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REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**





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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST CONSTITUENCY

Reports and Financial Statements
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2013, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST
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(d) Fiduciary Oversight Arrangements

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

(e) MANDERA EAST NGCDF Headquarters

NGCDF Office Building.
P.O Bo 197-70300
MANDERA.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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For the year ended June 30, 2016

(f) MANDERA EASTNGCDF Contacts

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E-mail:manderaeast@ngcdf.go.ke

(g) MANDERA EASTNGCDF Bankers

1. Equity Bank
P.O Box
Mandera

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

We the NGCDF-Mandera East are very happy to be part of the large NGCDF family established under the National Government Constituencies Development Fund Act 2015 and regulation 2016. During the Financial Year 2015/2016 we received **Ksh. 141,332,736.50** of which **Ksh. 3,152,000** was a balance of last financial year 2014/2015. The total expenditure for the year was **Kshs.121,150,227.85** which is approximately **85.7%** of the total receipts during the financial year. The constituency have since received 71% all the allocation for the financial year. We are yet to receive **Kshs.59,921,293.00** have made the requisition. However projects worthy **Kshs.6,500,000** whose the project was to be resubmitted. The project have since been resubmitted and gotten the approval to procure a motor vehicle for the office and prepare a strategic plan, but waiting for the disbursement of the funds from the board.

The National Government Constituency developments funds have played a great role in improving the infrastructure in the education, security and health sector .Also through the Bursary it has assisted in retention and completion rate of student's education.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project.

Due to transition from the CDF Act 2013 to NG-CDF Act 2015 there was delay of almost 3months which affected the operations of the National Government –CDF Offices country wide.

We look forward for better performance in the future.

Sign.....
CHAIRMAN NGCDFC

MANDERA EAST N.G.C.D.F
FUNDS ACCOUNT MANAGER
P.O. BOX 70300, MANDERA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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For the year ended June 30, 2016

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Mandera East National Government Constituency Development Fund is responsible for the preparation and presentation of the Mandera East National Government Constituency Development Fund's financial statements, which give a true and fair view of the state of affairs of the Mandera East National Government Constituency Development Fund for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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

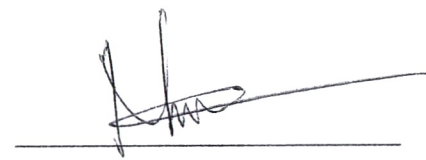
Approval of the financial statements

The Mander East National Government Constituency Development Fund's financial statements were approved and signed by the Accounting Officer on 11/05/ 2016.



Fund Account Manager

MANDERA EAST N.G.C.D.F.
FUND ACCOUNT MANAGER
P.O. BOX 197-70300, MANDERA



Chairman

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera East Constituency set out on pages 8 to 31, which comprise the statement financial assets of as at 30 June 2016, and the statement of receipts and payments, statement of cash flows summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
- Mandera East Constituency for the year ended 30 June 2016*

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1.0 Cash and Cash Equipments

The statement of financial asset for NG-CDF Manderia East as at 30 June, 2016 reflects bank balance of Kshs.19,722,475 as per cash book for account no.1000296543528 held at Equity Bank Manderia. This differs by a figure of Kshs.21,294,513 with bank balance of Ksh.41,016,989 as at the same date. No reconciliation or explanation has been provided for the difference.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.19,722,475 could not be confirmed.

2.0 Bank Accounts for Project Management Committee (PMC)

The NG-CDF Regulations, 2016 Section 15(10)(a) and (b) requires maintenance of records of bank accounts opened by project management committees and preparation of quarterly reports. However, contrary to the regulations, there were no records of the bank accounts operated by various project management committees for NG-CDF Manderia East.

Further, there were no PMC's bank statements and cash books maintained. In addition, bank reconciliation for the PMCs bank accounts were not prepared for the period under review.

In view of the foregoing, it has not been possible to ascertain whether the funds or grants disbursed to the PMCs were properly managed and accounted for.

3.0 Outstanding Temporary Imprest

A review of the financial statement of assets and the cash book for the financial year 2015/2016 disclosed an outstanding temporary imprest of Kshs.3,595,200 as at 30 June 2016 contrary to the existing Public Finance Management Regulations 2015. Further, the officers were issued with imprest before surrendering outstanding early imprest.

