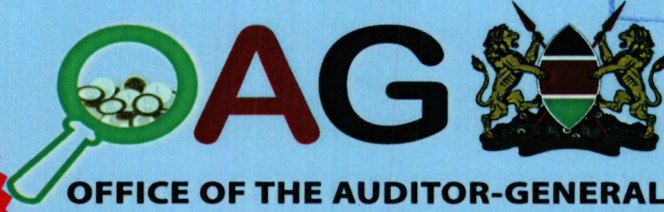


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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



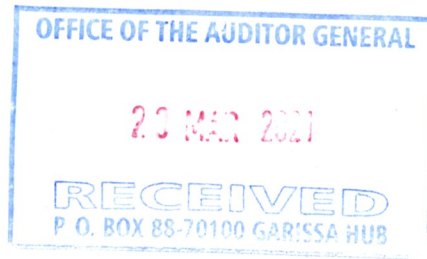
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**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA NORTH CONSTITUENCY  
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**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.

**(b) Key Management**

The NGCDF MANDERA NORTH Constituency 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)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

| <b>NO.</b> | <b>DESIGNATION</b>    | <b>NAME</b>         |
|------------|-----------------------|---------------------|
| 1.         | A.I.E holder          | Adan Salah Mustafa  |
| 2.         | Sub-County Accountant | Nacasio Njiru Njeru |
| 3.         | Chairman NG-CDFC      | Bashir Noor Ismail  |
| 4.         | Member NG-CDFC        | Mohamed Musa        |

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -MANDERA NORTH Constituency. 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.

**(e) NGCDF MANDERA NORTH CONSTITUENCY HEADQUARTERS**

P.O. Box 255 – 70300 Mandera.  
Opposite Rhamu Post Office  
Along Nairobi - Mandera Highway  
Rhamu, Mandera

**(f) NGCDF MANDERA NORTH CONSTITUENCY CONTACTS**

Telephone: (254) 722471247  
E-mail: [cdfmanderanorth@ngcdf.go.ke](mailto:cdfmanderanorth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF MANDERA NORTH CONSTITUENCY BANKERS**

1. Equity Bank (Kenya) Limited  
Mandera Branch  
P.O. Box 536 - 70300  
Mandera, Kenya

Equity Bank (Kenya) Limited.  
1000261174117

**(h) INDEPENDENT AUDITORS**

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

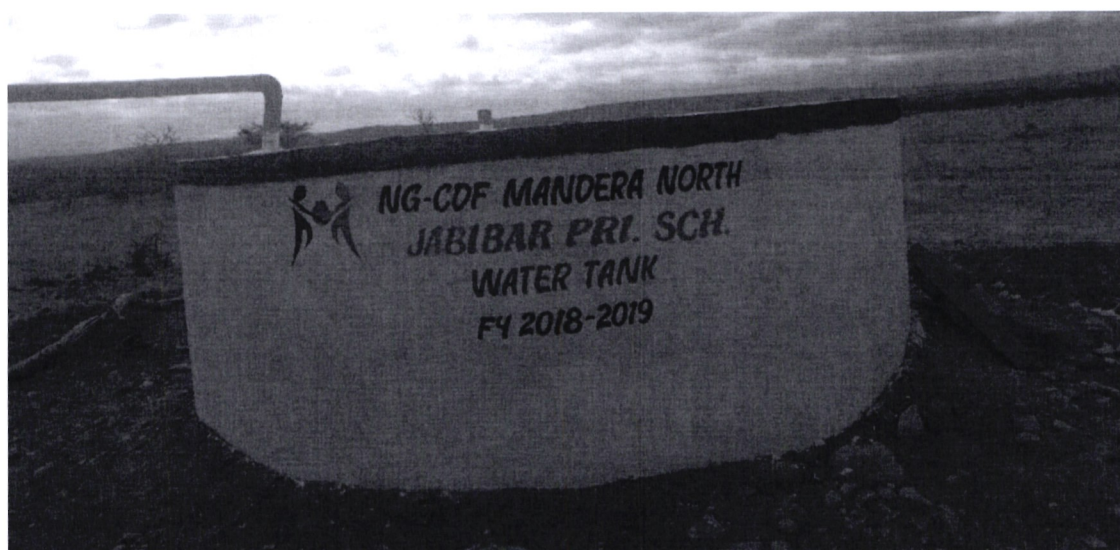
**(i) PRINCIPAL LEGAL ADVISER**

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

## **II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The NG-CDFC would wish to have in summary the budget performance against actual amounts for current year based on economic classification and programs. The NG-CDF have improved the Education and Security infrastructures of Mandera North Constituency.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project including the covid-19 pandemic. 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. Included below find pictorial representation of budget expenditure against actual comparable implemented status and the absorption rate per expenditure categorization as incurred through the financial year 2019/2020.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

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SIGN.....

**CHAIRMAN NGCDF MANDERA NORTH**



### **III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

#### **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.

Mandera North is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NG-CDF Mandera North Constituency's 2018-2023 plan are to:

In underscoring the above, the key development objectives of NG-CDF Mandera North Constituency 2018-2023 plan included but not limited to as per below templates on the strategic objectives.

**Strategic Objectives**

The strategic objectives and the strategies to be pursued will adhere to core functions of the constituency over the next five years. The strategic matrix is presented in Table 4-1.

**Table 4-1: Strategic Objectives**

| <b>Constituency Program</b> | <b>Objectives</b>  | <b>Outcome</b>   | <b>Indicator</b>  | <b>Performance</b>   |
|-----------------------------|--|--|---|--|
| Access to quality education | To improve accessibility to quality education                          | <ul style="list-style-type: none"> <li>Expansion of education facilities through rehabilitation/renovation/construction of classrooms/laboratories/multipurpose hall/admin block in various schools within the constituency.</li> </ul>  | <ul style="list-style-type: none"> <li>Number classrooms/laboratory/multipurpose/admin block constructed/renovated</li> </ul> | <ul style="list-style-type: none"> <li>Increase number of classrooms by 60</li> <li>Laboratories by 2</li> <li>Admin block 1</li> </ul>  |
| Security                    | To enhance security within the constituency                            | <ul style="list-style-type: none"> <li>Establishment of new police posts in the constituency</li> <li>Fencing of Administration police camps</li> </ul>  | <ul style="list-style-type: none"> <li>The number of fenced police post /administration unit</li> </ul>                       | <ul style="list-style-type: none"> <li>Increase number of fenced police post/administration unit by 1</li> </ul>                         |
| Environment                 | To promote sustainable environmental practices within the constituency | <ul style="list-style-type: none"> <li>Provide trees to primary and secondary schools for planting</li> </ul>  | <ul style="list-style-type: none"> <li>The number of schools with planted trees</li> </ul>                                    | <ul style="list-style-type: none"> <li>Afforestation &amp; environmental conservancy</li> </ul>  |
| Youth and sports            | To harness the talents of youths through empowerment                   | <ul style="list-style-type: none"> <li>Creating awareness on the establishment of youth funds and how the constituency youths can access them.</li> <li>Funding of youth sporting initiatives</li> <li>Provision of sporting material such as balls and uniform to football clubs</li> </ul> | <ul style="list-style-type: none"> <li>The number of tournaments held at the constituency</li> </ul>                          | <ul style="list-style-type: none"> <li>Improved youth talent identification</li> <li>Decreased in drug indulgence among youth</li> </ul> |

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NG-CDF MANDERA NORTH Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the MANDERA NORTH NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short-term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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**

The MANDERA NORTH NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

| <b>Model</b> | <b>Definition</b>   | <b>Relevance to sustainable strategy</b>   |
|--------------|---|--|
| Vision       | Equitable socio-economic development.   | What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place                        |
| Mission      | To provide leadership and guidance for effective and efficient management of the fund in the constituency | This communicates what the office does to attain sustainable developments  |
| Core Values  | uphold the Professionalism and Integrity  | These are the norms, principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives |

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring.

