in the 2020 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mander County Integrated Development Plan (2018-2022). The highest beneficiary of the FY 2020/2021 budget allocation was the Ministry of Health Services getting Kshs 2,781,082,213.12 (22 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,539,328,263.70 (18 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,537,120,403.10 (11 percent) Ministry of Public Works Roads and Transport were allocated Kshs 1,437,399,370.19 (11 percent) while the Ministry of Agriculture Livestock and Fisheries and the County Assembly got Kshs. 1,098,923,121.69 (9 percent) and Kshs. 977,053,564.00 (8%) respectively. Other departments were allocated below 5 percent

The fiscal assumption underlying the FY 2020/2021 budget was that there would be improved revenue collection from local sources and timely release of funds by the National Treasury. However, as the year progressed, we encountered challenges and some revenues were not realized. We failed to attain our own source revenue target and only Kshs. 143,313,898 which translates to 72% of the target was raised while on Donor Grants, the County received Kshs. 1,057,040,126. This comprised of Kshs. 29,070,000 from DANIDA Funding for Health sector, Kshs. 144,346,590 from World Bank – THUSCP, Kshs. 25,474,920 from Abolishment of user fees in health centres and dispensaries (Ministry of Health), Kshs. 186,844,646 from Kenya Devolution Support Program, Kshs. 238,632,573 from Kenya Climate Smart Agriculture Project (KCSAP), Kshs.

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96,377,846 from Kenya Urban Support Programme and Kshs. 15,049,894 from Youth Polytechnics Support Allocation. Transfers of Kshs. 304,694,480 and Kshs. 16,549,177 were received for Fuel Levy Fund (State Department of Infrastructure) and Agriculture Sector Development Support Project (ASDSP) respectively.

The County's budget implementation was slow with naught development and recurrent programs undertaken in the first quarter of the financial year. This was majorly caused by delay in the release of funds from the National Treasury. Nonetheless, by the end of the financial year, the county Government had incurred expenditures totalling to Kshs. 11,677,472,719 on both development and recurrent programmes. This expenditure represented 88% of the county's approved budget. The overall performance for the county's development and recurrent budget were 79% and 96% respectively.

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

- Delay in approval of FY 2020/2021 budget. During the First Quarter, the County could not make withdrawal funds for development expenditure.
- Slow and cumbersome tendering process throughout the period
- Technical challenges in application of IFMIS
- Delays in approval of request for funds by office of controller of budget
- Poor infrastructure
- Heavy rains and flood that interfered with construction of roads and water pans
- Difficulties in retaining high calibre staff in some key sectors such as health services and public works due to insecurity in the region
- General Insecurities/Terrorist threats

The reasons for the underperformance of the targeted local revenues included insecurity, droughts, understaffing, inter-community conflict and the adverse effects of Coronavirus pandemic. The actual local revenue collections during the year was 72% which was a remarkable upgrade on the previous financial year's performance of 68%. This increase was attained through revenue automation and revenue enforcements that were strongly effected within the financial year to seal any pilferages in local collections. We have, further, identified gaps and areas to improve on in the subsequent years. We will continue to explore new and innovative ways of boosting our own source revenue collections.

Despite all these challenges, the FY 2020/2021 was largely a good year. Numerous major projects were funded in the period under review. These included; Drilling and Equipping of new boreholes throughout the County, construction of Manderla Teachers Training College, Construction of Regional Livestock Market, Completion Of Governor's Residence, Proposed Erection and Completion of Modern Slaughter House (Phase 2), Maintenance and Expansion of Solar Street

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Lights/Security High Mast, Construction Of Kutulo (Malbe) Water Pan Irrigation Projects, Proposed Construction Of 50No. Vulnerable Housing Unit and Toilets Lot1, Construction of Box Culvert/Celled Drifts on Khalalio Road at Hareri, Completion of County Hotel - Rest House, Proposed Water Supply For Koromey Farms Irrigation Infrastructure, light gravelling of roads, Construction of Box Culvert on Takaba-Banisa Road in Mandera West, Completion of deputy governor's residence, Electricity Connection to the New County Government Installation, construction of dams countywide, agricultural programs, youth development programs amongst others.

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

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

Sign:



Name: Sulekha H. Harun

CECM Finance and Economic Planning - Mandera County Government

2. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives

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

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

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

1. To improve peace and security within Mandera County. Mandera shares international borders with Ethiopia and Somalia, and has suffered the effects of cross-border conflicts, as well as the impact of the global problem of violent extremism and terrorism. We seek an inclusive society in line with SDG goal number 16. No meaningful development can occur without peace and security, that must be enjoyed by both residents and investors. Our dream is a safe and secure peaceful environment, which is favourable for the implementation of life-transforming and sustainable development projects.
2. To improve access to quality and affordable health services. This objective aims at improving life expectancy and promoting healthy lives for all ages in line with SDG goal number 3. The need for increased sustainability, accessibility and improvement of quality care in the health sector is paramount. The county aspires to achieve universal healthcare for all, including cross-border patients. This will ultimately reduce the burden of diseases, enhance wellness and hence lead to

increased productivity and reduced poverty levels. We envisage a county that will be able to respond to health disasters and emergencies not only in Mander County, but the Mander Triangle as well, to cover the regional hub for referral health services in a radius of 500 kilometres comprising sections of Ethiopia and Somalia.

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

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

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

6. To improve food security from 59 percent to 80 percent by 2022 in line with SDG goal number 2, with the objective of ending hunger and improving nutrition. Availability of pasture and water improves the health and body condition of livestock, which leads to increased production and an upsurge in livestock. The ultimate benefit is a boost of the pastoral communities' purchasing

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power. Meanwhile, improving irrigation and acreage under crop production is vital for the improvement of Mandera's food security. We must reduce the risk of malnutrition across the county even during long dry spells.

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

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

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

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

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<i>Ref</i>	<i>Objective as per CIDP</i>	<i>Performance/Progress made up since 2018 up to date</i>	<i>Remarks (Explain The reasons underperformance/ Over performance)</i>
1.	Improve peace and security within Mandera County.	The County has managed to reduce inter-clan conflicts	The porous international borders with Somalia and Ethiopia poses a challenge to our peace efforts
2.	Provide access to quality and affordable health services	Maternal mortality rate has been greatly reduced	The Mandera Triangle has created dependency burden on our facilities
3.	Improve access to clean and safe water and sanitation	The County heavily invested in construction, expansions and desilting of dams	Persistent droughts leads to severe water shortages in the County thus hampering our efforts
4.	Transform livestock sector from a way of life to a viable economic activity	We are revitalising the livestock sector/creating disease-free zones	Losses occasioned by drought and climate change have been a tricky challenge
5.	Improve resilient infrastructure in line with SDG goal number 9	Heavy investment in infrastructure has been undertaken	Insecurity, lack of skilled labour, floods threatened the execution of these projects
6.	Improve food security from 59% to 80% by 2022 in line with SDG goal number 2	Resources have been injected in irrigation projects	Climate challenge, insecurity are common challenges
7.	Improve access to inclusive quality education in line with SDG goal number 4	Improvement in ECDE infrastructure has been achieved	Education is not a devolved function. Shortage of teachers is another headache.
8.	Equip the youth with vocational skills, farming and entrepreneurial skills	Youth development activities are successfully undertaken every year	High unemployment, increased number of graduates and poor attitude
9.	Carry out natural resource mapping	Mapping of land and natural resources were conducted	Community conflict over resources and boundaries was a challenge
10.	Align our development priorities with the economic blueprint of the Frontier Counties Development Council	Major infrastructural projects intended to create jobs, attract investments and improve living standards have been undertaken	Mandera's distance from Nairobi, the nature of road infrastructure, and insecurity along the highways make the cost of doing business very high

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Progress on attainment of Strategic development objectives

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

Department	Objective	Outcome	Indicator	Performance
Public Works, Roads & Transport	to facilitate the construction, upgrading, rehabilitation and maintenance of the roads infrastructure and supervision of Government buildings in Mander County to enhance regional connectivity for sustainable socio-economic development in line with Kenya's Vision 2030.	Roads, bridges /culverts and drifts constructed leading to increased efficient transportation of people, goods and services	Improved mobility within the county	In FY 20/21 we increased motorable and passable roads by 70%. The following roads were upgraded Dandu-Iresteno-Gagaba-Sake-Kutulo-Borehole 11, Burjon – Malkamari, etc. opening up access roads and bush clearing works done. Drifts and box culverts were also undertaken.
	To facilitate the designing, supervision and management of the county building projects to enhance sustainable socio-economic development in line with Kenya's Vision 2030	Eased construction & rehabilitation of infrastructure	No. and condition of buildings constructed for systemic delivery of services	In the FY 2020/2021, massive progress was made on proposed completion of the following projects: County hotel, Governor's residence, deputy Governor's residence, County headquarter, Governor's multipurpose hall, storm water project, amongst

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				others
Agriculture, Livestock, Fisheries And Irrigation	To promote and facilitate production of food and agricultural raw materials, ensure food security, promote agro-based industry, agricultural export and sustainable agricultural practice.	Improved Irrigation schemes development and rehabilitation leading to improved agricultural productivity and outputs.	Amount of investments in irrigation projects and support to farmers.	During the year, huge investments were made in the following projects: Proposed koromey irrigation projects, Construction Of 40,000 With Irrigation Infrastructure Pan At Tarama, Proposed Dig Dig irrigation project at darkhale in bainsa subcounty, Proposed kutulo (Malbe) water pan for irrigation projects in kutulo subcounty, repair of canals, farmers were also supported with fertilizers and seeds
Education, Culture, Tourism and Sports	To create effective capacity building mechanisms for effective management and delivery of ECDE, TVET, Culture, Tourism and Sports services	Improved capacity of ECDE and other teachers	No. of ECDE teachers and other staff to be trained	300 staff were targeted and successfully trained in the period under review
	Provision of infrastructure at ECDE, TVET,	Early childhood infrastructure development	No. of ECDE classrooms constructed	47 ECDE classrooms were constructed.