No explanation has been provided for failure to recover the public funds from the officers.

4.0 Constituency Oversight Committee

The NG-CDF Act, 2015 Section 53(1) requires a constituency oversight committee to be appointed for every NG-CDF. However, no oversight committee was appointed by the NG-CDF Mandera East and therefore the fund operated without the mandatory oversight committee. No explanation has been given for not appointing the committee. Consequently, the Fund operated in breach of the law.

5.0 Irregular Award of Capital Projects

During the year under review, NG-CDF Mandera East spent Kshs.117,703,919 on capital projects. However, audit scrutiny of the bills of quantities, project files and request for quotations for projects revealed that projects worth Kshs.21,197,440 had the following anomalies:-

- a) Tender notice for various projects did not set out the criteria for tender evaluation. Hence, there was no proper guideline of the specific requirements needed for tenders.
- b) There were no notification to unsuccessful bidders in various project files.
- c) There were no certificates of practical completion for the projects paid for.
- d) Some of the contract agreements were not signed by both the contractor and the employer and were not witnessed as required.
- e) The procedure used to identify the winning bidders were not clearly spelt out.
- f) Physical verification of some of the projects carried out on 8 April, 2017 revealed that the projects were complete and in use.

Under the circumstances, the propriety and value for money of the expenditure amounting to Kshs.21,197,440 spent on various projects could not be confirmed.

6.0 Procurement of School Buses

During the financial year under review, the NG-CDF committee procured 2no. 51 seater Isuzu FRR cabin and chassis and body fabrication at a cost price of Kshs.9,101,920 and Kshs.6,896,000 for Arabia Boys Secondary School and Moi Girls Secondary School respectively without following the laid down procurement procedures. The advertisement for the buses was done within the Constituency instead of a national open tender as required by Section 54(2) of the Public Procurement and Disposal Act, 2005 and the threshold provided by the First schedule of the Public Procurement and Disposal Regulations, 2006. The amount involved warranted open tender. However, the purchase

was done through quotation and therefore, the procurement rules were not followed. There was no inspection and acceptance committee certificates to confirm that the motor vehicles met the required specifications and no contract agreements were entered into for the purchase of the cabin and chassis as well as the fabrication works. Further, motor vehicles ownership documents were not made available for audit verification.

Consequently, the propriety and value for money of the expenditure of Kshs.15,997,970.00 could not be confirmed.

7.0 Purchase of School Desks

A review of the expenditure for 2015/2016 financial year revealed that 3 seater desks and sport kits worth Kshs.2,822,178 were procured by the NG -CDF Mandera East. However, it was observed that the stores were neither received vide counter receipt vouchers nor taken on charge in the stores ledgers and Inspection and acceptance certificates were not made available and no documentary evidence were produced to confirm that they were subsequently issued to the users through S11 as required by existing Government Financial Regulations and Procedures.

In view of the foregoing, the propriety and value for money of the expenditure of Kshs.2,822,178 could not be ascertained.

8.0 Emergency Expenses

The NG-CDF Mandera East spent Kshs.2,008,050 on water trucking services during the financial year 2015/2016. However:

- a) Tender notice used for procuring the water tracking services did not set the criteria for tender evaluation. Hence, there was no proper guideline of the specific requirement needed for tenders.
- b) Some of the contract agreements were not made available for audit review and therefore it was difficult to confirm if any contract was signed for the same.
- c) Schedules for delivery of water lacked recipient ID numbers and therefore the beneficiaries could not be identified.
- d) Notifications to unsuccessful bidders were not produced for audit scrutiny.

In the circumstances, it has not been possible to confirm that the money was used for the intended purpose and was accounted for.

9.0 Unaccounted for Administration/ Monitoring and Evaluation Expenses

During the year under review, the NG-CDF Mandera East management spent Kshs.3,202,830 on administration/ monitoring and evaluation. However, no evidence was provided confirm that there were no proof that the team from the NG-CDF visited any project or indeed did any evaluation since there were no progress report of the project purported to have been visited. Further, the management did not avail copies of the temporary work tickets, copies of driver's license and insurance covers of the vehicles purported to have been used for the exercise.

Under the circumstances, it has not been possible to ascertain whether the Fund undertook the exercise and that the expenditure of Kshs.3,202,830 was a proper charge to public funds.