**2. ENVIRONMENTAL PERFORMANCE**

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of MANDERA NORTH NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

**Our Environmental Policy**

In this policy statement MANDERA NORTH NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

MANDERA NORTH NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

| <b>Impact Area</b>                   | <b>Approach</b>   |
|--------------------------------------|---|
| Capacity Building                    | <ul style="list-style-type: none"> <li>• Promote environmental awareness by sensitizing the MANDERA NORTH NG-CDFC, NG-CDFC staff and PMCs on good conservation practices</li> <li>• To encourage, through regular communication to MANDERA NORTH NG-CDFC, staff, and other stakeholders’ changes in individual behaviour to reduce usage</li> </ul>                                   |
| Conservation of Energy and Resources | <ul style="list-style-type: none"> <li>• To maximize use of available technologies to remove the need to use paper</li> <li>• To encourage our clients to engage with us using electronic means where possible</li> <li>• To maximize on rain water harvesting</li> <li>• To make energy efficiency a key factor in the selection of any new energy devise being purchased</li> </ul> |

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|   |  |
|---|--|
|   | <ul style="list-style-type: none"><li>• To invest in available energy saving technologies and devices within our existing premises</li></ul>   |
| Environmental Protection and Conservation | <ul style="list-style-type: none"><li>• To promote use of volt guards to control power surges</li><li>• We have constructed culverts and gabions to prevent soil erosion</li><li>• To encourage tree planting in the constituency to improve the forest cover.</li><li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires.</li></ul> |
| Pollution Control and Waste Management    | <ul style="list-style-type: none"><li>• To ensure that all paper waste is recycled</li><li>• To ensure segregation of waste</li><li>• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li></ul>  |

## **2. EMPLOYEES WELFARE**

### **TERMS AND CONDITIONS OF SERVICE**

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

#### **Categories of Employment**

MANDERA NORTH NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

#### **Recruitment Procedure**

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

#### **The Advertisement contains the following:**

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

#### **Appointment of a selection and Interview subcommittee**

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

**Interviews**

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

**Offer of Appointment**

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

**Letters of Appointment**

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

**Orientation and Induction of employees**

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this. Induction and orientation is done within the first three months of employment.

**Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution

**HEALTH, SAFETY AND WELL BEING**

This provides guidelines on the health, safety and well-being of the office staff

**Guidelines to General Safety**

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

**Emergency Preparedness**

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

**Fire precautions**

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to **the fire extinguishers** Provision of protective equipment and clothing.

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The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

**Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

**Guidance and Counselling**

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

**Health Care Services**

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

**HIV/AIDS**

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic.

An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

**Drug and Substance Abuse**

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

**Persons Living with Disability**

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

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MANDERA NORTH CONSTITUENCY**

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The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

**Sexual harassment and other Forms of Harassment**

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

**Reporting Harassment Cases**

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

**4. MARKET PLACE PRACTICES**

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**a) Responsible competition practice.**

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

**b) Responsible Supply chain and supplier relations**

Payments to suppliers are done promptly upon presentation of requisite supporting documents

**c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices**

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

**d) Product stewardship**

In order to safeguard consumer rights and interests, the MANDERA NORTH NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism,



dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

## **5. COMMUNITY ENGAGEMENTS**

### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency-based projects to be

Covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision-making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholder's participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

### **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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**Public Awareness and Sensitisation Exercise Provide**

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non-state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

**Covid-19 Mitigation Measures**

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through Kenya Pipeline Corporation distributed 4,000 bottles of 250mls sanitizers to the community free of charge.
- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency
- Through the National Youth Service, the office distributed 4,000 facial masks
- Printing of brochures disseminating information regarding Corona Virus protection measures

**V. STATEMENT OF ENTITY 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 (period) ended on June 30, 2020. 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

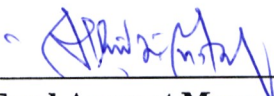
The Accounting Officer in charge of the NGCDF-MANDERA NORTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date.

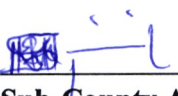
The Accounting Officer charge of the NGCDF-MANDERA NORTH Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-MANDERA NORTH Constituency confirms that the entity 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 entity'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**

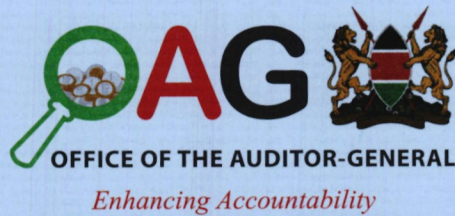
The NGCDF-MANDERA NORTH Constituency financial statements were approved and signed by the Accounting Officer on 15<sup>th</sup> March 2021.

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: Adan Salah Mustafa**

  
\_\_\_\_\_  
**Sub-County Accountant**  
**Name: Nacasio Njiru Njeru**  
**ICPAK Member Number:**

# 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, 2020

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### 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 17 to 48, which comprise the statement of financial assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and 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.

In my opinion, except for the effects of the matter 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 - Mandera North Constituency as at 30 June, 2020 and 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 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### Stale Cheques

The financial assets and liabilities reflects cash and cash equivalents balance of Kshs.16,562,614 and as disclosed in Note 7A to the financial statement. Examination of the bank reconciliation reflects unpresented cheques amounting to Kshs.9,739,197 out of which stale cheques amounting to Kshs.648,180 are to reflect as unpresented cheques and have never been reversed to the cash book.

Consequently, the accuracy and completeness of cash and cash equivalent balance of Kshs.16,562,614 could not be confirmed.

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 the ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matter**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.207,377,201 and Kshs.138,009,477 respectively resulting to an under-funding of Kshs.69,367,724 or 33% of the budget. Similarly, the Fund expended Kshs.121,446,863 against an approved budget of Kshs.207,377,201 resulting to an under-expenditure of Kshs.85,930,338 or 41% of the budget.

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

## **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**

#### **Unsupported Emergency Expenses**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.27,742,791 and as disclosed in Note 5 to the financial statements which includes an amount of Kshs.9,420,000 incurred on emergency projects. Section 20(2) of the National Government Constituencies Development Fund Regulations, 2016 requires the utilization of emergency funds to be reported to the Board within 30 days. However, the Fund did not prepare and submit written report on the utilization of the funds to the Board.

