

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 AUG 2024 *Afternoon* DAY.

TABLED
BY:

*Deputy Leader of
Majority Party*

CLERK-AT
THE-TABLE:

*Benson
Inzoti*

PARLIAMENT
OF KENYA
LIBRARY

REPORT
OF
THE AUDITOR-GENERAL

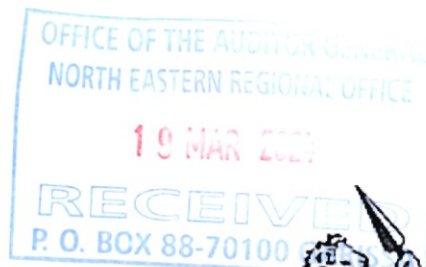
ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**

4
2
4





MANDERA NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Table of Content

Page

I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management	iii
III. NG-CDFC Chairman’s Report	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23	xiii
V. Statement of Governance	xv
VI. Environmental and Sustainability Reporting	xxiv
VII. Statement Of Management Responsibilities.....	xxvii
VIII. Report Of the Independent Auditors On The NGCDF- Mandera North Constituency	xxix
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023	1
X. Statement Of Assets and Liabilities As At 30 th June, 2023.....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023	3
XII. Summary Statement of Appropriation for The Year Ended 30 th June 2023	4
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	6
XIV. Significant Accounting Policies.....	13
XV. Notes To the Financial Statements	18
XVI. Annexes.....	23

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

ARMC-The Audit and Risk Management Committee

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Mandera North Constituency NG-CDF day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Adan Salah Mustafa
2.	Sub-County Accountant	Hussein Adan Kerow
3.	Chairman NGCDFC	Hassan Hussein Osman

(c) Fiduciary Oversight Arrangements

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

(d) Mandera North Constituency NGCDF Headquarters

P.O. Box 255 – 70300
Mandera North NG-CDF office block.
Mandera North Sub-County Head quarter
Nairobi, KENYA

(e) Mandera North Constituency NGCDF Contacts

Telephone: (254) 722471247
E-mail: cdfmanderanorth@ngcdf.go.ke
Website: www.manderanorth.ngcdf.go.ke

***Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

(f) Mandera North Constituency NGCDF Bankers

Equity Bank (Kenya) Limited.

Acc No.1000261174117

Equity Bank,

Mandera Branch,

P.O Box 536-70300,

Mandera.

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

III. NG-CDFC Chairman’s Report

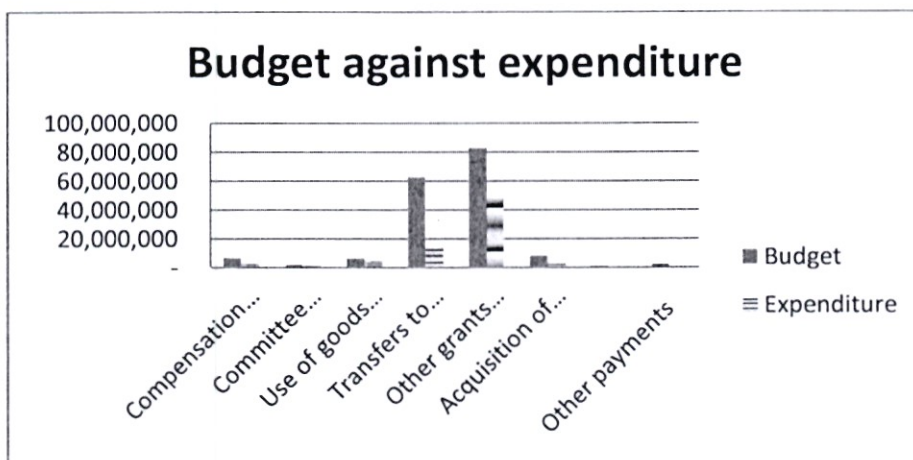


**HASSAN HUSSEIN OSMAN, CHAIRPERSON
MANDERA NORTH CONSTITUENCY NG-CDFC**

BUDGET PERFORMANCE

Mandera North is a constituency in Kenya. It is one of six constituencies in Mandera County. During the financial year under review, the Mandera North National Government Constituency Development was allocated Kshs. 145,087,603. The Mandera North NG-CDF had a balance of Kshs. 14,652,277 and owed NG-CDF Board Kshs. 12,088,879 as at the beginning of financial year. The amount owed to NG-CDFB related to FY 2020 – 2021 and constituents previous financial year balances. The Mandera North National Government Constituency could not utilise an amount of Kshs. 95,161,086 due to underfunding of Kshs. 70,176,482. Disbursement was made to the PMCs promptly.

A summary of the expenditure against the budget is illustrated in the graph below:



*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Other issues that affected the project implementation process included the late disbursement of funds and time lapse to approval of projects. However, NG CDF Mandera North managed to perform satisfactorily in terms of ensuring development programs are undertaken despite the said challenges. Below finds pictorial representation of budget expenditure against actual comparable implemented status and the absorption rate per expenditure categorization as incurred through the financial year 2022/2023. During the year Mandera North NG-CDF had achieved a lot in the implementation of projects in different sectors. The fund has developed schools, security Housing, water services in Schools, bursary for needy students in secondary Schools and universities. NG-CDF funds have really elevated the livelihoods of the constituents in the sense that it's implemented at the grassroots level where all levels of the community participate and benefit in one way or another.

KEY ACHIEVEMENTS

1. MANDERA NORTH NG-CDF - OFFICE ADMINISTRATION, ELEVATED WATER TANK AND WASHROOMS.



The NGCDF office block is complete with an elevated water tank and washroom block. The project is the pride of Mandera North constituency because a safe and comfortable working environment for the staff will be available. The project is a clear indication of the milestones Mandera North NGCDF is willing to take to achieve modern office facilities and promote the big 4 agenda

2. BURJOHN PRIMARY SCHOOL-ADMINISTRATION BLOCK



The administration block is complete and fully furnished. The project is the pride of Mandera North constituency because a safe and comfortable working environment for the teaching staff will be available. The project is a clear indication of the milestones Mandera North NGCDF is willing to take to achieve modern office facilities and promote the big 4 agenda

3. YABICHO CHIEFS OFFICE-ADMINISTRATION BLOCK



*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

The administration block is complete and in use. The project is the pride of Mandera North constituency because a safe and comfortable working environment for the chief and assistant chiefs will be available to help improve security within the constituency.

4. RHAMU POLICE STATION-DCIO OFFICE



The office block is located in Rhamu police stations within Rhamu ward .It is complete and in use. The project is the pride of Mandera North constituency because a safe and comfortable working environment for the DCIO will be available to help improve security within the constituency.

5. DCC MANDERA NORTH SOCIAL HALL



The social hall is located in Mandera North Sub-County headquarter. It is complete and in use. The project is the pride of Mandera North constituency because a comfortable working and meeting venue will be available to help with various meetings within the constituency.

EMERGING ISSUES

- Like any other Constituency, Mandera North Constituency has also faced some emerging issues some relating to increased bursary uptake, the electioneering period which normally comes after every five year cycle slowing the economic activities, minimal rainfall leading to slow harvest by the farmers.
- The Board has also introduced new reporting tools, the introduction of vote book management system where constituencies have moved from the use of the manual vote book and this has helped in increased efficiency and improved performance of the NG-CDFC to a great extent.
- Increased need of classes due to junior secondary school.
- Higher education loan board beneficiary will decrease due to new government directives hence putting pressure on scarce bursary allocations.