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	Non-Formal Education, Primary, Secondary and Tertiary institutions.		No. schools of supplied with desks No. of ECD centres supplied teaching materials	ECDE classrooms were supplied with desks to schools in every sub county All targeted primary schools were supplied with teaching and learning materials
	To enhance access, equity, retention, transition and completion levels at the Early Childhood Development Education, TVET, Non-Formal Education, Primary, Secondary and Tertiary institutions	Access to education	No. of Needy students awarded bursary	The bursary was disbursed as budgeted
	To improve quality of training programmes for sporting activities	Sport infrastructure development Access to sporting item and equipment Improvement of sporting activities in all sub counties	The number of football fields constructed and Improved No of sporting items procured No of wards held sporting programs	All playgrounds targeted in the budget have all been achieved All sporting items targeted were fully attained 30 tournaments were held, one in each ward.
Health Services	To reduce incidences of	Reduction in cases of	No. of premises inspected and	75% of target achieved

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	preventable diseases and mortality in Mandera County	food/water-borne diseases	<p>have met minimum requirement on hygiene and sanitation</p> <p>No. of Public health facilities disposing off HCW appropriately</p> <p>Whether food and water samples were taken for laboratory analysis</p> <p>% of deliveries conducted by skilled attendants</p>	<p>Target</p> <p>-</p> <p>100% achieved</p> <p>-</p> <p>Done</p> <p>-</p> <p>35% of deliveries</p> <p>-</p>
	To provide improved quality health care services at the County	Enhanced specialized curative and diagnostic interventions	% increase of access to specialised diagnostic services	Over 85% of facilities have been stocked with drugs and equipment and their laboratories fully functional while 3 facilities have specialized diagnostic.
Youth, Gender and Social Services	To upscale the livelihood of the most vulnerable in the Mandera Community	Shelters, resources and mobility kits for vulnerable people	No. of houses constructed for the most vulnerable and kits issued	Houses constructed as per target and targeted kits issued successfully
	To empower and promote gender equality at the	gender mainstreaming	No. of awareness program on gender equality	Target achieved

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

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Resources	provision of water and sewerage services, increased environmental conservation, appropriate use of natural resources	Sewerage System Improved trees cover Water Resources Development	No. of trees planted Improved water security countywide	expansion & work on Mandera urban w/s undertaken 1000 trees were planted as planned Over 71% of the population have access to water as a result of increased spending on large water pans, and maintenance of boreholes and water tanks
	To ensure improved access to affordable and environment friendly sources of energy to meet the various socio-economic needs.	Solar systems Installations	No. of streetlights poles installed	200 were targeted and accomplished
Trade, Investment, Industry and Cooperative Development	Promote private sector development through enterprise and entrepreneurship development	Mapping of Business activities in the county Improve performance and status of co-operatives in the county	No. of business mapped and coded No. of Education and Extension services conducted for co-operatives	Undertaken Extension services and education are done on daily basis.
	Improve business environment, promote active investment climate and fair business practice	Enhancement business activities for better returns	No. of Trainings, Stakeholder forums, cooperative days and exhibitions carried out	Trainings affected by compliance with Covid-19 protocols
County	To mobilize	Revenue	No. of Quarterly	Achieved

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Treasury, Economic Planning, Special Programmes, ICT & e-Government	resources, ensure prudent management of resources and provide leadership in development planning and tracking of results.	enhancement and improved implementation of programmes, projects and strategies	reports on revenue performance	
	Disaster management	Relief food management	No. of households benefitting from food distributed and No. of sub counties covered	53,600 households covered countywide. Target achieved.

Implementation Challenges experienced in FY 2020/2021

1. **Insecurity:** During the Financial Year 2020/2021 many border towns including parts of Mandera West and Banisa Sub Counties suffered attacks from external Al Shabaab assailants. Inter-clan clashes over scarce resources were also experienced. These aspects of insecurity negatively affect socio-economic lives of the locals and scare away investors.
2. **Outbreak of diseases:** The coronavirus pandemic that hit the Kenya in March 2020 was a major challenge in implementing development programmes. It did not only divert resources and productive labour to treatment and caring for the sick but also adversely affected people's way of living and their economic conditions.
3. **Recurrent drought and flash floods:** Mandera County is synonymous with drought due to its climatic conditions, weather patterns and the harmful impacts of climate change. Prolonged drought experienced in the FY 2020/2021 led to the diversion of budgets through a supplementary budget to respond to emergency relief cases. This was done by distributing food stuff and providing water trucking services to the affected communities. After the long dry spells, flash floods hit the county in May 2021, destroying crops, infrastructure and displacing households.
4. **High cost of goods and services:** The geographical location of Mandera at about 1200km from Nairobi, coupled with poor road network, hectic insecurity challenges and poor communication network has continuously posed a big threat to movement of goods and services to

the county. This has seen most of the goods doubled on prices and being scarce due to the high demand and low supply.

5. **Delayed disbursement of funds from the National Treasury:** Over the years, the county government has experienced frequent cash crunches as a result of delayed disbursement from the National Treasury. This causes delay in projects deliveries and compromises the provision of essential services such as health, security water and education.
6. **Local revenue underperformance** was also a challenge though an improved performance was recorded as a result of improved revenue automation.

Available Opportunities

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

1. **Local solutions to curb insecurity**– Though provision of security is a National Government function, the County Government had to recruit National Police Reservists to curb the runaway insecurity. Regular and continuous motivation and empowerment for these officers will significantly improve the security situation.
2. **Monitoring and Evaluation (M&E):** Absence of monitoring and evaluation committees in sectors have led to poor coordination of Monitoring and Evaluation activities in the sectors. The county government instituted an Evaluation and Monitoring Unit (EMU) under office of the governor to tackle the challenge. Empowerment of the M&E Unit will smoothen project supervision activities and improves quality service delivery.
3. **Enhancing Local Revenue Generation** is key to sustainable service delivery: The huge demand for resources has made the county to look for avenues of raising more resources through measures such as automation of local revenue collection. More innovation ways of boosting revenue collections will be identified and implemented in the subsequent years.
4. **Capacity is central to good performance:** Inadequate technical staff in departments has led to poor service delivery. By focusing on training and recruiting of technical staff offering essential services, the county has managed to arrest the situation. However, some departments such as revenue services and compliance are understaffed. Once these units are staffed, the county can reap new gains.

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

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile

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

2. Environmental performance

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

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

3. Health and Safety

Mandera County Government aims to ensure a safe and healthy working environment for all its employees and customers. The county aims to comply with all relevant legislation or regulations and best practice guidelines recommended by the national health and safety authorities/arms of government. The county also liaises with staff regarding existing policies and practices to ensure we continue to maintain a healthy, safe and enjoyable work environment.

4. Employee welfare

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

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

5. Market place practices-

Mandera County Government recognizes that responsible Supply Chain Management has profound effect on any organization's reputation. Reputation influences the stakeholders' perceptions, their choices and investment intentions and financial performance. Thus, we practice

responsible corporate behaviour that we envisage builds trust and enhances our overall reputation, which in turn attracts investors, employees, suppliers and distributors, not to mention earning the public's goodwill. The county's procurement department has developed stringent rules intended to drive business firms to proactively improve their responsible supply chain performance.

6. Community Engagements-

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

7. Education

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

8. Sports

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

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

4. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The County Executive Committee (CEC) member for Finance and Economic planning of the Mandera County Government is responsible for the preparation and presentation of the Mandera County Executive's financial statements, which give a true and fair view of the state of affairs of the Mandera County Executive for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the Mandera County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the Mandera County Executive's financial statements give a true and fair view of the state of the Mandera County Executive's transactions during the financial year ended June 30, 2021, and of its financial position as at that date.

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

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

Further the CEC member for finance confirms that the Mandera County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Mandera County Executive's financial statements were approved and signed by the CEC member for finance on 28-09-2021.



**County Executive Committee Member –
Finance and Economic Planning**

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MANDERA FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Mandera set out on pages 1 to 36, which comprise the statement of financial assets and liabilities

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

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

Basis for Qualified Opinion

1. Use of Goods and Services

The statements of receipts and payments reflects use of goods and services expenditure of Kshs.2,680,906,020. Examination of documents in relation to expenditure revealed the following anomalies:

1.1 Unsupported Training Expenses

Included in the training and capacity building expenditure of Kshs.96,671,031 are payments amounting to Kshs.4,454,900 in relation to items purchased to support training activities whose supporting documents including store ledgers, request counter issue vouchers (S3 and S11) and records to indicate the nature, time and the trainees undertaking training were not provided for audit review.

Consequently, the accuracy, validity and completeness of expenditure amounting Kshs.4,454,900 for the year ended 30 June, 2021 could not be ascertained.

1.2 Unsupported Legal Expenses

Included in the other operating expenditure of Kshs.717,968,600 are legal expenses amounting to Kshs.33,447,500 paid to four (4) law firms. However, procurement records relating to the four (4) law firms contracted during the year under review were not provided for audit review.

In the circumstances, the validity and regularity of expenditure amounting to Kshs.33,447,500 for the year ended 30 June, 2021 could not be confirmed.

1.3 Unsupported Hospitality Expenses

Included in hospitality, supplies and services expenditure of Kshs.44,490,817 is an amount of Kshs.4,418,000 incurred in procurement of hospitality services from a hotel within Mandera County. Perusal of the records revealed that framework contracting procurement method was used to procure the service. However, tender documents in

support of the agreement including advertisements or invitations to tenders, evaluation report, professional opinions and award of tenders were not provided for audit review.

In the circumstances, the propriety of the hospitality, services and supplies expenditure amounting to Kshs.4,418,000 for the year ended 30 June, 2021 could not be ascertained.