10.0 Bursary Fund Expenses

During the financial year 2015/2016, the NG-CDF Mandera East spent Kshs.11,863,222 on bursary to various needy students studying in various education institutions. However, scrutiny of the records held by the management revealed that an amount of Kshs.3,964,472 paid had various anomalies. Although, funds were disbursed as allocated, there were no fees payments receipts from the institutions where the money was paid, there were also no list of students showing the year of study.

Further the amount paid had no CDF committee sitting minutes to confirm there was authority to pay the same.

Under the circumstances, it has not been possible to ascertain that the funds were used for the intended purpose and were accounted for.

11.0 Pending Payables

Annex 3 to the financial statements reflects total pending payables of Kshs.77,582,920 which comprises of pending account payables (Kshs.8,718,704), pending staff payables (Kshs.1,976,293) and other pending payables (Ksh.66,887,923). However, the following observations were made:-

- a) The pending account payables of Kshs.8,718,704 was not supported with detailed schedule showing the makeup of the figure reported.
- b) No explanation was given for the staff payables of Kshs.1,976,293. Further casting error of Kshs.49,608 was not detected and corrected. The correct figure to be reported was Ksh.1,926,685.
- c) Total amount due to other government entities was to be Kshs.41,950,000 but an amount of Kshs.38,969,160 was reported with a difference of Kshs.2,980,840 remaining unexplained.

Under the circumstances, the accuracy and validity of the pending payables figure of Ksh.77,582,920 could not be ascertained.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Mandera East Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

Other Matter

1.0 Budget Performance Analysis

During the year under review, Mandera East National Government Constituency Development Fund had a final budget amounting to Kshs.210,906,595 with Kshs.194,786,839 or 92% allocated to development projects and Kshs.16,119,756 or 8% allocated to recurrent expenditure. In order to finance the budget, the NG-CDF Mandera East received Kshs.141,332,737 (67 per cent) as transfers from the NG-CDF Board and had Kshs.3,152,617 (1.5 per cent) cash balance brought forward from FY 2014/2015. However, the Fund was underfunded to the tune of Kshs.66,421,242 (31.5 percent). The budget analysis on budgeted allocation and expenditure by items are reflected in the table below:-

Development Budget

ITEM	BUDGET ALLOCATION	ACTUAL EXPENDITURE	UNDER/OVER ABSORPTION
Transfer to other Government Units	119,057,417.4	80,088,257	38,969,160.40
Other grants & Transfers	75,729,422.0	37,615,662	38,113,760.0
TOTAL	194,786,839.40	117,703,919	77,082,920.40

Recurrent Budget

ITEM	BUDGET ALLOCATION	ACTUAL EXPENDITURE	UNDER/OVER ABSORPTION
Use of Goods & Services	11,409,003	2,690,299	8,718,704
Compensation To Employees	4,210,753	2,234,460	1,976,293
Other Payments	500,000	-	500,000
TOTAL	16,119,756	4,924,759	11,194,997

However;

- i. From the above analysis it is clear that the National Government Constituency Development Fund for Mandera East under spent in their budget especially on Transfers to other Government Units, other Grants and Transfers , Use of goods and services, Compensation to employees and other payments to the tune of Kshs.88,277,917.
- ii. The National Government CDF board did not fully fund the budget drawn by NG-CDF Mandera East to the tune of Kshs.66,421,242 representing 31.5 % of their budget.
- iii. A total of Kshs.194,786,839 was allocated during the year to finance 46 (Forty Six) projects. However, by 30 June 2016 only 15 projects have been Completed and paid with remaining 31 projects not Paid and Completed.

2.0 Underfunding

During the year under review the Constituency was allocated Kshs.207,753,979 for use on various projects which were earmarked for the year. However, the NG-CDF Board released only Kshs.141,332,737 resulting in a shortfall of Kshs.66,421,242.

The budget for 2015/2016 was not fully funded and therefore the projects budgeted for the year were not completed. The underfunding may have denied the residents of the Constituency the much needed services.