IMPLEMENTATION CHALLENGES

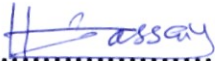
- The insurgency of terror groups in the constituency was very rampant. Since the constituency is bordering Somalia which has a porous border.
- Lack of qualified procurement personnel at the sub-county level to guide the committee on procurement procedures.
- Lack of electricity in the whole Constituency was also a predicament to smooth implementation of projects.
- Lack of public works officers in the sub-county was also a challenge.
- This year the release of funds from the board was a major problem since treasury was not releasing funds to the board.

WAY FORWARD

- National government through the Ministry of interior to provide proper security for easy implementation of NG- CDF project.
- The NG-CDF Board should far track and ensure adequate procurement personnel and public works officer are posted to the sub-county.
- The NG-CDFC Member of Parliament to follow up with Kenya Power and Lightening Company to provide electricity in the whole Constituency.
- I wish to urge the NGCDF Board/NASC to continually increase the NGCDF funding to enable more projects uptake in the constituencies. The Board to increase the allocation to the bursary fund kitty.

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

- We are initiated a better way of identifying needy student in bursary allocations. We continuously training and build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.



.....
Name: Hassan Hussein Osman
CHAIRMAN NGCDFCOMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of **Mandera North Constituency 2022-2027** plan are to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation I n subsequent planning and budgeting.
- vii. To provide a framework for continuous monitoring and systematic evaluation of development projects.

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:

Mandera North Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

No	Program	Objective	Outcome	Indicators	Performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Increase in Number of school going students/Reduce in illiteracy level among community/less crime rate in the society	Number of Physical school structure in various school around the constituency Number of Bursary beneficiary	The number of classrooms in primary school increased from 45 to 64 and 10 to 12 in secondary. Number of bursary beneficiaries was 301 in secondary schools and 1769 tertiary institutions.
2	Youth and Sports	To harness talent and empower youth	Reduce youth engagement in drug and substance abuse Promote Physical Health	Number of Tournaments held	One constituency sport tournament was held
3	Security	To enhance security in the constituency	Enhanced security among the community	Number of office & houses built	Number of chief's offices constructed increased from 4 to 8 within the constituency.
4	Tracking of results	To improve tracking of implementation NG-CDF programmes	Decreased number of PMCs/projects audit related issue	Number of Routine monitoring & capacity Building exercise undertaken	Two capacity Building for NG-CDFC were held/6 Routine monitoring was carried out
5	Emergency	To cater of unforeseen occurrences	Mitigate the unforeseen occurrences within the constituency	Number of Classrooms, toilets and Police officers renovated	Renovation of 6 classrooms in secondary schools and 12 in primary schools

V. Statement of Governance

Introduction

The NG-CDF Act 2016 on appointment of NG-CDFC member's states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of; —

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettment of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Mandera North, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettment.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused Mandera North NG-CDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in mosques and churches, public offices, notice boards and other public areas in the constituency in the month of October 2022.

In Mandera North constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Martin Muthugumi	Chairman
2	Adan Salah Mustafa	Secretary
3	Yussuf Abdi Haji	Member
4	Shinda Gedo Godana	Member

The selection panel developed a short listing criterion which enabled picking of the nominees. Two additional nominees were proposed by Mandera North Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Timira Abdullahi Abdille	Female (Adult)	Rhamu
2.	Hassan Hussein Osman	Male (Adult)	Ashabito
3.	Hussein Adan Mohamed	Male (Youth)	Rhamu
4.	Samey Ali Abdi	Female (Youth)	Rhamu Dimtu

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Hindia Adan Yussuf	Hearing impairment	Rhamu

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Elyas Mohamed Abdirahman	Male	Guticha
2	Barwaqa Ali Galgalo	Female	Rhamu

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Abdiwahid Issack Adan	Male	Guticha

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Hassan Hussein Osman
2. Secretary position –Abdiwahid Issack Adan

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazzetted through Gazette volume CXXIV-No. 276 on 16th December, 2022.

The new committee held its first meeting on 20th December, 2022.

Sno.	Name	Position
1	Hassan Hussein Osman	Chairperson
2	AkachDiero Samson	Member
3	Adan Salah Mustafa	Member
4	Barwaqa Ali Galgalo	Member
5	Samey Ali Abdi	Member
6	AbdiwahidIssack Adan	Secretary
7	Timira Abdullahi Abdille	Member
8	Hussein Adan Mohamed	Member
9	Elyas Mohamed Abdirahman	Member
10	Hindia Adan Haji	Member

Removal of NG-CDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Mandera North the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

***Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Training of NG-CDF Members

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members. The constituency also held a capacity building activity in May 2023 at Almond Hotel – Garissa (from 28th April to 2nd May 2023). During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Mandera North

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NG-CDFC Mandera North held 18 meetings through the year for the current committee as illustrated as follows;

Committee meetings attendance register 2022/2023								
No.	Committee Member	20 th dec & 28 th dec 2022	11 th jan 2023 & 25 th jan 2023	6 th Feb 2023	5 ^h march 23 & 20 th March 23	5 ^h April 23 & 18 th April 23	17 th may 23	14 th June 23 and 30 th June 23
1	Hassan Hussein Osman	✓ ✓	✓ ✓	✓	✓ ✓	✓ ✓	✓	✓ ✓
2	AkachDiero Samson	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3	Adan Salah Mustafa	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
4	Barwaqa Ali Galgalo	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
5	Samey Ali Abdi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
6	Timira Abdullahi Abdille	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
7	AbdiwahidIssack Adan	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
8	Hussein Adan Mohamed	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
9	Elyas Mohamed Abdirahman	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
10.	Hindia Adan Haji	✓	✓	✓	✓	✓	✓	✓

c) Members remuneration

NG-CDFC members are not entitled to payment of salary Members are remunerated as per the Act where the chairperson receives Kshs:7,000/= and other members are remunerated at a flat rate of Ksh:5,000/=on the meetings held and, on any activity, as they may hold in the constituency.

f) Disclose Policy on Conflict of Interest

A conflict of interest occurs when an individual's personal interests – family, friendships, financial, or social factors – could compromise his or her judgment, decisions, or actions in the workplace. Government agencies take conflicts of interest so seriously that they are regulated. Industry organizations, corporations, and universities, including our university, follow that lead by including conflicts of interest in our policies, regulations, and standards of operating procedures. For our university, we must follow Florida's Code of Ethics for Public Officers and Employees that includes standards of conduct and reporting requirements. On those bases Mandera North NG-CDFCs are required to disclose any interest on offices they hold.

g) Ethics & Conduct

Members are asked to sign code of ethic policy when they come into office, the members did so as require by the law.

Members of NG-CDFC are required to observe the following ethical issues

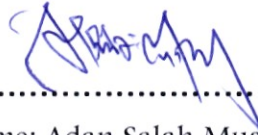
- i. Confidentiality - the NG-CDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity – NG-CDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership – NG-CDFC members should promote leadership in the constituency.
During the financial year 2022/2023 members of NG-CDFC Mandera North adhered to the stipulated ethical issues

h) Risk Management

Risk is the possibility of something bad happening. Risk involves uncertainty about the effects/implications of an activity with respect to something that humans value (such as health, well-being, wealth, property or the environment), often focusing on negative, undesirable consequences. Many different definitions have been proposed. The international standard definition of risk for common understanding in different applications is "effect of uncertainty on objectives at our offices we do have the risk register, where we manage all the risks that may occur during the running of office affairs.