1.4 Unsupported Printing Expenses

Included in the advertising, printing and information supplies expenditure of Kshs.56,535,235 is an amount of Kshs.19,513,229 incurred in procurement of publication services from a supplier. Perusal of documents revealed that framework contracting was used as the procurement method. However, tender documents such as the advertisements or invitations to tender, evaluations, professional opinions and award of tenders were not availed for audit review. In addition, store ledger cards and requisition counter issue vouchers (S3 and S11) for deliveries of branded material and maternity files worth Kshs.1,734,875 were not availed for audit review.

As a result, the accuracy, validity and regularity of the expenditure of Kshs.19,513,229 on advertising, printing and information supplies and services for the year ended 30 June, 2021 could not be confirmed.

1.5 Unsupported Office and General Supplies and Services Expenses

Included in the office and general supplies and services expenditure of Kshs.235,226,652 is an amount of Kshs.8,910,059 whose requisition from user departments and suppliers' invoices were not provided for audit review.

In the circumstances, the validity and regularity of expenditure amounting to Kshs.8,910,059 for the year ended 30 June, 2021 could not be confirmed.

2. Unsupported Expenditure on Rehabilitation of Civil Works

Included in the acquisition of assets expenditure of Kshs.4,339,997,755 are payments amounting to Kshs.738,713,561 on rehabilitation of civil works. Examination of payment records and other supporting documents availed for audit revealed that tender evaluation reports and professional opinions for awards of Kshs.17,052,100 in respect to expansion and desilting of two water pans were not availed for audit review.

Consequently, the validity and regularity of expenditure amounting to Kshs.17,052,100 for the year ended 30 June, 2021 could not be confirmed.

3. Fixed Assets Register

Annex 6 of the financial statements is a summary of fixed asset register that discloses the value of fixed assets as Kshs.34,444,821,170 for the year ended 30 June, 2021. However, the fixed asset register availed for audit verification was incomplete since it did not indicate the fixed assets balance of the previous year contrary to the requirements of the July, 2020 assets and liability register template issued by The National Treasury.

In the circumstances, it was not possible to ascertain the validity, authenticity, completeness and accuracy of the assets balance of Kshs.34,444,821,170 for the year ended 30 June, 2021.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.13,211,360,877 and Kshs.12,302,477,724 respectively resulting to an under-funding of Kshs.908,883,153 or 7% of the budget. Similarly, the County Executive expended Kshs.11,677,472,719 against an approved budget of Kshs.13,211,360,877 resulting to an under-expenditure of Kshs.1,533,888,158 or 12% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery.

2. Late Exchequer Releases

Examination of the County Revenue Fund bank statements for the months of June and July, 2021 revealed that 2020/2021 budgeted Exchequer releases amounting to Kshs.3,569,812,109 were received between 15 June, and 07 July, 2021 as analyzed below: -

Date Funds Received in the CRF Bank Account	Amount (Kshs.)
15 June, 2021	817,836,000
21 June, 2021	73,337,659
23 June, 2021	25,474,920
23 June, 2021	920,065,500
30 June, 2021	817,836,000
02 July, 2021	868,950,750
06 July, 2021	46,311,273
Total	3,569,812,102

The delay is attributed to The National Treasury's failure to remit the funds within the timelines.

Consequently, the County Executive experienced delays in payment for its development and recurrent expenditures thereby affecting service delivery.

3. Under-Collection of Own Generated Revenue

The summary statement of appropriations reflects that the County Executive had budgeted to collect Kshs.200,037,792 from own generated revenues. A review of revenue documents and bank statements for the financial year ended 30 June, 2021 revealed that total amount of Kshs.143,313,898 was collected as own generated revenue thus leading to under-collection of Kshs.56,723,894 representing 28%. As a result, there was a shortfall in revenue collection target.

The under-collection of revenue is likely to affect service delivery to the residents of Mandera County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Expenditure on National Government Functions

Included in acquisition of assets balance of Kshs.4,339,997,755 is an expenditure amounting to Kshs.1,133,948,217 for construction of buildings. Examination of payment records provided for audit revealed that the County Executive implemented the following three (3) projects falling under the National Government functions: construction of Mandera Teachers Training College, construction of Kenya Medical Training College (KMTC) in Mandera East and Chain Link Fencing of Islamic and Secular University Land within the County. It was however noted that there was no agreement with the National Government resulting in irregular expenditure of Kshs.266,077,860 contrary to the provisions of Article 186(1) which states that except as otherwise provided by this Constitution, the functions and powers of the National Government and the County Governments, respectively, are as set out in the Fourth Schedule, Article 187(1) (a)(b) and Article 187(2)(a) of the Constitution which state that if a function or power is transferred from a Government at one level to a Government at the other level - (a) arrangements shall be put in place to ensure that the resources necessary for the performance of the function or exercise of the power are transferred; and (b) constitutional responsibility for the performance of the function or exercise of the

power shall remain with the government to which it is assigned by the Fourth Schedule.

In the circumstances, compliance with Article 186(1), Article 187(1) (a)(b) and Article 187(2)(a) of the Constitution was not adhered to and thus the Management was in contravention of the law.

2. Irregular Payments to Council of Governors

Included in the use of goods and services expenditure of Kshs.2,680,906,020 for the year ended 30 June, 2021 is an amount of Kshs.717,968,600 on other operating expenses. Examination of schedules supporting the financial statements and payment records revealed that the Management paid an amount of Kshs.1,000,000 to the Council of Governors as legal funds contribution towards Council of Governors' Hybrid Meeting. However, Section 37 of the Intergovernmental Relations Act, 2012 reveals that the operational expenses of the Council are supposed to be catered by the National Government.

In the circumstance, the regularity and validity of payments of Kshs.1,000,000 made to the Council of Governors for the year ended 30 June, 2021 could not be ascertained and the Management contravened of the law.

3. Acquisition of Assets

The statement of receipts and payments for the year ended 30 June, 2021 reflects acquisition of assets balance of Kshs.4,339,997,755 as disclosed in Note 5 to the financial statements. Examination of payment records and other supporting documents in relation to the expenditure revealed the following anomalies:

3.1 Construction of Masonry Tank and Piping of Water

Included in construction and civil works balance of Kshs.1,387,303,635 is an expenditure of Kshs.3,760,000 paid out to a contractor for construction of masonry tank and piping of water to Handadu village in Neboi Ward. The project was certified to be practically complete on 29 May, 2020. Physical verification carried out on 23 November, 2021 revealed that the masonry tank was constructed on a private property and there was no agreement between the County Executive and the owner of the land.

In the circumstances, the amount incurred on the masonry tank may be lost in case of legal challenge by the land owner.

4. Pending Bills

Note 6.1 discloses other important disclosures in the financial statements which reflects pending account payables balance of Kshs.894,061,267 as at 30 June, 2021. Review of the accounts payable register for the year 2020/2021 revealed that the register was prepared in the format recommended by The National Treasury and incorporated previously omitted pending bills. This resulted into an increase amount of the pending bills to Kshs.894,061,267 up from Kshs.401,662,742. It was however, noted that the

remarks column of the register was blank and thus the status of pending bills whether paid or outstanding was not ascertained.

5. Construction of Buildings

Included in acquisition of assets balance of Kshs.4,339,997,755 is an expenditure of Kshs.1,133,948,217 for construction of buildings. The County Executive awarded tenders to various contractors to undertake construction of buildings within the County in the year under review which included construction of County headquarters, Governor and Deputy Governor's residence, guest house, regional market, slaughter house, level IV Hospital and sub county headquarter. Examination of payments and related procurement records revealed that Public Procurement Regulation Authority reports for five (5) winning bidders of projects worth Kshs.125,000,142 were not availed for audit review. Physical verification conducted on 24 November, 2021 revealed that Enforcement Camp at Sukela in Mandera North Sub-County was initiated in the financial year 2014/2015 with a contract sum of Kshs.26,380,876 had not been put to use.

In the circumstances, value for money in respect of expenditure of Kshs.26,380,876 could not be ascertained.

6. Construction of Governor's and Deputy Governor's Official Residences

On 20 May, 2019, the Salaries and Remuneration Commission (SRC) issued Circular No. SRC/TS/COG/6/61/48 VOL11(64) on cost limits for Governor's and Deputy Governor's residences set out at Kshs.45,000,000 and Kshs.35,000,000 respectively. The Circular also stated that deviations from these limits require approval from Senate after recommendation from Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development. Before the circular was issued, the County Executive was constructing the residences for the Governor and deputy Governor which were at various levels of completion as detailed below:

Name of the Project	Date of Commencement	Contact Amount (Kshs.)	% of Completion
Governor's Residence	2014	258,051,400	70%
Deputy Governor's Residence	May, 2019	78,783,804	45%

The Executive's Management wrote to Commission on Revenue Allocation (CRA), Controller of Budget (COB) and Senate, explaining why the County Executive should be exempted from the cost limits issued by SRC citing issues such as: Ministry of Interior prohibiting quarry activities in the region hence increased cost of construction materials, lack of specialized labour from within the County and security features required of the structures being constructed among many other reasons.

The County Management engaged Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development to carry out technical assessment of the two projects. The assessment report dated 2 March, 2020 indicated the status of the project as follows;

Name of the Project	Project Total Cost (Kshs.)	% of Completion
Governor's Residence	257,210,400	70%
Deputy Governor's Residence	77,442,042	40%

The report stated that most of the project works were implemented and projects were at advanced stages hence not possible to scale down. It also cited some risks such as litigations for breach of contracts and non-achievement of projects objectives if the already contractual agreements are varied. The report advised that the County Government of Mandera to engage the Senate and CRA for guidance and way forward.

According to available documents, all the reports requested by Senate were forwarded to Senate for consideration and the Senate promised to consider the request of exempting County Government of Mandera from set expenditure limits after visiting the site. However, the Senate has not been able to visit the site, citing COVID-19 restrictions.

As at the time of audit in November, 2021, the Governor's Official Residence was complete, fully furnished and the handing over of the project was already done after total payment of Kshs.249,038,012 was made with an outstanding balance of Kshs. 9,013,388. The construction of the Deputy Governor's Official Residence was still in progress with a total payment of Kshs.59,542,625 and the outstanding balance was Kshs.19,441,258.51.