3.0 Outstanding Prior Years Audit Issues 2014/2015

The management of NG-CDF Mandera East Constituency did not respond to the issues raised in the report for 2014/2015 financial year and therefore the following issues remained unresolved:-

- 3.1** Budget Performance Analysis – 31 no Projects worth Kshs.35,434,577.00 has not been implemented as at June, 2015.
- 3.2** NG-CDF Mandera East office under spent on compensation of employees, committee expenses, transfers to other government units and other grants and acquisition of assets by Kshs.36,095,142.00 and no explanation has been given for under spending.
- 3.3** Presentation and Completeness of the Financial Statements – Financial Statements for Mandera East has not been corrected not to display the names of other constituencies in its statement of receipts and payments, statements of assets, cash flows statements and notes to the financial statements. Also the financial statements presented did not conform to IPSAS 1 and the reporting format prescribed by the National Treasury.

- 3.4 Understatement of Expenditure – The statement of receipts and payments was understated by Kshs.2,500,000.
- 3.5 Cash and Cash Equivalents–Cash and Cash equivalents balance of Kshs.4,613,617.00 was not supported with a board of survey certificate as at 30 June 2015. An outstanding imprest of Kshs.1,461,000 also had no analysis.
- 3.6 Irregular Award of Contracts – contracts worth Kshs.25,899,980 had no contracts agreements, no notification to unsuccessful bidders, Bills of quantities noted witnessed and in some instances the contractors were not tax compliance.
- 3.7 Irregular Procurement of School Buses - an amount of Kshs.13,999,440 was spent on purchase of 2 no 21 seater buses but the procurement procedures were not adhered to when advertising the tender. The payments were also not supported with inspection and acceptance certificates, contract agreements and the fixed assets register was not availed for audit review.
- 3.8 Unaccounted For Bursary Expenses – Bursaries worth Kshs.6,144,500 was disbursed to various institutions were not supported with official receipts and acknowledgement letters from the institutions.
- 3.9 Unaccounted for Grants – NG-CDF Mandera East issued grants totaling to Kshs.5,668,000 for implementing 6 no projects which were implemented and found to be complete but project procurements files were not made available for audit verification.
- 3.10 Payments For Emergency Water Trucking Services – an amount of Kshs.5,765,000 was spent on emergency water trucking services but the schedules supporting the payments lacked identity card numbers of recipients and notification to unsuccessful bidders.
- 3.11 Unaccounted for Administration/Monitoring and Evaluation Expenses - an amount of Kshs.9,583,249 was paid in respect administration/monitoring and evaluation but payments were not supported with relevant documents.



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

Nairobi

23 October 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	(Reclassified) 2014-2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	141,332,736.50	92,406,368.50
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		141,332,736.50	92,406,368.50
PAYMENTS			
Compensation of employees	4	2,234,460.00	1,329,282.00
Use of goods and services	5	2,690,298.85	5,799,797.00
Transfers to Other Government Units	6	80,088,257.00	57,853,856.00
Other grants and transfers	7	37,615,662.00	29,963,880.00
Acquisition of Assets	9	-	-
Other Payments	10	-	-
TOTAL PAYMENTS		122,628,678.00	94,946,815.00
SURPLUS/DEFICIT		18,704,058.15	(2,540,446.50)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 11/08 2016 and signed by:

Fund/Account Manager

Chairman

MANDERA EAST N.G.C.D.F.
FUND ACCOUNT MANAGER
P.O. BOX 197 - 70300, MANDERA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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For the year ended June 30, 2016

STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	19,722,475.15	3,152,616.90
Cash Balances (cash at hand)	12B	0	-
Outstanding Imprests	12C	3,595,200.00	1,461,000.00
TOTAL FINANCIAL ASSETS		23,317,675.15	4,613,616.90
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,613,616.65	7,154,063.15
Surplus/Deficit for the year		18,704,058.15	(2,540,446.50)
Prior year adjustments	14		-
NET FINANCIAL POSITION		23,317,675.15	4,613,616.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 11/08 2016 and signed by:

Fund Account Manager

Chairman

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

CONSTITUENCY

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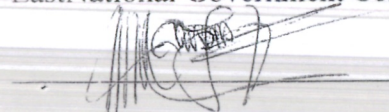
For the year ended June 30, 2016

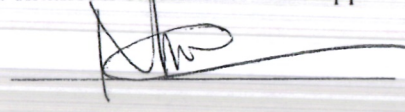
VI. STATEMENT OF CASHFLOW

(Reclassified)