Consequently, the Fund was in breach of the regulations governing the utilization on emergency funds.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 abolish 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

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

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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


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

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

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

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**11 February, 2022**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MANDERA NORTH CONSTITUENCY**

**Reports and Financial Statements**

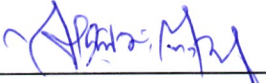
**For the year ended June 30, 2020**

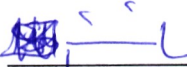
**VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- MANDERA NORTH  
CONSTITUENCY**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

|   | Note | 2019 - 2020        | 2018 - 2019        |
|---|------|--------------------|--------------------|
|   |      | Kshs               | Kshs               |
| <b>RECEIPTS</b>                         |      |                    |                    |
| Transfers from CDF board-AIEs' Received | 1    | 121,540,876        | 108,784,483        |
| <b>TOTAL RECEIPTS</b>                   |      | <b>121,540,876</b> | <b>108,784,483</b> |
| <b>PAYMENTS</b>                         |      |                    |                    |
| Compensation of employees               | 2    | 3,618,400          | 2,965,853          |
| Use of goods and services               | 3    | 6,338,172          | 8,199,335          |
| Transfers to Other Government Units     | 4    | 83,447,500         | 59,040,000         |
| Other grants and transfers              | 5    | 27,742,791         | 35,668,409         |
| Other Payments                          | 6    | 300,000            | -                  |
| <b>TOTAL PAYMENTS</b>                   |      | <b>121,446,863</b> | <b>105,873,597</b> |
| <b>SURPLUS/DEFICIT</b>                  |      | <b>94,013</b>      | <b>2,910,886</b>   |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA NORTH Constituency financial statements were approved on 18<sup>th</sup> March, 2021 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: Adan Salah Mustafa**

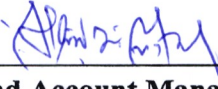
  
\_\_\_\_\_  
**National Sub-County Accountant**  
**Name: Nacasio Njiru Njeru**  
**ICPAK Member Number:**

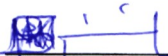
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

|  | Note | 2019 - 2020       | 2018 - 2019       |
|--|------|-------------------|-------------------|
|  |      | Kshs              | Kshs              |
| <b>FINANCIAL ASSETS</b>                |      |                   |                   |
| <b>Cash and Cash Equivalents</b>       |      |                   |                   |
| Bank Balances (as per the cash book)   | 7A   | 16,562,614        | 16,468,601        |
| <b>Total Cash and Cash Equivalents</b> |      | <b>16,562,614</b> | <b>16,468,601</b> |
| <b>TOTAL FINANCIAL ASSETS</b>          |      | <b>16,562,614</b> | <b>16,468,601</b> |
| <b>FINANCIAL LIABILITIES</b>           |      |                   |                   |
| <b>NET FINANCIAL ASSETS</b>            |      | <b>16,562,614</b> | <b>16,468,601</b> |
| <b>REPRESENTED BY</b>                  |      |                   |                   |
| Fund balance b/fwd 1st July...         | 8    | 16,468,601        | 13,557,715        |
| Surplus/Deficit for the year           |      | 94,013            | 2,910,886         |
| <b>NET FINANCIAL POSITION</b>          |      | <b>16,562,614</b> | <b>16,468,601</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA NORTH Constituency financial statements were approved on 18<sup>th</sup> March, 2021 and signed by:

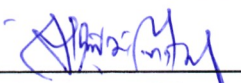
  
**Fund Account Manager**  
**Name: Adan Salah Mustafa**

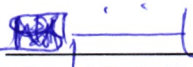
  
**National Sub-County Accountant**  
**Name: Nacasio Njiru Njeru**  
**ICPAK Member Number:**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****MANDERA NORTH CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

|  |   | <b>2019 – 2020</b> | <b>2018 – 2019</b> |
|--|---|--------------------|--------------------|
|  |   | <b>Kshs</b>        | <b>Kshs</b>        |
| <b>Receipts for operating income</b>                     |   |                    |                    |
| Transfers from NGCDF Board                               | 1 | 121,540,876        | 108,784,483        |
|  |   | <b>121,540,876</b> | <b>108,784,483</b> |
| <b>Payments for operating expenses</b>                   |   |                    |                    |
| Compensation of Employees                                | 2 | 3,618,400          | 2,965,853          |
| Use of goods and services                                | 3 | 6,338,172          | 8,199,335          |
| Transfers to Other Government Units                      | 4 | 83,447,500         | 59,040,000         |
| Other grants and transfers                               | 5 | 27,742,791         | 35,668,409         |
| Other Payments   | 6 | 300,000            | -                  |
|  |   | <b>121,446,863</b> | <b>105,873,597</b> |
| <b>Net cash flow from operating activities</b>           |   |                    |                    |
|  |   | <b>94,013</b>      | <b>2,910,886</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |   |                    |                    |
|  |   | <b>94,013</b>      | <b>2,910,886</b>   |
| <b>Cash and cash equivalent at BEGINNING of the year</b> | 7 | <b>16,468,601</b>  | <b>13,557,715</b>  |
| <b>Cash and cash equivalent at END of the year</b>       |   | <b>16,562,614</b>  | <b>16,468,601</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA NORTH Constituency financial statements were approved on 15<sup>th</sup> March, 2020 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: Adan Salah Mustafa**

  
\_\_\_\_\_  
**National Sub-County Accountant**  
**Name: Nacasio Njiru Njeru**  
**ICPAK Member Number:**

Reports and Financial Statements  
For the year ended June 30, 2020


X. 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 %          |
| <b>RECEIPTS</b>                     |                    |                   |                    |                            |                               |                  |
| Transfers from NG-CDF Board         | 137,367,724        | 70,009,477        | 207,377,201        | 138,009,477                | 69,367,724                    | 66.5%            |
| <b>TOTAL RECEIPTS</b>               | <b>137,367,724</b> | <b>70,009,477</b> | <b>207,377,201</b> | <b>138,009,477</b>         | <b>69,367,724</b>             | <b>66.5%</b>     |
| <b>PAYMENTS</b>                     |                    |                   |                    |                            |                               |                  |
| Compensation of Employees           | 3,991,200          | 1,141,184         | 5,132,384          | 3,618,400                  | 1,513,984                     | 70.5%            |
| Use of goods and services           | 6,008,446          | 2,177,632         | 8,186,078          | 6,338,172                  | 1,847,906                     | 77.4%            |
| Transfers to Other Government Units | 70,957,500         | 57,955,345        | 128,912,845        | 83,447,500                 | 45,465,345                    | 64.7%            |
| Other grants and transfers          | 51,110,578         | 8,650,741         | 59,761,319         | 27,742,791                 | 32,018,528                    | 46.4%            |
| Acquisition of Assets               |                    | 2,500             | 2,500              | -                          | 2,500                         | 0.0%             |
| Other Payments                      | 5,300,000.00       | 82,075            | 5,382,075          | 300,000                    | 5,082,075                     | 5.6%             |
| <b>TOTAL</b>                        | <b>137,367,724</b> | <b>70,009,477</b> | <b>207,377,201</b> | <b>121,446,863</b>         | <b>85,930,338</b>             | <b>58.6%</b>     |

Adjustment is made up of the opening balance as at 1st July 2019 of Kshs. 16,468,601 and amount due from the Board form NG-CDFB as at the end of financial year 2018-2019 of Kshs. 53,540,875.50

From the above statement items underutilized below 90% are as a result of late disbursement of funds from National Government Constituency Development Fund Board in time. Projects from the financial year 2017/2018 where given priority as funding from that financial year was received during this current financial year hence not much done concerning the financial year 2018/2019 budgeted items.