However, documents to confirm the exemption of the above over expenditures on Governor's and Deputy Governor's Official Residences by the Senate have not been provided for audit review.

In the circumstances, the Management was in contravention of the SRC Circulars and thus the validity and regularity of the expenditure amounting to Kshs.308,580,637 for the year ended 30 June, 2021 could not be confirmed.

7. Irregular Procurement on Research Study Services

Included in acquisition of assets balance of Kshs.4,339,997,755 is an expenditure of Kshs.8,287,094 on research, studies, project preparation, design and supervision. During the year under audit, the County Executive engaged a Hydrogeological Survey Company and paid Kshs.4,287,414 on 02 July, 2021 to undertake hydrogeological survey for 50 sites within Mandera Sub-Counties. The Management used request for quotation method to procure the service instead of request for proposal method as required by Section 116(1)(b) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a procurement entity may use request for proposal for a procurement if the services to be procured are advisory or otherwise of a predominately intellectual nature.

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

8. Domestic Travel and Foreign Travel Allowances

Included in use of goods and services expenditure of Kshs.2,680,906,020 is domestic travel and accommodation allowances of Kshs.45,755,306 and foreign travel expenses

of Kshs.1,602,272. However, examination of payment records and other supporting documents revealed that officers of the County Executive were not advanced with cash to enable them make payments in their course of duties but instead claimed reimbursements after reporting back to their stations. This was contrary to Section 152(1) of Public Finance Management Act, 2012 which requires an accounting officer for a County Government entity to authorise payment of cash advances to public officers employed in the entity to be used to enable those officers to make payments for the entity or in the course of their duties.

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

9. Late Remittance of Statutory Deductions

Review of statutory deductions from manual and automated payrolls for the year ended 30 June, 2021 provided for audit revealed that NSSF deductions and contributions to retirement scheme deducted from County employees were not remitted on time to the Fund. This is contrary to Section 53A(1) of the Retirement Benefits Act, 2012 which states that where an employer, having an agreement with an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice, institute proceedings for the recovery of the deduction. The remittance dates and deadlines are tabulated as follows:

N.S.S.F

Month	Amount (Kshs.)	Remittance Date	Deadline
June, 2020	340,300	26 October, 2020	15 July, 2020
July, 2020	329,900	26 October, 2020	15 August, 2020
August, 2020	348,700	26 October, 2020	15 September, 2020
September, 2020	336,700	26 October, 2020	15 October, 2020
March, 2020	324,300	29 April, 2021	15 April, 2021
April, 2020	323,500	21 May, 2021	15 May, 2021

LAPTRUST & LAPFUND

Month	LAPFUND (Kshs.)	LAPTRUST (Kshs.)	Remittance Date	Deadline
June, 2020	1,473,250	16,431,821	26 October, 2020	9 July, 2020
July, 2020	1,477,282	16,399,936	29 October, 2020	9 August, 2020
August, 2020	1,512,323	17,323,914	29 October, 2020	9 September, 2020
September, 2020	1,489,959	17,277,443	29 October, 2020	9 October, 2020
March, 2021	1,531,515	20,672,962	29 April, 2021	9 April, 2020
April, 2021	1,521,877	21,553,129	21 May, 2021	9 May, 2021

In the circumstances, Management did not comply with Section 53(1) of the Retirement Benefits Act, 2012 and was therefore in breach of the law with the likelihood of incurring fines and penalties.

4. Unremitted House Rent

During the year under audit, the County Executive deducted house rents totalling Kshs.211,950 from the salaries of County Government employees who are tenants of the houses owned by the State Department for Housing and Urban Development. The deducted amounts remained unremitted to the State Department at the time of the audit in November, 2021, contrary to Section 66(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that when a County Government entity renders agency services to another County Government entity or national government entity, all revenue receipts collected shall be accounted for fully by the agent to the receiver of revenue or collector of revenue or accounting officer.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Tagging of Office Furniture

In the year under audit, the County Executive procured office furniture amounting to Kshs.76,436,096. However, physical verifications conducted on 24 November, 2021 revealed that the furniture had not been tagged hence exposing the assets to risk of loss.

2. Lack of Institutional Risk Management Framework

The County Executive did not have in place a documented risk management policy in the year audit, and thus the internal audit unit could not complement the process of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on County Executive's operation.

In the absence of a risk management policy, the County Executive may not be able to identify, measure and control the impacts of unfavorable events that may have adverse effect on its operations.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue as to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Executive's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County

Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 May, 2022

6. FINANCIAL STATEMENTS

6.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH
JUNE 2021.

		2020-2021	2019-2020
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	11,102,123,700	9,343,776,300
Proceeds from Domestic and Foreign Grants	2	608,501,000	491,340,807
Transfers from Other Government Entities	3	448,539,126	413,353,218
County Own Generated Receipts	4	143,313,898	124,961,836
Returned CRF issues	5	0	1,721,741,580
TOTAL RECEIPTS		12,302,477,724	12,095,173,741
PAYMENTS			
Compensation of Employees	6	2,646,264,831	2,335,078,486
Use of goods and services	7	2,680,906,021	1,880,140,321
Transfers to Other Government Units	8	1,841,423,281	1,919,816,768
Other grants and transfers	9	168,880,830	110,000,000
Acquisition of Assets	10	4,339,997,755	4,559,610,341
Other Payments	11	- 0	783,438,375
TOTAL PAYMENTS		11,677,472,719	11,588,084,291
SURPLUS/DEFICIT		625,005,005	507,089,450

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive's financial statements were approved on 28-09-2021 and signed by:


Chief Officer finance

Name: Alinoor Mohamed Ali
ICPAK Member Number: 9001




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

MANDERA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

6.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

		2020-2021	2019-2020
	Notes	KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12	1,192,235,012	623,416,754
Total Cash and cash equivalent		1,192,235,012	623,416,754
TOTAL FINANCIAL ASSETS		1,192,235,012	623,416,754
FINANCIAL LIABILITIES			
Accounts Payables	13	60,140,557	116,327,304
NET FINANCIAL ASSETS		1,132,094,455	507,089,450
REPRESENTED BY			
Fund balance b/fwd	14	507,089,450	0
Surplus/Deficit for the year		625,005,005	507,089,450
NET FINANCIAL POSITION		1,132,094,455	507,089,450

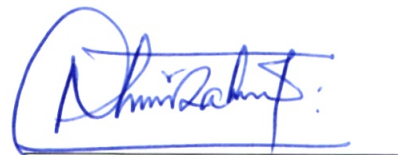
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive's financial statements were approved on 28-09- 2021 and signed by:



Chief Officer Finance

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

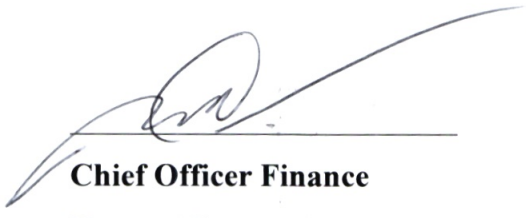
ICPAK Member Number: 21986

6.3. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021.

		2020-2021	2019-2020
	Notes	KShs	KShs
Receipts from operating income			
Exchequer Releases	1	11,102,123,700	9,343,776,300
Proceeds from Domestic and Foreign Grants	2	608,501,000	491,340,807
Transfers from Other Government Entities	3	448,539,126	413,353,218
County Own Generated Receipts	4	143,313,898	124,961,836
Returned CRF issues	5	0	1,721,741,580
Payments for operating expenses			
Compensation of Employees	6	-2,646,264,831	-2,335,078,486
Use of goods and services	7	-2,680,906,021	-1,880,140,321
Transfers to Other Government Units	8	-1,841,423,281	-1,919,816,768
Other grants and transfers	9	-168,880,830	-110,000,000
Other Payments	11	0	-783,438,375
Adjusted for:			
Increase/(Decrease) in Accounts Payables	15	-56,186,747	116,327,304
Net cash flow from operating activities		4,764,971,368	5,183,027,095
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	-4,339,997,755	-4,559,610,341
Net cash flows from Investing Activities		-4,339,997,755	-4,559,610,341
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		424,973,612	623,416,754
Cash and cash equivalents at BEGINNING of the year	12	623,416,754	0
Cash and cash equivalents at END of the year	12	1,192,235,012	623,416,754

**MANDERA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.**

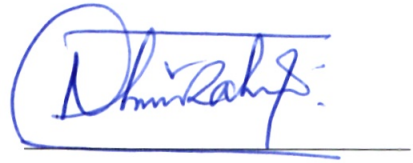
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mander County Executive's financial statements were approved on 28-09-2021 and signed by:



Chief Officer Finance

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

ICPAK Member Number: 21986

6.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	11,106,712,901	31,982,730	11,138,695,631	11,102,123,700	36,571,931	100%
Proceeds from Domestic and Foreign Grants	1,410,035,962	(140,346,945)	1,269,689,017	608,501,000	661,188,017	48%
Transfers from Other Government Entities	602,938,438	-	602,938,438	448,539,126	154,399,312	74%
County Own Generated receipts	200,037,792	-	200,037,792	143,313,898	56,723,894	72%
TOTAL	13,319,725,092	(108,364,215)	13,211,360,877	12,302,477,724	908,883,153	93%
PAYMENTS						
Compensation of Employees	2,692,358,167	(38,712,251)	2,653,645,916	2,646,264,831	7,381,085	100%
Use of goods and services	2,561,841,800	211,788,190	2,773,629,990	2,680,906,021	92,723,969	97%
Transfers to Other Government Units	1,729,688,560	316,773,196	2,046,461,756	1,841,423,281	205,038,475	90%
Other grants and transfers	952,306,920	(153,923,344)	798,383,576	168,880,830	629,502,746	21%
Acquisition of Assets	5,283,529,645	(344,290,006)	4,939,239,639	4,339,997,755	599,241,884	88%
Other Payments	100,000,000	(100,000,000)	-	-	-	
TOTAL	13,319,725,092	(108,364,215)	13,211,360,877	11,677,472,719	1,533,888,158	88%
SURPLUS/(DEFICIT)				625,005,005		