		2015-2016	2014 - 2015
	Kshs.	Kshs.	
Receipts for operating income			
Transfers from CDF Board	1	141,332,736.50	92,406,368.50
Other Receipts	3	-	0
		141,332,736.50	92,406,368.50
Payments for operating expenses			
Compensation of Employees	4	2,234,460.00	1,329,282.00
Use of goods and services	5	2,690,298.85	5,799,797.00
Transfers to Other Government Units	7	80,088,257.00	57,853,856.00
Other grants and transfers	8	37,615,662.00	29,963,880.00
Other Payments	11	-	0
		122,628,678	94,946,815.00
Adjusted for:			
Adjustments during the year		(3,595,200.00)	0
Net cash flow from operating activities		15,108,858.50	(2,540,446.50)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	0
Acquisition of Assets	10	-	0
Net cash flows from Investing Activities		-	0
NET INCREASE IN CASH AND CASH EQUIVALENT		15,108,858.50	(2,540,446.50)
Cash and cash equivalent at BEGINNING of the year	13	4,613,616.65	7,154,063.40
Cash and cash equivalent at END of the year	16	19,722,475.15	4,613,616.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera East National Government Constituency Development Fund financial statements were approved on 11/08/2016 2016 and signed by:


Fund Account Manager


Chairman

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	131,421,242	79,485,353.40	210,906,595.40	144,485,353.40	66,421,242.00	69
Proceeds from Sale of Assets	0	0	-	-	-	0
Other Receipts	0	0	-	-	-	0
TOTAL	131,421,242.00	79,485,353.40	210,906,595.40	144,485,353.40	66,421,242.00	69
PAYMENTS						
Compensation of Employees	2,700,000.00	1,510,753.00	4,210,753.00	2,234,460.00	1,976,293.00	53
Use of goods and services	8,608,824.00	2,800,179.00	11,409,003.00	2,690,299.00	8,718,704.00	24
Transfers to Other Government Units	68,805,228.00	50,252,189.40	119,057,417.40	80,088,257.00	38,969,160.40	67
Other grants and transfers	50,807,190.00	24,922,232.00	75,729,422.00	37,615,662.00	38,113,760.00	50
Acquisition of Assets			-	-	-	
Other Payments (Auditor fees)	500,000.00		500,000.00	-	500,000.00	
TOTALS	131,421,242.00	79,485,353.40	210,906,595.40	122,628,678.00	88,277,917.40	58

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -
MANDERA EAST CONSTITUENCY

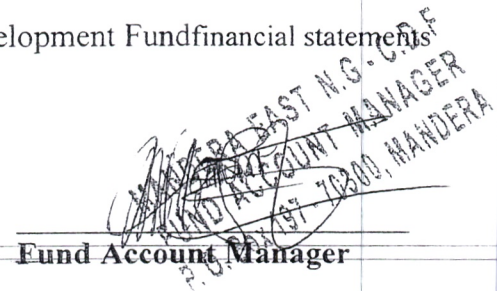
Reports and Financial Statements
for the year ended June 30, 2016

- (a) All our revenue was a disbursement from the National Government Constituencies Development Fund Board.
- (b) All category of spending during the financial year were above 50% except goods and services and other grants and transfers.
1. Use of goods and services was 24% since the committee allowances were not being paid during the 3months transition period.
 2. Other grants and transfers was 49.6 % since **Ksh.25,000,000** was received on 30/6/2016 on the closure of the financial year.
- (c) Outstanding imprest for 2014/15 of ksh, 1,461,000 was expensed in 2015/2016. During the year an additional imprest was issued and an amount worth ksh 3,595,200 was outstanding as at the closure of the 2015/2016. Therefore the cash book was under casted with an amount of ksh, 2,134,200.

The Mander East National Government Constituency Development Fund financial statements were approved on 11/07 2016 and signed by:



Chairman NGCDF



Fund Account Manager

II. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

Committee expense of ksh,3,535,479 in the financial year 2014/2015 has been reclassified. The item is to be presented under use of goods and services. The comparative amount in the financial year 2015/2016 is reclassified to comply with the requirement of IPSAS.