The NG-CDF-MANDERA NORTH Constituency financial statements were approved on 17th March, 2021 and signed by:

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

  
**Sub-County Accountant**  
 Name: Nacasio Njiru Njeru  
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

| Programme/Sub-Programme              | Original Budget     | Adjustments         | Final Budget        | Actual on Comparable Basis | Budget Utilization Difference |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------------|-------------------------------|
|                                      | 2018/2019<br>Kshs   | Kshs                | 2018/2019<br>Kshs   | 2018/2019<br>Kshs          | 2018/2019<br>Kshs             |
| <b>1.0 Administration</b>            |                     |                     |                     |                            |                               |
| Employees' Salaries                  | 3,991,200.00        | 1,141,184.00        | 5,132,384.00        | 3,618,400.00               | 1,513,984.00                  |
| Goods and Services                   | 1,374,573.10        | 140,306.64          | 1,514,879.74        | 1,498,057.00               | 16,822.74                     |
| Committee Expenses                   | 1,548,000.00        | 106,100.00          | 1,654,100.00        | 1,641,510.00               | 12,590.00                     |
| <b>Sub-Total</b>                     | <b>6,913,773.10</b> | <b>1,387,590.64</b> | <b>8,301,363.74</b> | <b>6,757,967.00</b>        | <b>1,543,396.74</b>           |
| <b>2.0 Monitoring and Evaluation</b> |                     |                     |                     |                            |                               |
| Goods and Services                   | 285,872.99          | 338,641.16          | 624,514.15          | 624,205.00                 | 309.15                        |
| Committee Expenses                   | 1,400,000.00        | 291,984.42          | 1,691,984.42        | 1,658,000.00               | 33,984.42                     |
| Capacity Building Of NG-CDFC/PMCs    | 1,400,000.00        | 1,300,600.00        | 2,700,600.00        | 916,400.00                 | 1,784,200.00                  |
| <b>Sub-Total</b>                     | <b>3,085,872.99</b> | <b>1,931,225.58</b> | <b>5,017,098.57</b> | <b>3,198,605.00</b>        | <b>1,818,493.57</b>           |
| <b>7.0 Primary School Projects</b>   |                     |                     |                     |                            |                               |
| Daidai Primary School                | -                   | 5,345.00            | 5,345.00            | -                          | 5,345.00                      |
| Al-Hidaya Primary School             |                     | 1,500,000.00        | 1,500,000.00        | 1,500,000.00               | -                             |
| Rhamu DEB Primary School             |                     | 2,500,000.00        | 2,500,000.00        | 2,500,000.00               | -                             |
| Towfiq Primary School                |                     | 1,900,000.00        | 1,900,000.00        | 1,900,000.00               | -                             |
| Jabibar Primary School               |                     | 1,700,000.00        | 1,700,000.00        | 1,700,000.00               | -                             |
| Tawakal Primary Sch                  |                     | 1,900,000.00        | 1,900,000.00        | 1,900,000.00               | -                             |
| Shangalla Primary School             |                     | 1,900,000.00        | 1,900,000.00        | 1,900,000.00               | -                             |
| Yabicho Primary School               |                     | 1,500,000.00        | 1,500,000.00        | 1,500,000.00               | -                             |
| Libin Nomadic Girls Primary School   |                     | 2,050,000.00        | 2,050,000.00        | 2,050,000.00               | -                             |
| Kalicha Primary School               |                     | 1,200,000.00        | 1,200,000.00        | 1,200,000.00               | -                             |
| Rhamu Dimtu Pri Sch                  |                     | 1,500,000.00        | 1,500,000.00        | 1,500,000.00               | -                             |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

|                                     |              |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Garse Primary School                |              | 5,500,000.00 | 5,500,000.00 | 5,500,000.00 | -            |
| Saqira Primary School               |              | 950,000.00   | 950,000.00   | 950,000.00   | -            |
| Jiko Primary School                 |              | 2,050,000.00 | 2,050,000.00 | 2,050,000.00 | -            |
| Qurdo Primary School                |              | 1,100,000.00 | 1,100,000.00 | 1,100,000.00 | -            |
| Lanqura Pri Sch                     |              | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | -            |
| Kobandaga Pri Sch                   |              | 950,000.00   | 950,000.00   | 950,000.00   | -            |
| Daidai Pri Sch                      |              | 950,000.00   | 950,000.00   | 950,000.00   | -            |
| Marothile Primary School            |              | 1,650,000.00 | 1,650,000.00 | 1,650,000.00 | -            |
| Ogorwein Primary School             |              | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | -            |
| Arda Hagarsu Primary                |              | 1,700,000.00 | 1,700,000.00 | 1,700,000.00 | -            |
| Quramathow Primary                  |              | 1,700,000.00 | 1,700,000.00 | 1,700,000.00 | -            |
| Burjohn Primary School              |              | 300,000.00   | 300,000.00   | 300,000.00   | -            |
| Garse Primary School                |              | 300,000.00   | 300,000.00   | 300,000.00   | -            |
| Al-Hidaya Primary School            |              | 600,000.00   | 600,000.00   | 600,000.00   | -            |
| Rhamu DEB Primary School            | 1,500,000.00 | -            | 1,500,000.00 | 1,425,000.00 | 75,000.00    |
| Alhidaya Primary School             | 1,300,000.00 | -            | 1,300,000.00 | 1,235,000.00 | 65,000.00    |
| Rhamu DEB Primary School            | 1,500,000.00 | -            | 1,500,000.00 | -            | 1,500,000.00 |
| Tossi Primary School                | 1,500,000.00 | -            | 1,500,000.00 | -            | 1,500,000.00 |
| Shantoley Primary School            | 1,400,000.00 | -            | 1,400,000.00 | -            | 1,400,000.00 |
| Abakaro Primary School              | 1,900,000.00 | -            | 1,900,000.00 | -            | 1,900,000.00 |
| Tawakal Primary School              | 300,000.00   | -            | 300,000.00   | -            | 300,000.00   |
| Alhidaya Primary School             | 1,500,000.00 | -            | 1,500,000.00 | 1,500,000.00 | -            |
| Alfowzan Primary School             | 600,000.00   | -            | 600,000.00   | 600,000.00   | -            |
| Alfurqan Primary School             | 515,000.00   | -            | 515,000.00   | 515,000.00   | -            |
| Rhamu Dimtu Boarding Primary School | 1,500,000.00 | -            | 1,500,000.00 | 1,425,000.00 | 75,000.00    |
| Libin Nomadic Girls Primary School  | 950,000.00   | -            | 950,000.00   | -            | 950,000.00   |
| Mado Primary School                 | 1,900,000.00 | -            | 1,900,000.00 | -            | 1,900,000.00 |
| Qorahey Primary School              | 1,700,000.00 | -            | 1,700,000.00 | -            | 1,700,000.00 |
| Harari Primary School               | 950,000.00   | -            | 950,000.00   | -            | 950,000.00   |
| Degmarer Primary School             | 300,000.00   | -            | 300,000.00   | -            | 300,000.00   |
| Chief Abdi Aliow Primary School     | 1,700,000.00 | -            | 1,700,000.00 | -            | 1,700,000.00 |
| Kalmalab Primary School             | 300,000.00   | -            | 300,000.00   | -            | 300,000.00   |
| Lanqura Primary School              | 2,500,000.00 | -            | 2,500,000.00 | 2,375,000.00 | 125,000.00   |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