The local revenue target was not met due to the following reasons:

- Insecurity due to terror attacks affected revenue collection activities
- Drought affected collection of livestock and agricultural related revenues

- Border closures due to the general insecurity in the region

Expenditure were affected by late releases of funds by the National Treasury

The Mandera County Executive's financial statements were approved on 28-99- 2021 and signed by:



Chief Officer Finance

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

ICPAK Member Number: 21986

6.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	6,484,646,483	414,060,036	6,898,706,519	6,862,134,588	36,571,931	99%
Proceeds from Domestic and Foreign Grants	346,143,346	(9,440,901)	336,702,445	263,039,064	73,663,381	78%
Transfers from Other Government Entities	138,217,894		138,217,894	138,217,894	0	100%
County Own Generated receipts	200,037,792	0	200,037,792	143,313,898	56,723,894	72%
TOTAL	7,169,045,514	404,619,135	7,573,664,649	7,406,705,444	166,959,205	98%
PAYMENTS						
Compensation of Employees	2,692,358,167	(38,712,251)	2,653,645,916	2,646,264,831	7,381,085	100%
Use of goods and services	2,442,244,731	240,058,190	2,682,302,921	2,589,578,952	92,723,969	97%
Transfers to Other Government Units	1,508,469,892	316,773,196	1,825,243,088	1,620,204,613	205,038,475	89%
Other grants and transfers	198,933,620	(15,000,000)	183,933,620	168,880,830	15,052,790	92%
Acquisition of Assets	227,039,104	1,500,000	228,539,104	228,539,104	0	100%
Other Payments	100,000,000	(100,000,000)	0	0	0	
TOTAL	7,169,045,514	404,619,135	7,573,664,649	7,253,468,331	320,196,318	96%
SURPLUS/(DEFICIT)				153,237,113		

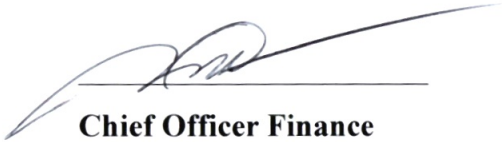
The local revenue target was not met due to the following reasons:

- Insecurity due to terror attacks affected revenue collection activities
- Drought affected collection of livestock and agricultural related revenues

- Border closures due to the general insecurity in the region

Expenditure were affected by late releases of funds by the National Treasury

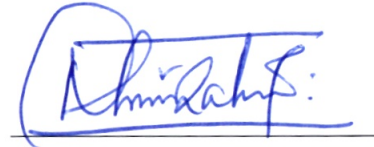
The Mandera County Executive's financial statements were approved on 28-09- 2021 and signed by:



Chief Officer Finance

Name: Alinoor Mohamed Ali

ICPAK Member Number:



Chief Finance Officer

Name: Ahmedsalim Ali Osman

ICPAK Member Number: 21986

6.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,622,066,418	(382,077,306)	4,239,989,112	4,239,989,112	-	100%
Proceeds from Domestic and Foreign Grants	1,063,892,616	(130,906,044)	932,986,572	345,461,936	443,679,990	52%
Transfers from Other Government Entities	464,720,544	0	464,720,544	310,321,232	298,243,958	36%
TOTAL	6,150,679,578	(512,983,350)	5,637,696,228	4,895,772,280	741,923,948	87%
PAYMENTS						
Compensation of Employees						
Use of goods and services	119,597,069	(28,270,000)	91,327,069	91,327,069	0	100%
Subsidies						
Transfers to Other Government Units	221,218,668		221,218,668	221,218,668	0	100%
Other grants and transfers	753,373,300	(138,923,344)	614,449,956	0	614,449,956	0%
Social Security Benefits						
Acquisition of Assets	5,056,490,541	(345,790,006)	4,710,700,535	4,111,458,651	599,241,884	87%
TOTALS	6,150,679,578	(512,983,350)	5,637,696,228	4,424,004,388	1,213,691,840	78%
SURPLUS/(DEFICIT)				471,767,892		

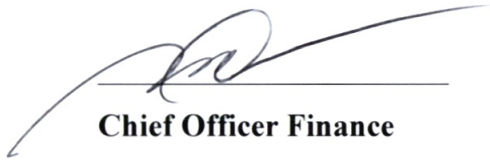
The local revenue target was not met due to the following reasons:

- Insecurity due to terror attacks affected revenue collection activities
- Drought affected collection of livestock and agricultural related revenues

- Border closures due to the general insecurity in the region

Expenditure performance were affected by late releases of funds by the National Treasury

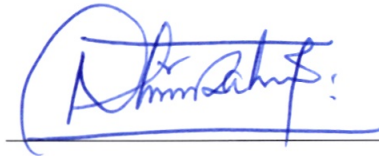
The Mandera County Executive's financial statements were approved on 28-09- 2021 and signed by:



Chief Officer Finance

Name: Alinoor Mohamed Ali

ICPAK Member Number: 9001



Chief Finance Officer

Name: Ahmedsalim Ali Osman

ICPAK Member Number: 21986

6.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
Agricultural and Livestock Sector Support	101063410	Agricultural Infrastructure, Conservation and Research	662,990,420.00	454,351,367.50	208,639,052.50
	103033410	Livestock Agricultural Sector Support	227,154,333.00	200,882,692.00	26,271,641.00
		Sub Total	890,144,753.00	655,234,059.50	234,910,693.50
Legislation and Oversight Services	701013410	County Assembly Administration offices	221,218,668.00	104,482,511.65	116,736,156.35
		Sub Total	221,218,668.00	104,482,511.65	116,736,156.35
Cooperatives Development Programmes	303023410	Cooperatives Agricultural Support	11,100,000.00	11,000,000.00	100,000.00
		Sub Total	11,100,000.00	11,000,000.00	100,000.00
Trade Development	305013410	Trade development & Promotion	140,227,023.00	116,699,347.25	23,527,675.75
		Sub Total	140,227,023.00	116,699,347.25	23,527,675.75
Youth Rehabilitation and Development	501023410	Youth Development Programmes and Policy	124,007,348.00	106,887,327.00	17,120,021.00
		Sub Total	124,007,348.00	106,887,327.00	17,120,021.00
Physical Infrastructure Development	502013410	Infrastructure Development and Expansion	111,371,471.00	110,287,521.50	1,083,949.50
	107013410	Infrastructure & Equipment	165,821,408.00	152,423,544.50	13,397,863.50
	701023410	Infrastructure Development and Expansion	1,306,861,971.00	1,005,247,686.40	301,614,284.60
	401013410	Infrastructure Construction, Expansion and Maintenance	756,961,360.00	604,544,349.00	152,417,011.00
		Sub Total	2,341,016,210.00	1,872,503,101.40	468,513,108.60
Administration, Planning and Support Services	503013410	General Administration & Support Services	2,335,185,042.00	2,334,032,398.90	1,152,643.10

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	105013410	General Administration & Support Services	839,268,373.00	839,268,373.00	0.00
		Sub Total	3,174,453,415.00	3,173,300,771.90	1,152,643.10
ECDE and Sports Development Services	504013410	ECDE Infrastructure.	307,703,708.00	287,891,435.00	19,812,273.00
		Sub Total	307,703,708.00	287,891,435.00	19,812,273.00
Financial Services	701033410	Procurement Services	36,825,600.00	20,324,928.00	16,500,672.00
		Sub Total	36,825,600.00	20,324,928.00	16,500,672.00
Administration and Compensation	904013410	Administration and Support Services	163,210,955.00	149,932,686.65	13,278,268.35
	702033410	Administration Services	3,251,224,934.00	2,757,701,820.75	493,523,113.25
		Sub Total	3,414,435,889.00	2,907,634,507.40	506,801,381.60
Water Provision Services	901043410	Water Storage Structures	1,485,476,271.00	1,378,781,760.80	106,694,510.20
	901053410	Water provision services	832,468,862.00	827,315,439.95	5,153,422.05
		Sub Total	2,317,945,133.00	2,206,097,200.75	111,847,932.25
Solar Energy and Environmental Services	902023410	Street lighting	166,103,780.00	157,651,085.50	8,452,694.50
	903013410	Environmental Protection	66,179,350.00	57,766,443.25	8,412,906.75
		Sub Total	232,283,130.00	215,417,528.75	16,865,601.25
		Grand Total	13,211,360,877.00	11,677,472,718.60	1,533,888,158.40

6.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Mandera County Executive all values are rounded to the nearest Kenya Shilling.

The accounting policies adopted have been consistently applied to all the years presented.

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

i) Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the Mandera County Executive.

iii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the Mandera County Executive or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the Mandera County Executive or any other debt the Mandera County Executive may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the Manderu County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

v) Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

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

a) Third Party Payments

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

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily

convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

a) Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. There were no other restrictions on cash during the year.

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

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

10. Contingent Liabilities

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

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Mander County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Note 10** and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Contingent Assets

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

12. 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 Mander County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

13. Comparative figures

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

14. Subsequent events

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Errors

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

16. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and Mandera County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

6.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2020-2021	2019-2020
	KShs	KShs
Total Exchequer Releases for quarter 1 (b/f)	879,173,700	1,778,793,300
Total Exchequer Releases for quarter 2	3,373,573,500	1,840,131,000
Total Exchequer Releases for quarter 3	1,686,786,750	- 1,993,475,250
Total Exchequer Releases for quarter 4	5,162,589,750	3,731,376,750
Total	11,102,123,700	9,343,776,300

The above comprises transfers from the Exchequer comprising of equitable share and Level 5 Hospitals.