Social security benefits of ksh,75600 in the financial year 2014/2015 has been reclassified. The item is to be presented under compensation to employees. The comparative amount in financial year 2015/2016 is also reclassified.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF 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 NGCDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -
MANDERA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -
 MANDERA EAST CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2016

III. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
1330407	Normal Allocation	AIE NO...	14,388,789.50	2,000,000.00
		AIE NO.....	49,432,460.00	42,851,211.00
		AIE NO.....	12,511,487.00	28,971,973.50
		AIE NO...	40,000,000.00	18,583,184.00
			25,000,000.00	
	TOTAL		141,332,736.50	92,406,368.50
	2 PROCEEDS FROM SALE OF NON- FINANCIAL ASSETS			
3510000	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of office and general equipment			
		Total		-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MÁNDERA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

1400000	3 OTHER RECEIPTS			
	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
1410107	Interest Received			-
1410405	Rents			-
1420601	Sale of tender documents			-
1450207	Other Receipts Not Classified Elsewhere (specify)			-
	Total			-
2110000	4 COMPENSATION OF EMPLOYEES			(Reclassified)
	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
2110201	Basic wages of contractual employees		2,075,420.00	1,233,522.00
2110202	Basic wages of casual labour			-
	Personal allowances paid as part of salary			
2110301	House allowance			-
2110314	Transport allowance			-
2110320	Leave allowance			-
2110326	Other personnel payments		42,400.00	20,160.00
2710120	gratuity			
2120101	Employer contribution to NSSF		116,640.00	75,600.00
	Total		2,234,460.00	1,329,282.00
2200000	5 USE OF GOODS AND SERVICES			(Reclassified)
	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
2210100	Utilities, supplies and services			31,108.00
2210104	Office rent		480,880.00	421,000.00
2210200	Communication, supplies and services		50,200.00	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services		492,524.00	-
2210600	Rentals of produced assets			-
2210700	Training expenses			1,206,000.00
2210800	Hospitality supplies and services			-
2210802	Other committee expenses		632,000.00	935,479.00
2210809	Committee allowance		702,000.00	2,600,000.00
2210900	Insurance costs			-
2211000	Specialized materials and services			-
2211100	Office and general supplies and services		259,634.85	252,210.00
2211200	Fuel ,oil & lubricants		73,060.00	-
2211300	Other operating expenses			354,000.00
2220100	Routine maintenance – vehicles and other transport equipment			-
2220200	Routine maintenance – other assets			-
				-
	Total		2,690,298.85	5,799,797.00
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2015-2016	2014 - 2015
			Kshs.	Kshs
2630204	Transfers to primary schools		32,485,109.00	21,263,900.00
2630205	Transfers to secondary schools		47,603,148.00	30,667,480.00
2630206	Transfers to Tertiary institutions			450,000.00
2630207	Transfers to Health institutions			5,472,476.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

3111001	Purchase of Office furniture and fittings				-
3111002	Purchase of computers ,printers and other IT equipment's				-
3111005	Purchase of photocopier				-
3111009	Purchase of other office equipment's				-
3111112	Purchase of soft ware				-
3130101	Acquisition of Land				-
	Total				-
	9 Other Payments				
	specify				-
	specify				-
	specify				-
	TOTAL				-
	12A: Bank Balances (cash book bank balance)				
	Name of Bank, Account No. & currency	Account Number	2015 - 2016	2014 - 2015	
			Kshs (30/6/2016)	, Kshs (30/6/2015)	
	<i>EQUITY Bank, Mandera Branch</i> <i>A/C no.100029654354</i>		19,722,475.15	3,152,616.90	
					-
					-
	Total		19,722,475.15	3,152,616.90	
	12B: CASH IN HAND)				
			2015 - 2016	2014 - 2015	
			Kshs (30/6/2016)	Kshs (30/6/2015)	
	Location 3				-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

	Other receipts (specify)				-
	Total				-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12C: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Mohamed Jattani	31/12/2015	1,910,000.00	-	1,910,000.00
Mohamed Sahal	29/02/2016	933,200.00	-	933,200.00
Mohamed Jattani	30/06/2016	752,000.00	-	752,000.00
				3,595,200.00

[Include an annex of the list is longer than 1 page.]