|                                      |                      |                      |                      |                      |                      |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Guticha Primary School               | 1,150,000.00         | -                    | 1,150,000.00         | 450,000.00           | 700,000.00           |
| Barwaqo Primary School               | 950,000.00           | -                    | 950,000.00           | -                    | 950,000.00           |
| Kobandagan Primary School.           | 950,000.00           | -                    | 950,000.00           | 850,000.00           | 100,000.00           |
| Garbab Primary School                | 2,200,000.00         | -                    | 2,200,000.00         | -                    | 2,200,000.00         |
| Dagahtul Primary School              | 950,000.00           | -                    | 950,000.00           | -                    | 950,000.00           |
| Shirshir Primary School              | 1,300,000.00         | -                    | 1,300,000.00         | -                    | 1,300,000.00         |
| Kulmiye Primary School               | 950,000.00           | -                    | 950,000.00           | -                    | 950,000.00           |
| Kubi Primary School                  | 1,000,000.00         | -                    | 1,000,000.00         | -                    | 1,000,000.00         |
| Marothile Primary School             | 1,700,000.00         | -                    | 1,700,000.00         | -                    | 1,700,000.00         |
| Ogorwein Primary School              | 2,500,000.00         | -                    | 2,500,000.00         | 2,375,000.00         | 125,000.00           |
| Ashabito Boarding Primary School     | 700,000.00           | -                    | 700,000.00           | -                    | 700,000.00           |
| Tinfa Primary School                 | 950,000.00           | -                    | 950,000.00           | -                    | 950,000.00           |
| Domog Primary School                 | 1,900,000.00         | -                    | 1,900,000.00         | 1,805,000.00         | 95,000.00            |
| Quramathow Primary School            | 1,400,000.00         | -                    | 1,400,000.00         | -                    | 1,400,000.00         |
| Kubi Hills Primary School            | 800,000.00           | -                    | 800,000.00           | -                    | 800,000.00           |
| Alhidaya Primary School              | 2,000,000.00         | -                    | 2,000,000.00         | 2,000,000.00         | -                    |
| Rhamu Arid Zone Primary School       | 1,500,000.00         | -                    | 1,500,000.00         | 1,500,000.00         | -                    |
| Yabicho Primary School               | 632,500.00           | -                    | 632,500.00           | 632,500.00           | -                    |
| Rhamu Dintu Boarding Primary School  | 300,000.00           | -                    | 300,000.00           | 300,000.00           | -                    |
| Alfurqan Primary School              | 300,000.00           | -                    | 300,000.00           | 300,000.00           | -                    |
| Alfowzan Primary School              | 240,000.00           | -                    | 240,000.00           | 240,000.00           | -                    |
| Olla Primary School                  | 240,000.00           | -                    | 240,000.00           | 240,000.00           | -                    |
| Tawakal Primary School               | 180,000.00           | -                    | 180,000.00           | 180,000.00           | -                    |
| Galablaga Primary School             | 180,000.00           | -                    | 180,000.00           | 180,000.00           | -                    |
| Garbab Primary School                | 180,000.00           | -                    | 180,000.00           | 180,000.00           | -                    |
| Abakaro Primary School               | 180,000.00           | -                    | 180,000.00           | 180,000.00           | -                    |
| <b>Sub-Total</b>                     | <b>49,147,500.00</b> | <b>39,405,345.00</b> | <b>88,552,845.00</b> | <b>59,887,500.00</b> | <b>28,665,345.00</b> |
| <b>8.0 Secondary School Projects</b> |                      |                      |                      |                      |                      |
| Gololbia Sec School                  |                      | 2,000,000.00         | 2,000,000.00         | 2,000,000.00         | -                    |
| Ashabito Boys Sec School             |                      | 2,500,000.00         | 2,500,000.00         | 2,500,000.00         | -                    |
| Olla Boys Secondary School           |                      | 2,000,000.00         | 2,000,000.00         | 2,000,000.00         | -                    |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

|  |                      |                      |                       |                      |                      |
|--|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Olla Boys Secondary School                       |                      | 1,500,000.00         | 1,500,000.00          | 1,500,000.00         | -                    |
| Libin Nomadic Girls Sec Sch                      |                      | 100,000.00           | 100,000.00            | 100,000.00           | -                    |
| Gololbia Secondary School                        | 4,000,000.00         | -                    | 4,000,000.00          | 3,800,000.00         | 200,000.00           |
| Ashabito Girls Secondary School                  | 2,000,000.00         | -                    | 2,000,000.00          | -                    | 2,000,000.00         |
| Ashabito Boys Secondary School                   | 1,000,000.00         | -                    | 1,000,000.00          | 950,000.00           | 50,000.00            |
| Olla Boys Secondary School                       | 3,000,000.00         | -                    | 3,000,000.00          | 2,850,000.00         | 150,000.00           |
| Daua River Day Secondary School                  | 2,500,000.00         | -                    | 2,500,000.00          | -                    | 2,500,000.00         |
| Rhamu Girls Secondary School.                    | 1,900,000.00         | -                    | 1,900,000.00          | -                    | 1,900,000.00         |
| Sheikh Ali High School                           | 2,500,000.00         | -                    | 2,500,000.00          | 2,500,000.00         | -                    |
| Sheikh Ali High School                           | 2,000,000.00         | -                    | 2,000,000.00          | 2,000,000.00         | -                    |
| Ashabito Boys Secondary School                   | 1,500,000.00         | -                    | 1,500,000.00          | 1,500,000.00         | -                    |
| Rhamu Girls Secondary School.                    | 350,000.00           | -                    | 350,000.00            | 350,000.00           | -                    |
| Rhamu Day Secondary School                       | 350,000.00           | -                    | 350,000.00            | 350,000.00           | -                    |
| Libin Nomadic Girls Secondary School             | 280,000.00           | -                    | 280,000.00            | 280,000.00           | -                    |
| Daua River Day Secondary School                  | 280,000.00           | -                    | 280,000.00            | 280,000.00           | -                    |
| <b>Sub-Total</b>                                 | <b>21,660,000.00</b> | <b>8,100,000.00</b>  | <b>29,760,000.00</b>  | <b>22,960,000.00</b> | <b>6,800,000.00</b>  |
| <b>9.0 Tertiary Institutions Projects</b>        |                      |                      |                       |                      |                      |
| Seydabass Technical Training Institute           | -                    | 10,000,000           | 10,000,000.00         | -                    | 10,000,000.00        |
| Rhamu Vocational Training Centre                 |                      | 450,000.00           | 450,000.00            | 450,000.00           | -                    |
| Rhamu Vocational Training Centre                 | 150,000.00           | -                    | 150,000.00            | 150,000.00           | -                    |
| <b>Sub-Total</b>                                 | <b>150,000.00</b>    | <b>10,450,000.00</b> | <b>10,600,000.00</b>  | <b>600,000.00</b>    | <b>10,000,000.00</b> |
| <b>TOTAL</b>                                     | <b>70,957,500.00</b> | <b>57,955,345.00</b> | <b>128,912,845.00</b> | <b>83,447,500.00</b> | <b>45,465,345.00</b> |
| <b>4.0 Bursary and Social Security Programme</b> |                      |                      |                       |                      |                      |
| Bursary Secondary Schools                        | 10,000,000.00        | 685,809.89           | 10,685,809.89         | 8,935,291.00         | 1,750,518.89         |
| Bursary Tertiary Schools                         | 21,862,336.67        | 2,389,015.00         | 24,251,351.67         | 2,570,000.00         | 21,681,351.67        |
| <b>Sub-Total</b>                                 | <b>31,862,336.67</b> | <b>3,074,824.89</b>  | <b>34,937,161.56</b>  | <b>11,505,291.00</b> | <b>23,431,870.56</b> |
| <b>10.0 Security Projects</b>                    |                      |                      |                       |                      |                      |
| Wargadud Police                                  | -                    | 10,000.00            | 10,000.00             | -                    | 10,000.00            |
| Rhamu AP Camp                                    |                      | 2,300,000.00         | 2,300,000.00          | 2,300,000.00         | -                    |