1A. Equitable Share

Description	2020-2021	2019-2020
	KShs	KShs
Total Equitable Share for quarter 1	879,173,700	1,778,793,300
Total Equitable Share for quarter 2	3,373,573,500	1,840,131,000
Total Equitable Share for quarter 3	1,686,786,750	1,993,475,250
Total Equitable Share for quarter 4	5,162,589,750	3,731,376,750
Total	11,102,123,700	9,343,776,300

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Proceeds from Domestic and foreign grants received through exchequer		
DANIDA - Universal Healthcare in Devolved Units Programme	29,070,000	41,586,250
World Bank – THUSCP	144,346,590	65,351,998
Kenya Devolution Support Programme	45,000,000	30,000,000
Youth Polytechnic support grant	15,049,894	22,113,298
Abolishment of user fees in health centres and dispensaries	25,474,920	25,474,920
Kenya Urban Support Project (KUSP) -Urban Development Grants (UDG)	50,066,573	8,800,000
Kenya Urban Support Programme	46,311,274	125,752,927
Agriculture Sector Development Support Project (ASDSP)	14,549,177	21,435,060
Kenya Climate Smart Agriculture Project (KCSAP)	238,632,573	150,826,354
Sub total	608,501,000	491,340,807
Proceeds from domestic and foreign grants received directly by the county		
Covid-19 Donations	0	0
Grand Total	608,501,000	491,340,807

These are grants received through Exchequer.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	KShs	KShs
Transfers from Central Government entities		
Road maintenance levy fund	304,694,480	290,185,218
Agriculture Sector Development Support Project (ASDSP)	2,000,000	-
Kenya Devolution Support Programme Level II	141,844,646	
Covid-19 Fund	0	91,323,000
Covid-19 Medical Staff Allowance	0	31,845,000
TOTAL	448,539,126	413,353,218

4. COUNTY OWN GENERATED RECEIPTS

	2020-2021	2019-2020
	KShs	KShs
Hospital Collection	28,024,398	21,577,484
Land Rents	32,613,102	33,999,995
Single Business Permit	13,755,110	12,043,890
Miraa Movements	12,641,585	- 6,843,700
Barriers	4,603,919	5,809,701
Land Transfers	14,536,900	8,736,350
Slaughter Fees And Charges	6,446,830	6,771,711
Livestock Markets	3,986,140	- 2,395,975
Markets Stalls	6,698,907	3,700,870
Tender And Quantity Surveying Fees	1,715,000	689,500
Livestock Movement	4,487,777	4,931,720
Income From Water Management	2,903,550	5,951,897
Agriculture Mechanization Services	444,000	- 623,000
Others	530,000	3,201,008
Public Health	1,659,041	1,635,770
Market Shades	1,694,100	1,075,480
Stores	240,371	308,250
Buspark/Taxis	1,279,574	- 725,469
Building Plan	1,123,800	1,722,250

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	2020-2021	2019-2020
Rental Income_	1,609,950	1,194,352
Produce Cess	1,301,157	411,624
Income From Quarries	1,018,687	611,840
Total	143,313,898	124,961,836

5. RETURNED CRF ISSUES

	2020-2021	2019-2020
	KShs	KShs
Recurrent account- County Assembly	0	1,721,741,580
Development account- County Assembly	0	0
Total	0	1,721,741,580

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. COMPENSATION OF EMPLOYEES

	2020 - 2021	2019 - 2020
	KShs	KShs
Basic salaries of permanent employees	904,555,832	822,602,658
Basic wages of temporary employees	213,389,267	124,576,589
Personal allowances paid as part of salary	1,251,543,941	1,117,256,270
Government pension and retirement benefits (Gratuity)	55,783,891	76,397,936
Employer Contribution to compulsory National Social Schemes	1,830,000	1,605,600
Employer Contribution to Compulsory National health Insurance Schemes	39,322,850	35,495,500
Pension and other social security contributions	122,842,594	104,904,875
Other personnel payments	56,996,458	52,239,058
Total	2,646,264,831	2,335,078,486

7. USE OF GOODS AND SERVICES

	2020 - 2021	2019 - 2020
	KShs	KShs
Utilities, supplies and services	3,935,660	3,454,313
Communication, supplies and services	9,827,857	28,346,177
Domestic travel and subsistence	45,755,306	36,709,569
Foreign travel and subsistence	1,602,272	4,537,247
Printing, advertising and information supplies & services	56,535,235	26,448,339
Rentals of produced assets	209,911,096	126,945,514
Training expenses	96,671,031	20,527,240
Hospitality supplies and services	44,490,817	52,656,810
Insurance costs	288,475,913	294,020,749
Specialized materials and services	765,576,205	827,035,542
Office and general supplies and services	235,226,652	61,029,646
Fuel, oil and lubricants	55,204,067	37,011,639
Other operating expenses	717,968,600	301,892,116
Routine maintenance – vehicles and other transport equipment	131,337,880	54,584,222
Routine maintenance – other assets	18,387,429	4,941,198
Total	2,680,906,020	1,880,140,321

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Transfers to County Government entities		
Mandera County Assembly	803,919,523	733,174,263
MANDAWASCO	249,000,000	226,550,000
Mandera Municipality	341,000,000	163,867,550
Transfers to Departments	0	491,201,393
Transfers to KCASP	72,635,290	134,963,309
Transfers to ASDSP	22,049,177	26,935,060
Transfers to Vocational Training Centres	30,091,788	44,219,947
Transfers to Hospitals, Dispensary and CHMT	96,190,410	48,905,246
Mandera County for Urban Institution	0	50,000,000
Transfer of Covid Funds to Ministry of Health	91,323,000	0
ELWASCO	74,100,000	0
Elwak Municipality	61,114,093	0
TOTAL	1,841,423,281	1,919,816,768

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER GRANTS AND PAYMENTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Scholarships and other educational benefits	22,000,000	110,000,000
Emergency relief and refugee assistance	146,880,830	0
Total	168,880,830	110,000,000

These were grants meant for scholarships to needy students and relief assistance to vulnerable communities during emergencies.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. ACQUISITION OF ASSETS

Non- Financial Assets	2020 - 2021	2019 - 2020
	KShs	KShs
Construction of Buildings	1,133,948,217	1,604,006,036
Refurbishment of Buildings	204,734,278	152,741,107
Construction of Roads	613,493,009	502,689,944
Construction and Civil Works	1,387,303,635	1,750,639,293
Purchase of Vehicles and Other Transport Equipment	22,423,319	29,847,401
Purchase of Office Furniture and General Equipment	76,436,096	148,953,094
Purchase of Specialized Plant, Equipment and Machinery	121,194,437	54,693,991
Purchase of Certified Seeds, Breeding Stock and Live Animals	33,464,110	0
Research, Studies, Project Preparation, Design & Supervision	8,287,094	6,339,655
Rehabilitation of Civil Works	738,713,561	309,699,820
Total acquisition of assets	4,339,997,755	4,559,610,341

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. OTHER PAYMENTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Budget Reserves	0	0
Civil Contingency Reserves	0	399,660,154
Other payments	0	383,778,221
	0	783,438,375

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. CASH AND BANK BALANCES

12A. BANK BALANCES

Name of Bank, Account Name & currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2020 - 2021	2019 - 2020
			KShs	KShs
Mandera County Recurrent-Central Bank Of Kenya, (Kshs).	1000170913	Recurrent	2,337	53,038
Mandera County Development- Central Bank Of Kenya (Kshs)	1000170848	Development	1,045	54,581
Mandera County Road Maint. Levy- Central Bank Of Kenya, (Kshs)	1000297964	Development	20,108,508	87,479,760
Mandera County Village Polytechnic Project- Central Bank Of Kenya, (Kshs)	1000369515		6,650	6,650
Mandera County Special Purpose Acc- Central Bank Of Kenya, (Kshs)	1000275316		10,635,479	9,604,002
Mandera County Kenya Dev Supp Progr-Central Bank of Kenya, (Kshs)	1000432217		5,353,751	119,011,758
Mandera Municipality Urban Dev Grant- Central Bank of Kenya, (Kshs)	1000392762		4,510,210	79,242,718
Mandera County - Revenue Fund Central Bank Of Kenya, (Kshs).	1000171472	CRF	987,855,518	211,636,943
Mandera County Retention Account National Bank Of Kenya, Kshs.	1001100414500	Deposit	60,140,557	116,327,304
Mandera County Ke Climate Smart Agr Prj- Central Bank Of Kenya, (Kshs)	1000368535		103,620,956	0
Mandera County -Revenue Acc Equity Mdr Branch, (Kshs)	1000260858505	Deposit	0	0
Mandera County SP Pur Acc ASDSP Pro-Central Bank Of Kenya, (Kshs)	1000368551		0	0

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Mandera County - Revenue Acc National Bank Mdr Branch, (Kshs)	1042097914300	Deposit	-0	0
Mandera County - Revenue Acc Kcb Mandera Branch, (Kshs)	1140759469	Deposit	0	0
Total			1,192,235,011	623,416,754

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

13. ACCOUNTS PAYABLE

	2020 - 2021	-	2019 - 2020
	KShs		KShs
Deposits	0		0
Retention monies	60,140,557		116,327,304.00
Total	60,140,557		116,327,304.00

14. FUND BALANCE BROUGHT FORWARD

	2020 - 2021		2019 - 2020
	KShs		KShs
Bank accounts	623,416,754	-	0
Accounts Payables	-116,327,304		0
Total	507,089,450		0

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. INCREASE/ (DECREASE) IN ACCOUNTS PAYABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July (a)	116,327,304	0
Payables as at 30 th June (b)	60,140,557	116,327,304.00
Increase/ (Decrease) in payables c= b-a	- 56,186,747	116,327,304.00

6.10. OTHER IMPORTANT DISCLOSURES

1. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	286,587,021	0	0	286,587,021
Construction of civil works	512,586,600	0	43,238,606	469,347,995
Supply of goods	51,330,400	0	11,611,500	39,718,900
Supply of services	119,561,432	0	21,154,080	98,407,352
Total	970,065,453	0	76,004,186	894,061,268

2. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Mandera County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