13: BALANCE BROUGHT FORWARD

		2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs (1/7/2014)
Bank accounts		3,152,616.65	7,154,063.15
Cash in hand		0	-
Imprest		1,461,000.00	-
Total		4,613,616.65	7,154,063.15
	<i>[Provide short appropriate explanations as necessary]</i>		
14	PRIOR YEAR ADJUSTMENTS		
		2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs
Bank accounts			
Cash in hand			
Imprest			
Total		-	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

15		OTHER IMPORTANT DISCLOSURES	
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs
Construction of buildings			-
Construction of civil works			-
Supply of goods			-
Supply of services(Office Rent)			60,000.00
TOTAL		8,718,704.00	60,000.00
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2015/2016 ksh	2014/2015 Kshs
Senior management			-
Middle management		1,976,293	-
Unionisable employees			-
Others (<i>specify</i>)			-
			-
15.3: OTHER PENDING PAYABLES (See Annex 3)			
		2015/2016 ksh	2014/15 ksh
Amounts due to other Government entities (see attached list)		38,969,160.	52,938,573
Amounts due to other grants and other transfers (see attached list)		38,113,760.00	20,799,242
Others (<i>specify</i>) Audit fees		500,000.00	
TOTAL		77,582,920	73,737,815

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total				8,718,704.00		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group/Designation	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		A	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
1. Ahmed Ibrahi Ugas	Information officer	353,960	30thjune 2016	NILL	353,960	NILL	March to june 2016 staff salary
2. Timira Sheikh	Office secretary	245,557	30thjune 2016	NILL	245,557	NILL	March to june 2016 staff salary
3. Ubah Siyad Ahmed	Accounts assistance	105,752	30thjune 2016	NILL	105,752	NILL	March to june 2016 staff salary
4. Mohamed Ahmed Omar	Office messenger	335,216	30thjune 2016	NILL	335,216	NILL	March to june 2016 staff salary
5. Abdi Adow hussein	security	155,464	30thjune 2016	NILL	155,464	NILL	March to june 2016 staff salary
6. Khadija Ibrahim	Office cleaner	157,864	30thjune 2016	NILL	157,864	NILL	March to june 2016 staff salary
7. Abdinasir Abdikadir	security	129,864	30thjune 2016	NILL	129,864	NILL	March to june 2016 staff salary
8. Hakima Daud yussuf	clerk	221,504	30thjune 2016	NILL	221,504	NILL	March to june 2016 staff salary
9. Abdikheir Bare Abdinoor	clerk	221,504	30thjune 2016	NILL	221,504	NILL	March to june 2016 staff salary
Sub-Total		1,976,293.0			1,976,293.0		

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

Reports and Financial Statements

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

Name of Staff	Job Group/Designation	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		0			0		
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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

**Reports and Financial Statements
For the year ended June 30, 2016**

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

Name	Brief Transaction Description		Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	
						2015	2014
			a	b	c	d=a-c	
Amounts due to other Government entities							
Sarohindi primary school	Construction of 1no Classrooms		1,000,000.00		NIL	1,000,000.00	
Hegalow primary school	Construction of Administration block		2,000,000.00		NIL	2,000,000.00	
Arabia Primary School	100 Desks		450,000.00		NIL	450,000.00	
Koromey Primary School	1No Classrooms		900,000.00		NIL	900,000.00	
Khadija Girls Primary School	100 Desks		450,000.00		NIL	450,000.00	
Kamor Primary School	1 No classrooms		900,000.00		NIL	900,000.00	
B/Mpya primary School	Construction of 1NO store		1,000,000.00		NIL	1,000,000.00	
Darika Primary School	1No Administration Block		2,000,000.00		NIL	2,000,000.00	
Karo Primary School	1No concret water tank		700,000.00		NIL	700,000.00	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