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

|   |                      |                     |                      |                     |                     |
|---|----------------------|---------------------|----------------------|---------------------|---------------------|
| Girissa Chief Camp                              | 2,300,000.00         | -                   | 2,300,000.00         | -                   | 2,300,000.00        |
| Rhamu Dimtu Chief Camp                          | 3,000,000.00         | -                   | 3,000,000.00         | -                   | 3,000,000.00        |
| Ashabito Chief Camp                             | 2,300,000.00         | -                   | 2,300,000.00         | -                   | 2,300,000.00        |
| Mandera North Sub-County Commissioner Residence | 2,000,000.00         | -                   | 2,000,000.00         | 1,900,000.00        | 100,000.00          |
| Rhamu Police Station                            | 650,000.00           | -                   | 650,000.00           | 617,500.00          | 32,500.00           |
| <b>Sub-Total</b>                                | <b>10,250,000.00</b> | <b>2,310,000.00</b> | <b>12,560,000.00</b> | <b>4,817,500.00</b> | <b>7,742,500.00</b> |
| <b>5.0 Sports</b>                               |                      |                     |                      |                     |                     |
| Sheikh Ali High School                          |                      |                     |                      |                     | -                   |
| Rhamu Dimtu Boys Sec School                     | 300,000.00           | -                   | 300,000.00           | 300,000.00          | -                   |
| Rhamu Girls Secondary School.                   | 300,000.00           | -                   | 300,000.00           | 300,000.00          | -                   |
| Libin Nomadic Girls Sec School                  | 200,000.00           | -                   | 200,000.00           | 200,000.00          | -                   |
| <b>Sub-Total</b>                                | <b>200,000.00</b>    | <b>-</b>            | <b>200,000.00</b>    | <b>200,000.00</b>   | <b>-</b>            |
| <b>6.0 Environment</b>                          | <b>1,000,000.00</b>  | <b>-</b>            | <b>1,000,000.00</b>  | <b>1,000,000.00</b> | <b>-</b>            |
| Rhamu DEB Primary School                        | -                    | 400,000.00          | 400,000.00           | 400,000.00          | -                   |
| Rhamudimtu Boys Sec School                      | -                    | 300,000.00          | 300,000.00           | 300,000.00          | -                   |
| Ashabito Girls Secondary School                 | -                    | 300,000.00          | 300,000.00           | 300,000.00          | -                   |
| Rhamu Girls Secondary School.                   | 300,000.00           | -                   | 300,000.00           | 300,000.00          | -                   |
| Olla Boys Secondary School                      | 300,000.00           | -                   | 300,000.00           | -                   | 300,000.00          |
| Abakaro Primary School                          | 100,000.00           | -                   | 100,000.00           | -                   | 300,000.00          |
| Girissa Primary School                          | 100,000.00           | -                   | 100,000.00           | -                   | 100,000.00          |
| <b>Sub-Total</b>                                | <b>800,000.00</b>    | <b>1,000,000.00</b> | <b>1,800,000.00</b>  | <b>1,000,000.00</b> | <b>800,000.00</b>   |
| <b>3.0 Emergency</b>                            |                      |                     |                      |                     |                     |
| Emergency                                       | 38,241.38            | 5,916.45            | 44,157.83            | -                   | -                   |
| Sheikh Ali High School                          | -                    | 2,060,000.00        | 2,060,000.00         | 2,060,000.00        | 44,157.83           |
| Domog Primary School                            | -                    | 200,000.00          | 200,000.00           | 200,000.00          | -                   |
| Alhidaya Pri School Pmc                         | 260,000.00           | -                   | 260,000.00           | 260,000.00          | -                   |
| Alhidaya Pri School Pmc                         | 1,425,000.00         | -                   | 1,425,000.00         | 1,425,000.00        | -                   |
| Alhidaya Pri School Pmc                         | 1,900,000.00         | -                   | 1,900,000.00         | 1,900,000.00        | -                   |
| Ashabito Girls Sec School                       | 1,400,000.00         | -                   | 1,400,000.00         | 1,400,000.00        | -                   |
| Al-Hidaya Pri School Pmc                        | 100,000.00           | -                   | 100,000.00           | 100,000.00          | -                   |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

|  |                       |                      |                       |                       |                      |
|--|-----------------------|----------------------|-----------------------|-----------------------|----------------------|
| Al-Hidaya Pri School Pmc                   | 75,000.00             | -                    | 75,000.00             | 75,000.00             | -                    |
| Al-Hidaya Pri School Pmc                   | 500,000.00            | -                    | 500,000.00            | 500,000.00            | -                    |
| Libin Nomadic Girls Sec School Pmc         | 1,500,000.00          | -                    | 1,500,000.00          | 1,500,000.00          | -                    |
| <b>Sub-Total</b>                           | <b>7,198,241.38</b>   | <b>2,265,916.45</b>  | <b>9,464,157.83</b>   | <b>9,420,000.00</b>   | <b>44,157.83</b>     |
| <b>TOTAL</b>                               | <b>51,110,578.05</b>  | <b>8,650,741.34</b>  | <b>59,761,319.39</b>  | <b>27,742,791.00</b>  | <b>32,018,528.39</b> |
| <b>11.0 Acquisitions of Assets</b>         |                       |                      |                       |                       |                      |
| NG-CDF Office Furnitures                   | -                     | 2,500                | 2,500.00              | -                     | 2,500.00             |
| <b>12.0 Others</b>                         |                       |                      |                       |                       |                      |
| Other                                      | -                     | 82,075               | 82,075.00             | -                     | 82,075.00            |
| NG-CDFC Office                             | 5,000,000.00          | -                    | 5,000,000.00          | -                     | 5,000,000.00         |
| Mandera North Sub-County National Treasury | 300,000.00            | -                    | 300,000.00            | 300,000.00            | 0.00                 |
| <b>Sub-Total</b>                           | <b>5,300,000.00</b>   | <b>82,075.00</b>     | <b>5,382,075.00</b>   | <b>300,000.00</b>     | <b>5,082,075.00</b>  |
| <b>GRAND TOTAL</b>                         | <b>137,367,724.14</b> | <b>70,009,477.56</b> | <b>207,377,201.70</b> | <b>121,446,863.00</b> | <b>85,930,338.70</b> |

NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.