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OTHER IMPORTANT DISCLOSURES (Continued)

Related party transactions

	2020- 2021	2019- 2020
	Kshs	Kshs
Key Management Compensation (Governors, CEC Members and COs)	-	-
<u>Transfers to related parties</u>		
Transfer to the County Assembly	803,919,523	733,174,263
Transfers to other County Government Entities	619,719,291	798,194,136
Transfers to Development Projects	94,684,467	163,867,530
Transfers to non-reporting entities e.g. schools and welfare	-	-
Transfers to County Water Service Providers	323,100,000	226,550,000
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	1,841,423,281	1,919,816,768
<u>Transfers from related parties</u>		
Transfers from the Exchequer	11,102,123,700	9,343,776,300
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government	304,694,480	434,788,278
Total Transfers from related parties	11,406,818,180	9,757,129,518

3. Establishment of other County Government Entities

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

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Elwak Municipality	2020	Mandera South	Abdi Hassan Abdulla
Elwak Water and Sewerage Company	2020	Mandera South	Kassim
Mandera County Bursary Fund	2017	Mandera East	Abdullahi Abdi
Mandera Municipality Board	2018	Mandera East	Hassannoor Abdullahi
Mandera Water and Sewerage Board	2018	Mandera East	Abdikadir Tache

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**6.11. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S
RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Drilling and Equipping of 5No. Borehole and Civil works	The tender advertisements, bill of quantities, opening minutes and evaluation minutes were in the sub county departmental files.	Resolved	20 th January 2021
2.	Refurbishment of Buildings	The inspection and Acceptance certificate, requisition from user departments, certificate of practical completion and evaluation committee report were in the project files maintained at the departments.	Unresolved	December 2021
3.	Procurement of Office furniture and Equipment	The goods were taken on charge and the tender opening minutes, evaluation minutes and quotations were in the departmental project files	Resolved	20 th January 2021
4.	Unaccounted for Office and general supplies	The requisition from the user department, inspection and acceptance certificates, tax compliance certificates, certificate of incorporation were filed separately in the departmental project files	Resolved	20 th January 2021
5.	Unsupported payments on Repair of Motor Vehicles	The pre and post inspection report from the department of transport and infrastructure for mechanical repairs, requisition from user departments and its approval and motor Vehicle work tickets were in the departmental archives.	Resolved	20 th January 2021
6.	Training Expenses	The missing documents from the voucher were availed	Resolved	20 th January 2021
7.	Hospitality Supplies and Service	The missing supporting documents were in the file	Resolved	20 th January 2021
8.	Compensation of	Recommendation Effected	Resolved	20 th January 2021

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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)
	Employees			
9.	Effectiveness of the public participation process	The budget circular setting out guidelines to be followed by all of the county government's entities in the budget process was in the file maintained independently at the budget section	Resolved	20 th January 2021
10.	Irregular Procurement of Bush Clearing Projects	The missing documents were availed	Unresolved	December 2021

CEC, County Treasury

Sign 

Date 28-09-2021

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ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period (2020/21)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	879,173,700	3,373,573,500	1,686,786,750	5,162,589,750	11,102,123,700
DANIDA - Universal Healthcare in Devolved Units Programme		14,535,000		14,535,000	29,070,000
World Bank – THUSCP			72,304,581	72,042,009	144,346,590
Kenya Devolution Support Programme			45,000,000	141,844,646	186,844,646
Youth Polytechnic support grant			7,524,947	7,524,947	15,049,894
Abolishment of user fees in health centres and dispensaries				25,474,920	25,474,920
Kenya Urban Support Programme		50,066,573		46,311,274	96,377,846
Agriculture Sector Development Support Project (ASDSP)			16,303,172	246,005.00	16,549,177
Kenya Climate Smart Agriculture Project (KCSAP)		100,455,119		138,177,453.95	238,632,573
Road maintenance levy fund			152,347,240	152,347,239.80	304,694,480
Total	879,173,700	3,538,630,191	1,980,266,690	5,761,093,244	12,159,163,826

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

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ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction of buildings							
Ahqab Company Ltd	7/16/2021	119,194,700	119,194,700	-	0	119,194,700	
Al-Habib Enterprise Ltd	16/05/2021	9,995,000	9,995,000	-	0	9,995,000	
Alman Construction Company Limited	28/01/2021	2,300,000	2,300,000	-	0	2,300,000	
Ardakalacha Suppliers And Constrution Company Limited	28/01/2021	500,000	500,000	-	0	500,000	
Dhukeyyma General Contractors Limited	28/01/2021	1,000,000	1,000,000	-	0	1,000,000	
Earth Construction Ltd	18/4/2019	78,983,884	78,983,884	-	0	78,983,884	
Elmi Agencies Limited	28/01/2021	3,000,000	3,000,000	-	0	3,000,000	
G-Trade Company Limited	28/01/2021	1,100,000	1,100,000	-	0	1,100,000	
Hagarmuud Investment Limited	28/01/2021	5,000,000	5,000,000	-	0	5,000,000	
Jiran Co Ltd	6/16/2021	5,989,600	5,989,600	-	0	5,989,600	
Kalpna Builders Ltd	6/15/2021	9,888,895	9,888,895	-	0	9,888,895	
Kenyson Construction And Core Limited	28/01/2021	1,500,000	1,500,000	-	0	1,500,000	
Medvile Investment Ltd	6/15/2021	9,905,298	9,905,298	-	0	9,905,298	
Nanesa Trading Company Limited	28/01/2021	1,050,000	1,050,000	-	0	1,050,000	
Nesko Ventures Ltd	6/15/2021	9,850,039	9,850,039	-	0	9,850,039	
Sarmaan General Supplier Limited	28/01/2021	1,000,000	1,000,000	-	0	1,000,000	
Serve Kenya Ltd	4/9/2021	9,894,800	9,894,800	-	0	9,894,800	
Skyward Investment Ltd	6/15/2021	9,534,805	9,534,805	-	0	9,534,805	
Solotruck Agency Ltd	6/28/2021	5,000,000	5,000,000	-	0	5,000,000	
Tuyo Suppliers Company Limited	28/01/2021	500,000	500,000	-	0	500,000	
Udole Construction Company Limited	28/01/2021	400,000	400,000	-	0	400,000	
Ukurows Trading Limited	28/01/2021	1,000,000	1,000,000	-	0	1,000,000	

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Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
Sub-Total		286,587,021	286,587,021	-	0	286,587,021	
Construction of civil works							
An-Najwa Gen Trading Co Ltd	22.12.2017	3,635,290	3,635,290	0	3,250,000	385,290	
Amstrad Engineering Company Limited	10.04.2015	1,500,000	1,500,000	0	0	1,500,000	
Horyaal Construction Co Ltd	26.06.2015	500,000	500,000	0	0	500,000	
Ismahan General Supplies	20.02.2015	22,185,742	22,185,742	0	21,385,742	800,000	
Bulsho Construction Company Ltd	30.06.2015	2,266,744	2,266,744	0	1,566,744	700,000	
Super Mandera	08.05.2015	1,000,000	1,000,000	0	0	1,000,000	
Juniors General Suppliers	12.06.2016	2,700,000	2,700,000	0	0	2,700,000	
Biftu Investment Limited	25.02.2019	3,231,000	3,231,000	0	0	3,231,000	
Tite Agencies Limited	20.08.2019	2,000,000	2,000,000	0	0	2,000,000	
Platinum Bridge Ltd	16.09.2019	3,750,000	3,750,000	0	0	3,750,000	
Abshi and Sons Company limited	25.12.2019	2,541,718	2,541,718	0	0	2,541,718	
Adabla General Const Ltd	16.09.2019	4,036,000	4,036,000	0	0	4,036,000	
Elite Constructon And Building	07.03.2015	1,567,500	1,567,500	0	0	1,567,500	
Ahqab Co Ltd	23/02/2021	4,498,000	4,498,000	-	0	4,498,000	
Alideer Contractors Ltd	19/04/2021	1,793,058	1,793,058	-	0	1,793,058	
Bashash Construction Co Ltd	19/04/2021	1,498,812	1,498,812	-	0	1,498,812	
Biala Investiment Ltd	11/5/2021	68,869,200	68,869,200	-	0	68,869,200	
Brabaares Construction And Suppliers Ltd	26/3/2021	9,812,440	9,812,440	-	3,062,440	6,750,000	
Brabaares Construction And Suppliers Ltd	26/3/2021	9,973,680	9,973,680	-	4,973,680	5,000,000	
Brabaares Construction And Suppliers Ltd	1/10/2020	2,999,876	2,999,876	-	0	2,999,876	
Bukke Contractors Company Limited	4/9/2021	16,997,712	16,997,712	-	9,000,000	7,997,712	
County Builders Ltd	9/4/2021	169,239,438	169,239,438	-	0	169,239,438	
Dallab Investment Limited	3/15/2021	4,189,850	4,189,850	-	0	4,189,850	
Dallo Holding Ltd	1/2/2021	4,400,000	4,400,000	-	0	4,400,000	