.....
Name: Hassan Hussein Osman
Chairperson– NGCDF Committee



.....
Name: Adan Salah Mustafa
Fund Account Manager

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- Mandera North NG-CDF had conducted and supported students carry out environmental conservation activities e.g carried out planting of trees once in an academic calendar.
- Mandera North NG-CDF had carried out Sensitization of youth/ community on the impact of drugs by construction of police stations supported NG-CDF.
- Mandera North NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- Mandera North NG-CDF staff have at least one day in the financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

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

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

4. Market place practices-

Mandera North NGCDF Constituency is committed to fair and ethical market practises.

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

***Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

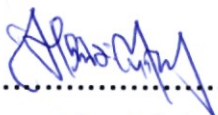
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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



.....
Name: Adan Salah Mustafa

Fund Account Manager.

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Mandera North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Mandera North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Mandera North Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

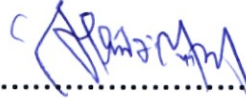
*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Approval of the financial statements

The NGCDF-Mandera North Constituency financial statements were approved and signed by the Accounting Officer on 22.09.2023.



.....
Name: Hassan Hussein Osman
Chairman – NGCDF Committee



.....
Name: Adan Salah Mustafa
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera North Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement of

appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mander North Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015, (Amended 2022) and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bursary Payments

The statement of receipts and payments, and as disclosed in Note 7 to the financial statements, reflects other grants and transfers amount of Kshs.50,018,823. Included in the amount is Kshs.3,500,061 and Kshs.23,346,500 all totalling Kshs.26,846,561 disbursed to various secondary schools and tertiary institutions respectively as bursary to needy students. Review of payment vouchers and supporting documents revealed that bursaries amounting to Kshs.427,953 for students in secondary schools and Kshs.988,000 for universities and colleges were not supported with acknowledgement letters and receipts from the recipient institutions to confirm that the money was received and benefited the intended beneficiaries. In addition, the minutes of the resolution of the Constituency Development Fund Committee authorizing the bursary payments were not provided for audit review.

In the circumstances, the accuracy, validity and completeness of the bursary disbursements of Kshs.1,415,953 could not be confirmed.

2. Inaccuracies in Cash and Cash Equivalents Balance

The statement of assets and liabilities, and as disclosed in Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.24,984,603. However, review of the cashbook revealed that during the month of June, 2023, the Fund reversed cheques amounting to Kshs.2,876,244 which included an amount of Kshs.763,314 relating to cheque payments for previous financial years. Management has not accounted for the cheque reversals related to the previous years in the financial statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.24,984,603 could not be confirmed.

3. Unsupported Land Ownership

Annex 4-summary of fixed assets register reflect a balance of Kshs.19,699,380 in respect to building and structures. The balance relates to the construction of National Government Constituencies Development Fund - Mandera North Office Block on a parcel of land adjacent to the Mandera North Sub County Offices. However, Management did not provide for audit review the title deed or allotment letter in respect of the land. It was further noted that the value of the land was not disclosed in the summary of fixed asset register.

In the circumstances, the ownership and valuation of the land, buildings and structures valued at Kshs.19,699,380 could not be confirmed.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.171,828,760 and Kshs.101,652,277 respectively resulting to an under-funding of Kshs.70,176,483 or 41% of the budget. Similarly, the fund spent Kshs.76,667,674 against actual receipts of Kshs.101,652,277 resulting to an under-utilization of Kshs.24,984,603 or 25% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have negatively impacted on service delivery to the residents of Mandera North Constituency.

My opinion is not modified in respect of this matter.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the previous year highlighted several issues in respect of the Financial Statements, Other Matter and Lawfulness and Effectiveness in Use of Public Resources paragraphs.

Management's report on the progress made in resolving the issues, indicates that issues relating to the financial statements had not been resolved as at 30 June, 2023. This is contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which requires the Accounting Officer to take appropriate measures to resolve any issues arising from audit which may remain outstanding. Management has not provided satisfactory explanation for the delay in resolving the issues.

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. Failure to Report Emergency Expenditure to the NG-CDF Board

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.50,018,823 which includes an amount of Kshs.7,864,762 incurred on emergency projects. However, the Management did not report to the National Government Constituencies Development Fund Board the utilization of the emergency funds within 30 days as required by Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

2. Unimplemented Projects

The Fund budget's allocated Kshs.131,404,163 to projects in various sectors including primary schools, secondary schools, security, bursaries, sports, environment and emergencies within the constituency. Review of the Project Implementation Status report and expenditure returns revealed that forty-three (43) projects with a budget allocation of Kshs.53,627,500 had not started by the end of the financial year.

In the circumstances, failure to implement the projects as planned, negatively impacted on the delivery of services to Mandera North constituency residents.

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 compliant, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 overall governance were not effective.

Basis for Conclusion

Failure to Maintain a Fixed Assets Register

The financial statements reflect under Annex 4 - summary of fixed assets register a balance of Kshs.25,026,880. However, the Management did not maintain a detailed fixed assets register containing information such as identification or serial number, acquisition date, description of asset, location, class and cost of acquisition.

In the absence of an updated fixed assets register, the Fund's assets are prone to abuses such as misuse, theft and pilferages.

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 Fund's ability to continue to sustain its 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 terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

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

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

Auditor-General's Responsibilities for the Audit

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 which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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


FCPA Nancy Bathungu, CBS
AUDITOR-GENERAL

Nairobi

17 May, 2024

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,000,000	171,588,879
Other Receipts	2	-	5,000
TOTAL RECEIPTS		87,000,000	171,593,879
PAYMENTS			
Compensation of employees	3	3,170,400	5,315,000
Committee expenses	4	1,598,200	3,197,000
Use of goods and services	5	4,900,251	3,490,870
Transfers to Other Government Units	6	14,300,000	77,820,000
Other grants and transfers	7	50,018,823	86,370,962
Acquisition of Assets	8	2,680,000	15,199,385
TOTAL PAYMENTS		76,667,674	191,393,217
SURPLUS/DEFICIT		10,332,326	(19,799,338)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by the NGCDFC on 18.03.2024 and signed by:


Fund Account Manager

Name: Adan Salah Mustafa


National Sub-County
Accountant

Name: Hussein Adan Kerow
ICPAK M/No:


Chairman NG-CDF Committee

Name: Hassan Hussein Osman

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

X. Statement of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	24,984,603	14,652,277
Total Cash and Cash Equivalents		24,984,603	14,652,277
Accounts Receivable			
Outstanding Imprests		-	-
TOTAL FINANCIAL ASSETS		24,984,603	14,652,277
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention		-	-
NET FINANCIAL SSETS		24,984,603	14,652,277
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	14,652,277	34,451,615
Surplus/Deficit for the year		10,332,326	(19,799,338)
NET FINANCIAL POSITION		24,984,603	14,652,277

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 18.03.2024 and signed by:



Fund Account Manager

Name: Adan Salah Mustafa



**National Sub-County
Accountant**

**Name: Hussein Adan Kerow
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Hassan Hussein Osman

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement of Cash Flows for The Year Ended 30th June 2023

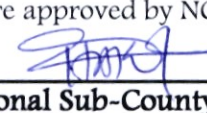
		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,000,000	171,588,879
Other Receipts	2	-	5,000
		87,000,000	171,593,879
Payments for operating activities			
Compensation of Employees	3	3,170,400	5,315,000
Committee expenses	4	1,598,200	3,197,000
Use of goods and services	5	4,900,251	3,490,870
Transfers to Other Government Units	6	14,300,000	77,820,000
Other grants and transfers	7	50,018,823	86,370,962
		73,985,174	176,193,832
Adjusted for:			
Decrease/(Increase) in Accounts receivable		-	-
Net Adjustments		-	-
Net cash flow from operating activities		13,014,826	(4,599,953)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(2,680,000)	(15,199,385)
Net cash flows from Investing Activities		(2,680,000)	(15,199,385)
NET INCREASE IN CASH AND CASH EQUIVALENT		10,332,326	(19,799,338)
Cash and cash equivalent at BEGINNING of the year		14,652,277	34,451,615
Cash and cash equivalent at END of the year	9	24,984,603	14,652,277

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 18.03.2024 and signed by:


Fund Account Manager

Name: Adan Salah Mustafa


National Sub-County
Accountant

Name: Hussein Adan Kerow
ICPAK M/No:


Chairman NG-CDF Committee

Name: Hassan Hussein Osman

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	B		c=a+b	D	e=c-d	f=d/c %
	2022 - 2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022 - 2023	2022 - 2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	14,652,278	12,088,879	171,828,760	101,652,277	70,176,483	59.2%
Totals	145,087,603	14,652,278	12,088,879	171,828,760	101,652,277	70,176,483	59.2%
Payments							
Compensation Of Employees	4,900,166	1,688,474	-	6,588,640	3,170,400	3,418,240	48.1%
Committee Expenses	1,828,000	24,575	-	1,852,575	1,598,200	254,375	86.1%
Use Of Goods and Services	6,329,718	217,755	-	6,547,473	4,900,251	1,647,222	74.8%
Transfers To Other Government Units	60,837,500	1,930,345	-	62,767,845	14,300,000	48,467,845	22.8%
Other Grants and Transfers	66,418,091	8,781,478	7,500,000	82,699,569	50,018,823	32,680,746	60.5%
Acquisition of Assets	1,720,000	2,004,651	4,588,879	8,313,530	2,680,000	5,633,530	32.3%
Oversight Committee Expenses	854,128	-	-	854,128	-	854,128	0.0%
Other Payments	2,200,000	-	-	2,200,000	-	2,200,000	1.0%
Funds Pending Approval**	-	5,000	-	5,000	-	5,000	0.0%
Totals	145,087,603	14,652,278	12,088,879	171,828,760	76,667,674	95,161,086	44.6%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*




Explanatory Notes.

Explanations

- There was AIA of Kshs. 5,000/= for the fund for the financial year 2021/2022
- There was underutilization in all respective categories (i.e. below 90 %) Except and this happened due to the following reasons: -
- The NG-CDF board did not disburse funds on time for it to be utilized.
- All the categories are below the required utilization of 90% and above.
- Compared to the previous year 2021/2022 the overall percentage of utilization has drastically decreased from 87.7% to 44.6%
- The adjustments are unutilized funds and is composed of funds not disbursed from NG-CDF Board to the constituency of Ksh.12,088,879 and closing balances for the financial year ended 30th June, 2022 of Ksh.14,652,278 which totals to ksh.26,741,157

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,161,086
Less undisbursed funds receivable from the Board as at 30 th June 2023	70,176,483
	24,984,603
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	24,984,603

The Constituency financial statements were approved by NG CDFC on 18/03/2024 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Adan Salah Mustafa	Name: Hussein Adan Kerow	Name: Hassan Hussein Osman
	ICPAK M/No:	

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,900,166	1,688,474	-	6,588,640	3,170,400	3,418,240
1.2 Committee allowances	1,128,000	-	-	1,128,000	889,000	239,000
1.3 Use of goods and services	2,677,090	1,050	-	2,678,140	1,856,151	821,989
Total	8,705,256	1,689,524	-	10,394,780	5,915,551	4,479,229
2.0 Monitoring and evaluation						-
2.1 Capacity building	3,550,000	216,705	-	3,766,705	2,941,500	825,205
2.2 Committee allowances	700,000	24,575	-	724,575	709,200	15,375
2.3 Use of goods and services	102,628	-	-	102,628	102,600	28
Total	4,352,628	241,280	-	4,593,908	3,753,300	840,608
3.0 Emergency						
3.1 Primary Schools			-			-
Girissa Primary School	2,000,000			2,000,000	2,000,000	-
Upper Hill Primary School	2,500,000			2,500,000	2,500,000	-
Rhamu DEB Primary School	636,190	228,572		864,762	864,762	-
3.2 Secondary schools				-		-
RhamuDimtu Boys Sec School	2,500,000			2,500,000	2,500,000	-
Total	7,636,190	228,572	-	7,864,762	7,864,762	-
4.0 Bursary and Social Security			-	-		-

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs			Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent							
4.1 Secondary Schools	5,320,000	30,057	-	5,350,057	3,500,061	1,849,996	
4.2 Tertiary Institutions	24,451,901	349	-	24,452,250	23,346,500	1,105,750	
4.3 Social Security	4,500,000	3,300,000	-	7,800,000	-	7,800,000	
4.4 Special Needs				-	-	-	
Total	34,271,901	3,330,406	-	37,602,307	26,846,561	10,755,746	
5.0 Sports							
5.1 RhamuDimtu Ward Sport tournaments	-	520,000		520,000	520,000	-	
5.2 RhamuDimtu Boarding Primary School	-	500,000		500,000	500,000	-	
5.3 Regional Sports tournament	600,000	-	-	600,000	-	600,000	
5.4 Constituency Sports Tournament	900,000	-	-	900,000	-	900,000	
Total	1,500,000	1,020,000	-	2,520,000	1,020,000	1,500,000	
6.0 Environment							
6.1 NG-CDF Office	300,000	-	-	300,000	300,000	-	
6.2 Rhamu Girls Secondary School	2,600,000	-	-	2,600,000		2,600,000	
Total	2,900,000	-	-	2,900,000	300,000	2,600,000	
7.0 Primary Schools Projects							
Daidai Primary School	-	5,345	-	5,345	-	5,345	
Burjohn Primary School	-	1,500,000	-	1,500,000	1,500,000	-	
Olla Primary School	1,900,000	-	-	1,900,000	-	1,900,000	

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Dagahtul Primary School	950,000	-	-	950,000	-	950,000
Shirshir Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Daidai Primary School	950,000	-	-	950,000	-	950,000
Korma Adow Primary School	950,000	-	-	950,000	-	950,000
Garablaga Primary School	950,000	-	-	950,000	-	950,000
Lanqura Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Sarman Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Jiko Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Harari Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Libin Nomadic Girls Primary School	800,000	-	-	800,000	-	800,000
Kalicha Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Mado Primary School	950,000	-	-	950,000	-	950,000
Marothile Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Ashabito Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Kubi Hill Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Quramathow Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Ogorwein Primary School	1,600,000	-	-	1,600,000	-	1,600,000
Rhamu Arid Zone Primary School	2,100,000	-	-	2,100,000	-	2,100,000
Alfowzan Primary School	2,000,000	-	-	2,000,000	-	2,000,000