Gadudia Primary School	1No Classroom	1,000,000.00	NIL	1,000,000.00
UgasHirsi Primary School	1 No Classrooms	1,000,000.00	NIL	1,000,000.00
Bella Primary school	Construction of 1No classrooms	1,000,000.00	NIL	1,000,000.00
SharrifEley Primary School	1 No classrooms	1,000,000.00	NIL	1,000,000.00
Shafshafey Primary School	100 desks	450,000.00	NIL	450,000.00
Bur-Abor primary School	Renovation of Dormitory	1,000,000.00	NIL	1,000,000.00
Bulla Haji Primary School	Construction of 1No Classroom	1,000,000.00	NIL	1,000,000.00
Buru Buru Primary School	100 Desks	450,000.00	NIL	450,000.00
Mandera Arid Zone Primary	200 No Desks	900,000.00	NIL	900,000.00
Mandera Boystown Primary	100 Desks	450,000.00	NIL	450,000.00
Tawakal Primary School	2 No Classrooms	1,800,000.00	NIL	1,800,000.00
Township primary school	100 Desks	450,000.00	NIL	450,000.00
Kamor Mixed Secondary school	1No Laboratory Equipment	1,500,000.00	NIL	1,500,000.00
Neboi Secondary School	2 No toilets	250,000.00	NIL	250,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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Reports and Financial Statements

For the year ended June 30, 2016

Buru Buru Secondary School	Construction of 1No Classrooms		900,000.00		NIL	900,000.00
Neboi secondary school secondary school	Construction of 2No Classrooms		1,800,000.00		NIL	1,800,000.00
motor vehicle	Purchase of motor vehicle- Mandera East education office		5,500,000.00		NIL	5,500,000.00
Arabia AP Camp	construction of 3no staff houses		2,100,000.00		NIL	2,100,000.00
Chiefs office	Construction of 1No office – Bur-abor		2,000,000.00		NIL	2,000,000.00
Chiefs office	Construction of 1No office – Barwaqo		2,000,000.00		NIL	2,000,000.00
Arabia Ap	Purchse for a vehicle for security surveillance		6,000,000		NIL	6,000,000
Sub-Total			38,969,160.00			38,969,160.00
Amounts due to other grants and other transfers						
Constituency sports tournament	Carry out constituency sports tournament.	Y	2,013,072.00		NIL	2,013,072.00
Environment	Establishment of tree nurseries		2,513,072		NIL	2,513,072

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANDERA EAST

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Reports and Financial Statements

For the year ended June 30, 2016

Bursary Secondary Schools	Payment of bursary to needy student	6,000,000	NILL	6,000,000
Bursary Tertiary Schools	Payment of bursary to needy student	12,913,399	3,330,000	9,583,399
Mocks/CATs	Printing and distribution of Mocks and CATs	1,500,000	NIL	1,500,000
Employees salary	Payments for staff salaries	2,400,000	423,707	1,976,293
GOods/services	Purchase of fuel,repairs,travel and subsistence.	9,718,920	1,000,000	8,718,920
Omar jillo generator project.	Construction of perimeter wall of the generator housing	2,000,000	NIL	2,000,000
Emergency		5,767,647	1,958,643	3,809,004
Sub-Total		44,826,110.00		38,113,760.00
Others (specify)				
7. Audit fees	Proposed audit fee charges to the constituency	500,000	Nil	500,000
Sub-Total		500,000		500,000
Grand Total		84,295,270		77,582,920


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

**Reports and Financial Statements
For the year ended June 30, 2016**

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	3,000,000.00	3,000,000.00
Transport equipment		
Office equipment, furniture and fittings	175,500.00	175,500.00
ICT Equipment, Software and Other ICT Assets	115,000.00	115,000.00
Other Machinery and Equipment	173,000.00	173,000.00
Heritage and cultural assets		
Intangible assets		
Total	3,463,000.00	3,463,000.00

Prepared by


MANDERA EAST N.G.-C.D.F
Fund ACCOUNT MANAGER
Mandera East - 70300 MANDERA



ANNEX5: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
1	Presentation and completeness' of the financial statements	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
2	Under stament for expenditure- 2500,000	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
3	Cash and Equivalents- 1,461,000	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
4	Irregular award of contract-4,613,617	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
5	Irregular procurement of school buses- 13,999,440	The Audit issues raised in the financial year 2014/2015 are being responded and to be	Fund Account Manager	unresolved	May 2017

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		submitted.			
6	Unaccounted for bursaries	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
7	Unaccounted for grants-6144500	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
8	Payments for emergency water trucking services-5,765,000	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
9	Unaccounted for administration/monitoring and evaluation	The Audit issues raised in the financial year 2014/2015 are being responded and to be submitted.	Fund Account Manager	unresolved	May 2017
					May 2017

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Signed

NG-CDF FUND ACCOUNT MANGER

Signed

NG CDFC Chairman