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Didkaro Contractors Limited	28/01/2021	1,000,000	1,000,000	-	0	1,000,000	
Dololo Ventures Ltd	28/01/2021	4,950,000	4,950,000	-	0	4,950,000	
Eymole Construction Ltd	26/01/2021	3,500,000	3,500,000	-	0	3,500,000	
Firstborn Investment Limited	2/23/2021	4,497,604	4,497,604	-	0	4,497,604	
Guba Investiment Ltd	26/01/2021	3,032,350	3,032,350	-	0	3,032,350	
Hashuglow Investment Ltd	28.02.2021	1,700,000	1,700,000	-	0	1,700,000	
Heleshid Ltd	19/04/2021	1,800,000	1,800,000	-	0	1,800,000	
Highbridge Enterprise Ltd	1/10/2020	2,999,379	2,999,379	-	0	2,999,379	
Hogla Construction Ltd	12/11/2020	4,967,641	4,967,641	-	0	4,967,641	
Isad Constructors Ltd	19/04/2021	1,792,989	1,792,989	-	0	1,792,989	
Isad Constructors Ltd	9/3/2021	2,498,268	2,498,268	-	0	2,498,268	
Khabu Holding Ltd	1/2/2021	1,199,800	1,199,800	-	0	1,199,800	
Lafey Construction Co Ltd	12/10/2017	14,992,500	14,992,500	-	0	14,992,500	
Libiin Logistics Limited	09/04/2021	29,861,996	29,861,996	-	0	29,861,996	
Peartec	3/5/2021	2,200,000	2,200,000	-	0	2,200,000	
Right Hill Limited	1/27/2021	2,999,917	2,999,917	-	0	2,999,917	
Rowla Construction Co Ltd	14/6/2021	53,408,256	53,408,256	-	0	53,408,256	
Sarma General Construction And Supplies Ltd	26/01/2021	29,999,841	29,999,841	-	0	29,999,841	
Sub-Total		512,586,600	512,586,600	0	43,238,606	469,347,995	
Supply of goods							
Arges Awara Construction And Supplies	26.01.2014	2,000,000	2,000,000	0	0	2,000,000	
Hardimtu enterprise limited	28.08.2017	250,000	250,000		0	250,000	
Yato Enterprises	22.03.2015	1,000,000	1,000,000		0	1,000,000	
Garse Agrovvet construction	18.06.2015	800,000	800,000		0	800,000	
Seya Global Limited	21.03.2020	2,500,000	2,500,000		0	2,500,000	
Biftu Investment Limited	25.02.2019	3,315,000	3,315,000		0	3,315,000	
Al-ahzab Investment Ltd	23.12.2019	2,000,000	2,000,000		0	2,000,000	

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Yabamo Gen And Supplies Ltd	16.09.2019	3,716,000	3,716,000		0	3,716,000	
Harafat Trading Co. Ltd	13.12.2019	2,500,000	2,500,000		0	2,500,000	
Abluun Rural And Urban Contractors	20.03.2015	1,000,000	1,000,000		0	1,000,000	
Ekaya Construction Co.Ltd	16.07.2015	800,000	800,000		0	800,000	
Koutich Limited	29.08.2019	2,000,000	2,000,000		0	2,000,000	
Adesa Construction Company Limited	1/27/2021	2,499,900	2,499,900	-	0	2,499,900	
Mairer General Supplies	17/1/2021	6,311,500	6,311,500	-	5,311,500	1,000,000	
Sharus Construction And Supplies Ltd	16/4/2021	10,000,000	10,000,000	-	0	10,000,000	
Tabarak Construction Compnay Limited	12/7/2021	2,838,000	2,838,000	-	1,500,000	1,338,000	
Bilal Investment Limited	17/12/2020	4,500,000	4,500,000	-	2,500,000	2,000,000	
Green Harick Agencies	2/16/2021	3,300,000	3,300,000	-	2,300,000	1,000,000	
Sub-Total		51,330,400	51,330,400	0	11,611,500	39,718,900	
Supply of services							
Wise Choice Construction Co. Ltd	30.11.2019	2,500,000	2,500,000	0	0	2,500,000	
Abusamab Suppliers and Contractors Co. Ltd	27.12.2019	3,500,000	3,500,000	0	0	3,500,000	
Hullow Enterprises	11.11.2014	3,989,000	3,989,000	0	0	3,989,000	
Continental Life Investment Ltd	08.10.2014	1,000,000	1,000,000	0	0	1,000,000	
Olad Ibrahim Omar	29.02.2016	800,000	800,000	0	0	800,000	
Amin Construction Limited	11/2/2021	2,080,000	2,080,000	0	332,800	1,747,200	
Amin Construction Limited	1/3/2021	1,480,000	1,480,000	0	236,800	1,243,200	
Amstrad Enginerring Co.Ltd	11/2/2021	2,240,000	2,240,000	0	358,400	1,881,600	
Amstrad Enginerring Co.Ltd	25/2/2021	1,376,000	1,376,000	0	206,400	1,169,600	
Amstrad Enginerring Co.Ltd	6/3/2021	2,040,000	2,040,000	0	326,400	1,713,600	
Darul Iman Investment Ltd	23/1/2021	5,480,000	5,480,000	0	876,800	4,603,200	
Darul Iman Investment Ltd	12/2/2021	2,280,000	2,280,000	0	364,800	1,915,200	
Darul Iman Investment Ltd	3/3/2021	6,720,000	6,720,000	0	1,075,200	5,644,800	
Desert Shield Const.Co.Ltd	11/2/2021	2,920,000	2,920,000	0	467,200	2,452,800	

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Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
				0	192,000	1,008,000	
Desert Shield Const.Co.Ltd	5/3/2021	1,200,000	1,200,000	0	531,200	2,788,800	
Diribkaro General Contractors Ltd	24/12/2020	3,320,000	3,320,000	0	1,312,000	6,888,000	
Diribkaro General Contractors Ltd	11/2/2021	8,200,000	8,200,000	0	409,600	2,150,400	
Diribkaro General Contractors Ltd	6/3/2021	2,560,000	2,560,000	0	102,400	537,600	
Diribkaro General Contractors Ltd	24/3/2021	640,000	640,000	0	1,030,400	5,409,600	
Frost Company Limited	8/10/2020	6,440,000	6,440,000	0	352,000	1,848,000	
Frost Company Limited	13/2/2021	2,200,000	2,200,000	0	377,600	1,982,400	
Frost Company Limited	13/2/2021	2,360,000	2,360,000	0	512,000	2,688,000	
Garsu Holding Limited	19/2/2021	3,200,000	3,200,000	0	359,040	2,080,960	
Garsu Holding Limited	12/2/2021	2,440,000	2,440,000	0	359,040	1,884,960	
Hedgelink Limited	12/2/2021	2,244,000	2,244,000	0	163,200	856,800	
Mahadkim General Supplies	26/3/2021	1,020,000	1,020,000	0	614,400	3,225,600	
Mahadkim General Supplies	12/2/2021	3,840,000	3,840,000	0	403,200	2,116,800	
Ogonicho Gen Suppliers&Contractors Ltd	20/2/2021	2,520,000	2,520,000	0	153,600	806,400	
Ogonicho Gen Suppliers&Contractors Ltd	1/3/2021	960,000	960,000	0	672,000	3,528,000	
Platinum Bridge Limited	20/10/2020	4,200,000	4,200,000	0	236,800	1,243,200	
Rowla Hotel Limited	11/2/2021	1,480,000	1,480,000	0	275,200	1,444,800	
Rowla Hotel Limited	15/2/2021	1,720,000	1,720,000	0	563,200	2,956,800	
Salama Thirteen Investment Ltd	1/12/2020	3,520,000	3,520,000	0	339,200	1,780,800	
Tabarak Construction Ltd	11/2/2021	2,120,000	2,120,000	0	563,200	2,956,800	
Tabarak Construction Ltd	27/12/2020	3,520,000	3,520,000	0	825,600	4,334,400	
Takaba Auto Services	12/2/2021	5,160,000	5,160,000	0	192,000	1,008,000	
Takaba Auto Services	29/3/2021	1,200,000	1,200,000	0	576,000	3,024,000	
Takaba Auto Services	12/2/2021	3,600,000	3,600,000	0	294,400	1,545,600	
Yabamo General Supplier	11/2/2021	1,840,000	1,840,000	0	4,500,000	3,354,432	
Yankees Concept Limited	12/30/2021	7,854,432	7,854,432	0	1,000,000	798,000	
Garsu Holding Limited	9/6/2019	1,798,000	1,798,000				
Kawsar Motors							

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Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
Sub-Total		119,561,432	119,561,432	0	21,154,080	98,407,352	
Grand Total		970,065,453	970,065,453	0	76,004,186	894,061,268	

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments

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ANNEX 3 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2019/2020	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2020/2021
Land	24,141,291	-			24,141,291
Buildings and structures	8,935,067,785	1,338,682,494			10,273,750,279
Transport equipment	786,184,636	22,423,319			808,607,955
Office equipment, furniture and fittings	442,770,054	76,436,096			519,206,150
Machinery and Equipment	928,466,903	121,194,437			1,049,661,340
Biological assets		33,464,110			33,464,110
Intangible assets	989,044,867	8,287,094	-		997,331,961
Infrastructure assets- Roads, Rails	17,999,147,879	2,739,510,205	-		20,738,658,084
Total	30,104,823,415	4,339,997,755	-	-	34,444,821,170

The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Mandera County Executive.

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ANNEX 4 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	Mandera County Assembly	-	278,067,221	130,569,553	395,282,749	803,919,523	803,919,523	-	
2	MANDAWASCO	-	100,000,000	50,000,000	99,000,000	249,000,000	249,000,000	-	
3	Mandera Municipality	-	90,000,000	50,000,000	201,000,000	341,000,000	341,000,000	-	
4	Transfers to KCASP	-	-	-	72,635,290	72,635,290	72,635,290	-	
5	Transfers to ASDSP	-	5,500,000	-	16,549,177	22,049,177	22,049,177	-	
6	Transfers to Vocational Training Centres	-	-	6,711,894	23,379,894	30,091,788	30,091,788	-	
7	Transfers to Hospitals, Dispensary and CHMT	-	25,390,000	27,662,415	43,137,995	96,190,410	96,190,410	-	
8	Transfer of Covid Funds to Ministry of Health	-	91,323,000	-	-	91,323,000	91,323,000	-	
9	ELWASCO	-	21,000,000	15,000,000	38,100,000	74,100,000	74,100,000	-	
10	Elwak Municipality	-	28,000,000	25,000,000	8,114,093	61,114,093	61,114,093	-	
	TOTAL	-	639,280,221	304,943,862	897,199,198	1,841,423,281	1,841,423,281	-	

Director of Finance

County Executive

Director of Finance

County Assembly/fund/project

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ANNEX 5 – BANK RECONCILIATION/FO 30 REPORT