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Shangalla Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Al-furqan Intergrated Primary School	2,100,000	-	-	2,100,000	2,100,000	-
Rhamu DEB Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Girisa Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Al-hidaya Primary School	1,900,000	-	-	1,900,000	-	1,900,000
Tawakal Primary School	950,000	-	-	950,000	-	950,000
Ogorwein Primary School	210,000	-	-	210,000	-	210,000
Quramathow Primary School	210,000	-	-	210,000	-	210,000
Girissa Primary School	280,000	-	-	280,000	-	280,000
Marothile Primary School	350,000	-	-	350,000	-	350,000
Qorahey Primary School	350,000	-	-	350,000	350,000	-
Kubi Hill Primary School	280,000	-	-	280,000	-	280,000
Burjohn Primary School Admin Block	435,000	-	-	435,000	-	435,000
Rhamu DEB Primary School	435,000	-	-	435,000	-	435,000
Burjohn Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Total	45,450,000	1,505,345	-	46,955,345	3,950,000	43,005,345
8.0 Secondary Schools Projects						-
Olla Boys Secondary School		125,000		125,000	125,000	-
RhamuDimtu Boys Secondary School	2,500,000			2,500,000	-	2,500,000

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs			Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent							
Ashabito Girls Secondary School	2,000,000	-	-	-	2,000,000	2,000,000	-
Sheikh Ali High School	3,000,000	-	-	-	3,000,000	3,000,000	-
Gololbia Secondary School	600,000	-	-	-	600,000	-	600,000
Libin Nomadic Girls Secondary School	1,900,000	-	-	-	1,900,000	1,900,000	-
Daua River day Secondary School	1,900,000	-	-	-	1,900,000	1,900,000	-
Sheikh Ali High School	1,125,000	-	-	-	1,125,000	1,125,000	-
RhamuDimtu Boys Secondary School	600,000	-	-	-	600,000	-	600,000
Rhamu Girls Secondary School	750,000	-	-	-	750,000	-	750,000
Rhamu Day Secondary School	637,500	-	-	-	637,500	-	637,500
Daua River day Secondary School	375,000	-	-	-	375,000	-	375,000
Total	15,387,500	125,000	-	-	15,512,500	10,050,000	5,462,500
9.0 Tertiary institutions Projects							
Mandera North Technical Training Institute		300,000	-	-	300,000	300,000	-
Total	-	300,000	-	-	300,000	300,000	-
10.0 Security Projects							
Wargadud Police		10,000	-	-	10,000	-	10,000
Mandera North Subcounty County Commissioner's office		1,450,000	4,000,000	-	5,450,000	1,450,000	4,000,000
Rhamu Police Stations		2,000,000	3,500,000	-	5,500,000	2,000,000	3,500,000
Rhamu Police Station		742,500	-	-	742,500	742,500	-

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Marothile Chief Camp	3,050,000	-	-	3,050,000	-	3,050,000
Lanqura Chief Camp	3,050,000	-	-	3,050,000	-	3,050,000
Yabicho Chief Camp	3,050,000	-	-	3,050,000	-	3,050,000
Rhamu Chief camp	3,000,000	-	-	3,000,000	3,000,000	-
Rhamu Police Station	1,550,000	-	-	1,550,000	1,550,000	-
Rhamu Police Station	350,000	-	-	350,000	-	350,000
Mandera North Subcounty County Commissioner's office	1,000,000	-	-	1,000,000	1,000,000	-
Assistant County Commissioner Residence Rhamu town	1,800,000	-	-	1,800,000	1,800,000	-
Rhamu Chief's office	815,000	-	-	815,000	815,000	-
Yabicho Chief's Office	815,000	-	-	815,000	-	815,000
Lanqura Chief Office	815,000	-	-	815,000	815,000	-
Marothile Chief's Office	815,000	-	-	815,000	815,000	-
Total	20,110,000	4,202,500	7,500,000	31,812,500	13,987,500	17,825,000
11.0 Acquisition of assets						
NG-CDFC Office		24,651	4,588,879	4,613,530	-	4,613,530
NG-CDF office		1,980,000		1,980,000	1,980,000	-
NG-CDF Office	700,000	-	-	700,000	700,000	-
NG-CDF Office	1,020,000	-	-	1,020,000	-	1,020,000
Total	1,720,000	2,004,651	4,588,879	8,313,530	2,680,000	5,633,530

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
12.0 Constituency Oversight Committee						
COC Members Allowances	150,000	-	-	150,000	-	150,000
Daily Subsistence Allowance	500,000	-	-	500,000	-	500,000
Accommodation - Domestic Travel	204,128	-	-	204,128	-	204,128
Total	854,128	-	-	854,128	-	854,128
13.0 Other payments						
Strategic Plan	2,200,000	-	-	2,200,000	-	2,200,000
Total	2,200,000	-	-	2,200,000	-	2,200,000
14.0 unallocated fund						
Unapproved projects	-	-	-	-	-	-
AIA	-	5,000	-	5,000	-	5,000
Total	-	5,000	-	5,000	-	5,000
	145,087,603	14,652,278	12,088,879	171,828,760	76,667,674	95,161,086

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Significant Accounting Policies continued

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Significant Accounting Policies continued

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

Significant Accounting Policies continued

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

Significant Accounting Policies continued

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Errors

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

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

15. Related Party Transactions

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

XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NG-CDF Board	Kshs	Kshs
B140996	-	33,000,000
B105502	-	44,000,000
B105857	-	22,000,000
B128608	-	6,000,000
B128920	-	12,000,000
B154117	-	15,000,000
B164450	-	18,000,000
B155881	-	20,088,879
A888980	-	1,500,000
B185161	7,000,000	-
B206265	26,000,000	-
B206464	12,000,000	-
B205809	12,000,000	-
B207571	15,000,000	-
B207738	15,000,000	-
TOTAL	87,000,000.	171,588,879

2. OTHER RECEIPTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts Sale of Tender Documents	-	5,000
TOTAL	-	5,000

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

3. COMPENSATION OF EMPLOYEES

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,221,000.00	3,392,000
Personal allowances paid as part of salary		
Gratuity-contractual employees	1,902,780.00	1,770,720
Employer Contributions Compulsory national social security schemes	46,620.00	152,280
TOTAL	3,170,400.00	5,315,000

4. Committee Expenses

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Sitting allowance	889,000	1,032,000
Other committee expenses	709,200	2,165,000
Total	1,598,200	3,197,000

5. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Communication, supplies and services	-	258,950
Domestic travel and subsistence	1,554,300	1,264,500
Rentals of produced assets	925,000	-
Training expenses	1,166,500	696,500
Hospitality supplies and services	350,000	159,000
Office and general supplies and services	735,500	920,510
Fuel , oil & lubricants	102,600	154,302
Other operating expenses	18,900	-
Bank services commission and charges	47,451	37,108
TOTAL	4,900,251.00	3,490,870