## **XII. 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 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 NGCDF-MANDERA NORTH 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 NGCDF-MANDERA NORTH for all the years presented.

#### **a) Recognition of Receipts**

The NGCDF-MANDERA NORTH recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the NGCDF-MANDERA NORTH

#### **Tax Receipts**

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

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**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**External Assistance**

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The NGCDF-MANDERA NORTH recognises all payments when the event occurs and the related cash has actually been paid out by the NGCDF-MANDERA NORTH.

**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.

**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.

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A fixed asset register is maintained by each public NGCDF-MANDERA NORTH 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 NGCDF-MANDERA NORTH 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 Entity 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 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.

**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.

**8. Accounts Payable**

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NGCDF-MANDERA NORTH 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.

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**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 and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**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 30<sup>th</sup> June 2020.

**14. Errors**

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

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

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| <b>Description</b> |   | <b>2019-2020</b>   | <b>2018-2019</b>   |
|--------------------|---|--------------------|--------------------|
|                    |   | <b>Kshs</b>        | <b>Kshs</b>        |
| B005010            | 1 | -                  | 43,405,173         |
| B005066            | 2 | -                  | 11,379,310         |
| B030096            | 3 | -                  | 10,000,000         |
| B030494            | 4 | -                  | 12,000,000         |
| B006441            | 5 | -                  | 8,000,000          |
| B042795            | 6 | -                  | 12,000,000         |
| B042936            | 7 | -                  | 12,000,000         |
| B041053            | 1 | 53,540,876         | -                  |
| B041122            | 2 | 4,000,000          | -                  |
| B047967            | 3 | 6,000,000          | -                  |
| B047606            | 4 | 20,000,000         | -                  |
| B049369            | 5 | 14,000,000         | -                  |
| B104393            | 6 | 15,000,000         | -                  |
| B096605            | 7 | 9,000,000          | -                  |
| <b>TOTAL</b>       |   | <b>121,540,876</b> | <b>108,784,483</b> |

**2. COMPENSATION OF EMPLOYEES**

|  | <b>2019-2020</b> | <b>2018-2019</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Basic wages of temporary employees                                 | 2,842,000        | 2,842,843        |
| Personal allowances paid as part of salary                         | -                | -                |
| Pension and other social security contributions (Gratuity)         | 144,900          | 123,010          |
| Employer Contributions Compulsory national social security schemes | 631,500          | -                |
| <b>Total</b>   | <b>3,618,400</b> | <b>2,965,853</b> |

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**3. USE OF GOODS AND SERVICES**

|  | <b>2019-2020</b> | <b>2018-2019</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Utilities, supplies and services                             | 208,000          | 140,000          |
| Water & sewerage charges                                     | -                | 35,000           |
| Office rent  | 540,000          | 540,000          |
| Communication, supplies and services                         | -                | 20,000           |
| Domestic travel and subsistence                              | 543,900          | 187,300          |
| Printing, advertising and information supplies & services    | -                | 2,960            |
| Rentals of produced assets                                   | 950,000          | 807,000          |
| Training expenses  | 916,400          | 1,199,400        |
| Hospitality supplies and services                            | 179,000          | 70,540           |
| Other committee expenses                                     | 708,000          | 465,000          |
| Committee allowance  | 1,046,000        | 1,221,000        |
| Office and general supplies and services                     | 763,200          | 260,000          |
| Fuel, oil & lubricants                                       | 338,205          | 160,000          |
| Other operating expenses                                     | 35,710           | -                |
| Bank service commission and charges                          | 31,757           | 39,635           |
| Routine maintenance - vehicles and other transport equipment | -                | 51,500           |
| Routine maintenance- other assets                            | 78,000           | 3,000,000        |
| <b>Total</b>   | <b>6,338,172</b> | <b>8,199,335</b> |



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**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

| <b>Description</b>                               | <b>2019-2020</b>  | <b>2018-2019</b>  |
|--|-------------------|-------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>       |
| <b>Transfers to National Government entities</b> |                   |                   |
| Transfers to primary schools                     | 59,887,500        | 47,240,000        |
| Transfers to secondary schools                   | 22,960,000        | 11,800,000        |
| Transfers to tertiary institutions               | 600,000           | -                 |
| <b>TOTAL</b>                                     | <b>83,447,500</b> | <b>59,040,000</b> |

**5. OTHER GRANTS AND OTHER PAYMENTS**

|                                 | <b>2019-2020</b>  | <b>2018-2019</b>  |
|---------------------------------|-------------------|-------------------|
|                                 | <b>Kshs</b>       | <b>Kshs</b>       |
| Bursary – secondary schools     | 8,935,291         | 7,396,409         |
| Bursary – tertiary institutions | 2,570,000         | 19,512,000        |
| Security projects               | 4,817,500         | 2,100,000         |
| Sports projects                 | 1,000,000         | 1,000,000         |
| Environment projects            | 1,000,000         | 515,000           |
| Emergency projects              | 9,420,000         | 5,145,000         |
| <b>Total</b>                    | <b>27,742,791</b> | <b>35,668,409</b> |

**6. OTHER PAYMENTS**

|  | <b>2019-2020</b> | <b>2018-2019</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Mandera North Sub-County National Treasury | 300,000          | -                |
| <b>TOTAL</b>                               | <b>300,000</b>   | <b>-</b>         |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

| Name of Bank, Account No. & currency                  | 2019-2020         | 2018-2019         |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| Equity Bank, Manderla Branch A/c No.<br>1000261174117 | 16,562,614        | 16,468,601        |
| <b>Total</b>  | <b>16,562,614</b> | <b>16,468,601</b> |

**8. BALANCES BROUGHT FORWARD**

|               | 2019-2020         | 2018-2019            |
|---------------|-------------------|----------------------|
|               | Kshs              | Kshs                 |
| Bank accounts | 16,468,601        | 13,557,715.20        |
| <b>Total</b>  | <b>16,468,601</b> | <b>13,557,715.20</b> |

**9.0 OTHER IMPORTANT DISCLOSURES**

**9.1 UNUTILIZED FUND (See Annex 1)**

|   | 2019-2020         | 2018-2019         |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| Compensation of employees                       | 1,513,984         | 1,141,184         |
| Use of goods and services                       | 1,847,906         | 2,177,632         |
| Amounts due to other Government entities        | 45,465,345        | 57,955,345        |
| Amounts due to other grants and other transfers | 32,018,528        | 8,650,741         |
| Acquisition of assets                           | 2,500             | 2,500             |
| Others ( <i>specify</i> )                       | 5,082,500         | 82,075            |
|   | <b>85,930,764</b> | <b>70,009,477</b> |

**9.2 PMC account balances (See Annex 2)**

|  | 2019-2020      | 2018-2019     |
|--|----------------|---------------|
|  | Kshs           | Kshs          |
| PMC account Balances (see attached list) | 394,965        | 57,457        |
|  | <b>394,965</b> | <b>57,457</b> |