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Transfers to Primary Schools	3,950,000	46,815,000
Transfers to Secondary Schools	10,050,000	23,545,000
Transfers to Tertiary Institutions	300,000	7,460,000
TOTAL	14,300,000	77,820,000

7. Other Grants and Other transfers

	2022 - 2023	2021 - 2022
	Kshs	Kshs
Bursary - Secondary	3,500,061	15,835,462
Bursary -Tertiary	23,346,500	19,065,500
Social Security programmes (NHIF)	-	3,000,000
Security Projects	13,987,500	37,870,000
Sports Projects	1,020,000	1,100,000
Environment Projects	300,000	2,500,000
Emergency Projects	7,864,762	7,000,000
TOTAL	50,018,823	86,370,962

8. Acquisition Of Assets

	2022 - 2023	2021 - 2022
	Kshs	Kshs
Purchase of Buildings	-	15,199,385
Refurbishment of Buildings	700,000	-
Purchase of Office Furniture and General Equipment	1,980,000	-
Total	2,680,000	15,199,385

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

9. Cash Book Bank Balance

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Equity Bank, Mandera Branch. MANDERA NORTH NG-CDF A/C NO. 1000261174117	24,984,603	14,652,277
TOTAL	24,984,603	14,652,277

10. Fund Balance B/F

	(1st July 202x-1)	(1st July 202x-2)
	Kshs	Kshs
Bank accounts	14,652,277	34,451,615
Fund Balance Brought Forward	14,652,277	34,451,615

Notes To the Financial Statements (Continued)

11. Other Disclosures

11.1: Unutilized Fund (See Annex 3)

	<i>FY 2022 – 2023</i>	<i>FY 2021 - 2022</i>
	Kshs	Kshs
Compensation of employees	3,418,240	1,688,474
Committee expenses	254,375	
Use of goods and services	1,647,222	217,755
Amounts due to other Government entities (see attached list)	48,467,845	1,930,345
Amounts due to other grants and other transfers (see attached list)	32,680,746	16,281,478
Acquisition of assets	5,633,530	6,596,030
Oversight Committee Expenses	854,128	-
Others (<i>specify</i>)	2,200,000	22,075
Funds pending approval	5,000	5,000
Total	95,161,086	26,741,157

11.2 PMC account balances (See Annex 4)

	<i>2022 – 2023</i>	<i>2021 – 2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	8,957,691	5,946,261
TOTAL	8,957,691	5,946,261

12. Annexes

Annex: 1 Analysis of Pending Accounts Payable

No Pending Accounts Payable

**Annex 2 - Analysis of Pending Staff Payables
No Pending Staff Payables**

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation of employees	Employee salaries	3,418,240	1,688,474	Due to delay of disbursement of fund
Use of goods & services	Office Operation	1,901,597	242,330	Due to delay of disbursement of fund
Amounts due to other Government entities				
Daidai Primary School	Construction of 2no. door toilets	5,345	5,345	
Burjohn Primary School	Completion of Borehole drilling.	-	1,500,000	Due to delay of disbursement of fund
Olla Primary School	Construction to completion of two classrooms	1,900,000	-	Due to delay of disbursement of fund
Dagahtul Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund
Shirshir Primary School	Construction to completion of underground water tank of 60m3	1,700,000	-	Due to delay of disbursement of fund
Daidai Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund
Korma Adow Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund
Garablaga Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund
Lanqura Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Sarman Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Jiko Primary School	Construction to completion of underground water tank of 60m3	1,700,000	-	Due to delay of disbursement of fund
Harari Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Libin Nomadic Girls Primary School	Renovation to completion of 2 classrooms (plastering, reroofing, repainting, replacement of doors and windows)	800,000	-	Due to delay of disbursement of fund
Kalicha Primary School	Construction to completion of underground water tank of 60m3	1,700,000	-	Due to delay of disbursement of fund
Mado Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Marothile Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Ashabito Primary School	Construction to upto roofing level of administration block comprising of 4 offices	2,000,000	-	Due to delay of disbursement of fund
Kubi Hill Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Quramathow Primary School	Renovation to completion of 3 classrooms (replastering, reroofing, repainting, replacement of doors and windows)	1,200,000	-	Due to delay of disbursement of fund
Ogorwein Primary School	Renovation to completion of 4 classrooms (replastering, reroofing, repainting, replacement of doors and windows)	1,600,000	-	Due to delay of disbursement of fund
Rhamu Arid Zone Primary School	Construction to completion of Underground water tank of 60m3 @ Ksh. 1,700,000/= & renovation to completion of 6 door toilets (two chambers to be made disability user friendly)@Ksh. 400,000/= (External wall plastering, replacing of doors, painting and labelling)	2,100,000	-	Due to delay of disbursement of fund
Alfowzan Primary School	Construction to upto roofing level of administration block comprising of 4 offices	2,000,000	-	Due to delay of disbursement of fund
Shangalla Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Rhamu DEB Primary School	Construction to completion of underground water tank of 60m3	1,700,000	-	Due to delay of disbursement of fund
Girisa Primary School	Renovation to completion of 4 classrooms (replastering, reroofing, repainting, replacement of doors and windows)	1,400,000	-	Due to delay of disbursement of fund
Al-hidaya Primary School	Construction to completion of two classroom	1,900,000	-	Due to delay of disbursement of fund
Tawakal Primary School	Construction to completion of one classroom	950,000	-	Due to delay of disbursement of fund
Ogorwein Primary School	Purchase and Supply of 30 three seater wooden desks	210,000	-	Due to delay of disbursement of fund
Quramathow Primary School	Purchase and Supply of 30 three seater wooden desks	210,000	-	Due to delay of disbursement of fund
Girissa Primary School	Purchase and Supply of 40 three seater wooden desks	280,000	-	Due to delay of disbursement of fund
Marothile Primary School	Purchase and Supply of 50 three seater wooden desks	350,000	-	Due to delay of disbursement of fund
Kubi Hill Primary School	Purchase and Supply of 40 three seater wooden desks	280,000	-	Due to delay of disbursement of fund
Burjohn Primary School Admin Block	Purchases of administration block office furniture (I executive table 2.4M @ 70,000/=, I executive chair @ 50,000/=, 3 cabinet drawers @ 30,000/=, 10 Aims chairs @ 7,500/= and 5 tables for teachers 1.5M@ 30,000/=	435,000	-	Due to delay of disbursement of fund

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Rhamu DEB Primary School	Purchases of administration block office furniture (1 executive table 2.4M @ 70,000/=, 1 executive chair @ 50,000/=, 3 cabinet drawers @ 30,000/=, 10 Aims chairs @ 7,500/= and 5 tables for teachers 1.5M@ 30,000/=	435,000	-	Due to delay of disbursement of fund
Burjohn Primary School	Completion of administration containing 4 offices (plastering, flooring, fixing doors and windows, fascier board, wiring, painting and labelling	2,000,000	-	Due to delay of disbursement of fund
Olla Boys Secondary School	Completion of 1no.Laboratory of 30 capacity	-	125,000	Retention
RhamuDimtu Boys Secondary School	Construction to the roofing level of 120 student capacity dormitory	2,500,000	-	Due to delay of disbursement of fund
Gololbia Secondary School	Purchase and Supply of 80 metallic/wooden Chairs and Chambers	600,000	-	Due to delay of disbursement of fund
RhamuDimtu Boys Secondary School	Purchase and Supply of 100 metallic/wooden Chairs and Chambers	600,000	-	Due to delay of disbursement of fund
Rhamu Girls Secondary School	Purchase and Supply of 85 metallic/wooden Chairs and Chambers	750,000	-	Due to delay of disbursement of fund
Rhamu Day Secondary School	Purchase and Supply of 50 metallic/wooden Chairs and Chambers	637,500	-	Due to delay of disbursement of fund
Daua River day Secondary School	Purchase and Supply of 80 metallic/wooden Chairs and Chambers	375,000	-	Due to delay of disbursement of fund
Mandera North Technical Training Institute	Construction of Modern gate	-	300,000	Retention
Sub-Total		48,467,845	1,930,345	
Amounts due to other grants and other transfers				
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	-	228,572	No emergency.
Bursary – Secondary	Payment of bursary to needy students in Secondary Schools.	1,849,996	30,057	Due to delay of disbursement of fund
Bursary – Tert	Payment of bursary to needy students in tertiary institutions	1,105,750	349	Due to delay of disbursement of fund
Social Security Program	Provision of annual medical insurance cover for 750 no. vulnerable families including Orphans and Vulnerable Children (OVCs), poor older persons, Persons with Disabilities (PWDs) and destitute families in partnership with NHIF as shall be identified within the constituency @ Kshs. 6,000/=	7,800,000	3,300,000	Due to delay of disbursement of fund
RhamuDimtu Ward Sport tournaments	Carry out sports tournament - Kshs520,000/= to carry out a RhamuDimtu ward sports tournament where the wining team will be a warded with balls, uniforms and trophies where facilitation of the tournament @ Kshs200,000/= and purchase of balls, uniforms, trophies and Equipment @	-	520,000	

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
	Kshs. 320,000/=			
RhamuDimtu Boarding Primary School	Clearing of RhamuDimtu football pitch, creation of goal posts, Levelling of ground.	-	500,000	
Regional Sports tournament	Facilitation regional sports tournament in partnership with other constituencies within the region	600,000	-	Due to delay of disbursement of fund
Constituency Sports Tournament	Carry out Constituency Sports tournament (Kshs.400,000 and the winning teams/Schools to be awarded with trophies, balls, goal nets and games kits(Kshs.500,000)	900,000	-	Due to delay of disbursement of fund
Rhamu Girls Secondary School	Construction of 60M3 Underground water Tank to completion (1,700,000), Construction of Elevated Concrete Water Tank Tower (675,000) with 5,000 liter Plastic Water Tank and Piping (75,000) and rain water gutters (150,000) to Completion	2,600,000	-	Due to delay of disbursement of fund
Wargadud Police	Staff house/Reporting Office	10,000	10,000	BoQ was less quoted.
Mandera North Sub county Commissioner's office	Construction of Social hall containing of a 200-capacity hall, three roomed office and one store.	4,000,000	5,450,000	Due to delay of disbursement of fund
Rhamu Police Stations	Construction of Administration block Phase 1 - Containing 7 rooms	3,500,000	5,500,000	Due to delay of disbursement of fund
Marothile Chief Camp	Completion of chief's office containing 3 rooms and one board room (plastering, flooring, fixing doors and windows, fascia board, wiring, painting and labelling	3,050,000	-	Due to delay of disbursement of fund
Lanqura Chief Camp	Completion of chief's office containing 3 rooms and one board room (plastering, flooring, fixing doors and windows, fascia board, wiring, painting and labelling	3,050,000	-	Due to delay of disbursement of fund
Yabicho Chief Camp	Completion of chief's office containing 3 rooms and one board room (plastering, flooring, fixing doors and windows, fascia board, wiring, painting and labelling	3,050,000	-	Due to delay of disbursement of fund
Rhamu Police Station	Purchase and supply of 3 brand new office computers @ 85,000 and one office printer HP lesejet 95,000	350,000	-	Due to delay of disbursement of fund
Yabicho Chief's Office	Purchases of administration block office furniture (1 executive table 1.8 metres @ 40,000/ 2 executive table 1.5 metres @ 30,000/, 3 executive chair @ 50,000/, 3 cabinet drawers @ 30,000/, 6 Aims chairs for visitors @ 7,500/ 6pcs conference tables of 2.5 metres @ 25,000/ and 40pcs @Kshs.7,000 banquets chair in red fabric for Conference Hall	815,000	-	Due to delay of disbursement of fund
Rhamu Police Station	Purchases of administration block office furniture (8 tables 1.3M @ 25,000/= 2 tables 1.8M @ 40,000/=, 3 executive chair @ 50,000/=, 5 steel filing cabinet 4 drawers @ 25,000/=, 15 Aims chairs for visitors @ 7,500/= and 3pcs conference tables of 2.5M @ 25,000/=	-	742,500	Due to delay of disbursement of fund
Sub-Total		32,680,746	16,281,478	

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Acquisition of assets				
NG-CDFC Office	Additional funding for the Construction of NG-CDFC office block Phase 2 - containing 13 rooms and One Boardroom and 2 washroom blocks containing four number doors each (one disability friendly) upto finishing level.	4,613,530	4,613,530	Due to delay of disbursement of fund
NG-CDF OFFICE	Purchase of NG-CDFC office furniture's and equipment (2 no. office sofa set @ 150,000/=, 2pcs coffee table @ 30,000/= Ipc Receptionist table @ 70,000/=,10 visitors chairs @ 30,000/=, 3 executive chairs @ 50,000/=, 4 metallic cabinets drawers @ 25,000/=, 3 Executive tables @ 120,000/=, 1 Pcs Heavy duty photocopy machine @ 100,000/=, 1 Pcs Round meeting tables @ 30,000/=, 3pcs wooden cabinets @ 70,000/= and Ipc work stations @ 115,000/=	-	1,980,000	Due to delay of disbursement of fund
NG-CDF Office	Purchase and supply of office furniture	1,020,000	-	Due to delay of disbursement of fund
Total		5,633,530	6,596,030	
Constituency Oversight Committee				
COC Members Allowances	Payment of COC Allowances	150,000	-	Due to delay of disbursement of fund
Daily Subsistence Allowance	Payment of Daily Subsistence Allowance to COC Members	500,000	-	Due to delay of disbursement of fund
Accommodation - Domestic Travel	Payment of Accommodation - Domestic Travel during inductions and trainings	204,128	-	Due to delay of disbursement of fund
Total		854,128		
Others (specify)		-		
Other payments	Other Payments	-	-	
Strategic Plan	To facilitate in Review and Development of a new 5 year Constituency Strategic Plan 2023-2027 to Completion.	2,200,000	-	Due to delay of disbursement of fund
Sub-Total		2,200,000	-	
Funds pending approval	AIA	5,000	5,000	Pending Board approval
Grand Total		95,161,086	26,741,157	

Mandera North Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021 - 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022 - 2023
Land	-	-	-	-
Buildings and structures	19,699,380	-	-	19,699,380
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	2,227,500	1,980,000	-	4,207,500
ICT Equipment, Software and Other ICT Assets	420,000	-	-	420,000
Refurbishment of Buildings		700,000		700,000
Total	22,346,880	2,680,000	-	25,026,880

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account Number	Bank Balance 2022 - 2023	Bank Balance 2021 – 2022
AbakaroPriSchPMC	Equity	1000272430334	2,815	2,815
Al Furqan IntePrimafray School	Equity	1000294018105	927	1,047
Al HidayaPriPMC	Equity	1000277331408	750	11,230
AlfowzanPri School PMC	Equity	1000163839442	58	58
Ashabito Ap Camp PMC	Equity	1000172264123	-	390
Ashabito Boarding PriSchPMC	Equity	1000299025827	1,640	2,000,640
Ashabito Boys Sec SchPMC	Equity	1000262654877	5,340	5,340
Ashabito Chief Camp	Equity	1000180316169	560	300,200
Ashabito Girls Sec School PMC	Equity	1000295105827	1,605	1,605
Awara Primary School	Equity	1000299025350	630	630
Bambo West PriSchPMC	Equity	1000264881793	14,470	300,070
Burjohn Primary SchPMC	Equity	1000299952655	690	1,890
Chief Dahir Arab Primary School	Equity	1000299025693	900	900
DagmarerPri Sch. PMC	Equity	1000199975179	783	783
DaidaiPri Sch. PMC	Equity	1000266568190	171	4,171
DarusalamPriSchPMC	Equity	1000267463618	3,030	3,030
Daua River Day Sec School PMC	Equity	1000279624651	1,906,000	6,000
DomogPri School PMC	Equity	1000266616457	968	968
Girisa Primary School PMC	Equity	1000176381044	640	-
Girissa Chief Camp	Equity	1000180211279	1,640	760
GofaPri Sch. PMC	Equity	1000298879227	1,470	950,470
Golobia Sec SchPMC	Equity	1000164385536	1,390	1,390
Guticha Primary School	Equity	1000299969834	2,310	302,310
Kubi Hills Primary School	Equity	1000267169657	48,880	951,860
KubiPri Sch. PMC	Equity	1000299025908	825	825

Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

PMC	Bank	Account Number	Bank Balance 2022 - 2023	Bank Balance 2021 - 2022
LadeniPri Sch. PMC	Equity	1000297179048	1,860	1,860
Lanqura Chief Office	Equity	1000182876025	122,880	-
Lanqura Primary School PMC	Equity	1000297059216	998	998
Libin Nomadic Girls Sec SchPMC	Equity	1000167484139	4,200	3,320
Mandera North Sub County PMC	Equity	1000173449340	4,254,746	129,866
Mandera North TTIPMC	Equity	1000282287941	2,495	-
Marothile Primary SchPMC	Equity	1000271879721	719	719
Olla Boys Sec SchPMC	Equity	1000262484562	125,050	15,170
Olla Primary School	Equity	1000297527136	500	500
Qorahey Primary School PMC	Equity	1000297206425	350	350
Quramathow Primary School	Equity	1000299042484	121	600,221
Rhamu Arid Zone Primary School	Equity	1000279761409	2,000	2,000
Rhamu Chief Camp	Equity	1000182720582	760	-
Rhamu Day Secondary School	Equity	1000262659745	-	19,214
RhamuDimtu Chief Camp	Equity	1000180069095	400	302,020
RhamuDimtu Ward Sport PMC	Equity	1000182903617	380	-
Rhamu Girls Secondary School.	Equity	1000299045215	651	651
Rhamu Police Station PMC	Equity	1000168160234	7,680	6,040
Sheikh Ali High School PMC	Equity	1000278962431	400	400
ShirshirPriSchPMC	Equity	1000299051977	1,115	1,115
TinfaPriSchPMC	Equity	1000162309025	400	400
Tossi Primary School	Equity	1000164341809	1,060	1,060
Upper Hill Primary School	Equity	1000299838753	2,503,008	3,008
YabichoPriSchPMC	Equity	1000297189145	2,070	2,070
Rhamu Deb Primary School	KCB	1118742389	1,806	2,766
RhamuDimtu Boarding Pri. School	KCB	125843322	1,378	2,200
RhamuDimtu Boys Secondary School	KCB	1111047944	-	931

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

PMC	Bank	Account Number	Bank Balance 2022 - 2023	Bank Balance 2021 - 2022
TOTAL			9,035,518	5,946,261

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Disclosed under Note 7 to the financial statements is Kshs.15,199,385 with respect to acquisition of assets. Included in the amount is Kshs.12,699,385 with respect to construction of NGCDF- Mandera North Office Block. Audit inquiries revealed that the office block is constructed on Mandera North Sub County Offices compound. No title deed or allotment letter was availed for audit review as evidence of land ownership.	The Mandera North NG-CDF Office block was labeled properly and constructed on the Government land hence there will be no risk of losing the property due to lack of ownership documents. The Management will also follow up with other National Government department housed within the Mandera North Sub-county offices compound to secure the ownership. (Annex i)	Not resolved	30.06.24
2.0	Disclosed under Note 5 to the financial statements is Kshs.77,820,000 with respect to transfers to other government entities. Included in the amount is Kshs.46,815,000 with respect to transfers to primary schools. Review of payment records revealed that the Fund Management transferred an amount of Kshs.14,770,000 to nine (9) primary schools Project Management Committees for construction of nine (9) underground	Section 15 (1b) of National Government Constituencies Development Regulations 2016 state that project management committee shall maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented. Therefore, at the time audit the Projects management committees were not able to file the copy of need assessment and request for the project proposal. However, please find attached copy of the need assessment	Not resolved	30.06.24

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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)
	water tanks. However, the transfers were not supported with need assessment reports to confirm the schools that required underground tanks. In addition, project proposals and requests from respective primary schools' managements identifying project requiring consideration for funding from NGCDF- Mandera North, were not availed for audit review.	report (ward reports) for FY 2019 – 2021 and 2021 – 2023 and Project Proposal requests from the PMCs. (Annex ii)		
3.0	Disclosed under Note 5 to the financial statements is Kshs.77,820,000 with respect to transfers to other government entities. Included in the amount is Kshs.7,460,000 with respect to transfers to tertiary institutions. However, it was observed that project files and payment records for three (3) projects implemented in Mandera North Technical Training Institute amounting to Kshs.4,760,000 were not supported with Project Management Committee(PMC) bank statements confirming how the disbursed funds were paid out to the contractors. In addition, requests from the institution requesting for funding for the three projects was not availed for audit review.	Section 15 (1b) of National Government Constituencies Development Regulations 2016 state that project management committee shall maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented. Therefore, at the time audit the Projects management committees were not able to file the copy of request for funding and Project Management Committee Bank Statement to ascertain the completeness of the expenditures. However, please find attached copy of Bank statement and request for funding. (Annex iii)	Not resolved	30.06.24
4.0	Budgetary control and performance	The Mandera North NG-CDFC will put in place the affected planned activities to	Not resolved	30.06.24

*Mandera North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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)
		reduce under utilization.		
5.0	Unresolved prior year matters	The NG-CDF committee will resolve the issues raised in the prior year matters with guidance from the NG-CDF Board.	Not resolved	30.06.24
6.0	Project not implemented	Delays in the disbursement of funds from the board negatively affect the implementation of the projects.	Not resolved	30.06.24

.....
ADAN SALAH MUSTAFA
Fund Account Manager.

3. 10. 19



1910

1910