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**ANNEX 1 – UNUTILIZED FUNDS**

| Name  | Brief Transaction Description   | Outstanding Balance | Outstanding Balance | Comments |
|---|---|---------------------|---------------------|----------|
|   |   | 2019/20             | 2018/19             |          |
| Compensation of employees                       | Employee salaries   | 1,513,984.00        | 1,141,184.00        |          |
| Use of goods & services                         | Office Operation  | 1,847,906.31        | 2,177,632.00        |          |
| <b>Amounts due to other Government entities</b> |   |                     |                     |          |
| Daidai Primary School                           | Construction of 2 door toilets  | 5,345.00            | 5,345.00            |          |
| Al-hidaya Primary School                        | Completion of multi-purpose (Roofing, ceiling, windows, doors, plastering, wiring, paintings and project labelling.   | -                   | 1,500,000.00        |          |
| Rhamu DEB Primary School                        | Construction of Ablution block  | -                   | 2,500,000.00        |          |
| Towfiq Primary School                           | Constructions of 2no. classrooms  | -                   | 1,900,000.00        |          |
| Jabibar Primary School                          | Construction of Underground Water tank  | -                   | 1,700,000.00        |          |
| Tawakal Primary Sch                             | Constructions of 2no. classrooms  | -                   | 1,900,000.00        |          |
| Shangalla Primary School                        | Constructions of 2no. classrooms  | -                   | 1,900,000.00        |          |
| Yabicho primary School                          | Completion of administration block (Plastering, wiring, fitting of doors and windows, ceiling board painting and labelling)   | -                   | 1,500,000.00        |          |
| Libin Nomadic Girls Primary School              | Construction of 2no. Classrooms @ 950,000/= and 1no. door toilet at 150,000/=   | -                   | 2,050,000.00        |          |
| Kalicha Primary School                          | Renovation of 4no. Classrooms (Replacement of doors and windows, floor screening, plastering, painting, repair of black boards, fisher board and labelling)   | -                   | 1,200,000.00        |          |
| Rhamu Dimtu Pri Sch                             | Construction of Administration block (Phase 1)  | -                   | 1,500,000.00        |          |
| Garse Primary School                            | Drilling Borehole 2,900,000/=, installation of casing and Screens 1,400,000/=, Provision of Gravel Packing 350,000/=, Development of the Borehole 500,000/= and Pump Testing for 24 Hours 350,000/= | -                   | 5,500,000.00        |          |

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|                          |   |              |              |
|--------------------------|---|--------------|--------------|
| Saqira Primary School    | Construction of Ino. Classrooms   | -            | 950,000.00   |
| Jiko Primary School      | Construction of 2no. Classrooms at 1,900,000/= & 1 toilets at 150,000/=   | -            | 2,050,000.00 |
| Qurdo Primary School     | Construction of Ino. Classrooms at 950,000/= & 1 toilets at 150,000/=   | -            | 1,100,000.00 |
| Langura Pri Sch          | Construction of Ino. Dormitory (phase 1)  | -            | 2,000,000.00 |
| Kobandaga Pri Sch        | Construction of Ino. Classrooms   | -            | 950,000.00   |
| Daidai Pri Sch           | Construction of Ino. Classrooms   | -            | 950,000.00   |
| Marothile Primary School | Construction of 2no. staff house 1,500,000/= and Ino. door toilets at 150,000/=   | -            | 1,650,000.00 |
| Ogorwein Primary School  | Construction of Ino. Dormitory (Phase 1)  | -            | 2,000,000.00 |
| Arda Hagarsu Primary     | Construction of Underground Water tank  | -            | 1,700,000.00 |
| Quramathow Primary       | Construction of Underground Water tank  | -            | 1,700,000.00 |
| Burjohn Primary School   | Purchases and Delivery of 60pcs Mattresses to Boarding wings  | -            | 300,000.00   |
| Garse Primary School     | Purchases and Delivery of 60pcs Mattresses to Boarding wings  | -            | 300,000.00   |
| Al-hidaya Primary School | Purchases and Delivery of 120pcs Mattresses to Boarding wings   | -            | 600,000.00   |
| Rhamu DEB Primary School | Completion of Ablution Block with 12 door toilets, 2 door bathrooms, 15 water point and change room (Plumbing works, drainage system, ceiling, Electrical works, General fittings and painting/labelling) | 75000        |              |
| Alhidaya Primary School  | Completion of Multi-Purpose Hall of 500 Capacity (General fittings, terrazzo, fascia board and painting/labelling)  | 65000        |              |
| Rhamu DEB Primary School | Construction of Administration Block – Phase I (Head Teacher office, Deputy Head teacher, Book store and Staff room)  | 1,500,000.00 |              |
| Tossi Primary School     | Construction of Administration Block – Phase I (Head Teacher office, Deputy Head teacher, Book store and Staff room)  | 1,500,000.00 |              |

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|                                     |   |              |  |
|-------------------------------------|---|--------------|--|
| Shantoley Primary School            | Renovation Of 4no. Classrooms (Replacement of Doors, windows, fascia board, roofing, floor screed, slap and painting/labelling)   | 1,400,000.00 |  |
| Abakaro Primary School              | Construction Of 2no. Classrooms to Completion   | 1,900,000.00 |  |
| Tawakal Primary School              | Construction Of 2no. Door Toilets to completion   | 300,000.00   |  |
| Rhamu Dimtu Boarding Primary School | Completion of Administration Block – Phase 2<br>Head Teacher office, Deputy Head teacher, Book store and Staff room) (General fitting of Doors, windows, electrical works, ceiling, plastering, fascia board, slap, painting/labelling) FY 2018 – 2019 to completion. | 75000        |  |
| Libin Nomadic Girls Primary School  | Construction 1 no. Classroom to completion  | 950,000.00   |  |
| Mado Primary School                 | Construction Of 2no. Classrooms to Completion   | 1,900,000.00 |  |
| Qorahey Primary School              | Construction Of Underground Water Tank 50m <sup>3</sup> To Completion   | 1,700,000.00 |  |
| Harari Primary School               | Construction Of 1no. Classroom to Completion  | 950,000.00   |  |
| Degmarer Primary School             | Construction Of 2no. Door Pit Latrines To Completion  | 300,000.00   |  |
| Chief Abdi Aliow Primary School     | Construction Of Underground Water Tank 50m <sup>3</sup> To Completion   | 1,700,000.00 |  |
| Kalmalab Primary School             | Construction Of 2no. Door Pit Latrines To Completion  | 300,000.00   |  |
| Lanqura Primary School              | Completion of 1no. Dormitory of 80 Bed Capacity (Roofing, General Fitting of Doors, Windows, Partitioning of Cubes, fascia Board, Plastering, Slap, Painting/Labeling) FY 2018-2019   | 125,000.00   |  |

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|                                  |  |              |  |
|----------------------------------|--|--------------|--|
| Guticha Primary School           | Renovation Of 2no. Classrooms (Replacement Of Doors, Fisher Board, Repairs Of Wall Cracks, Floor Screed, Fascia Board, Repairs Of Wall Cracks, Floor Screened And Painting/ Labelling) At 700,000/= & Construction Of 3no. Door Toilets At 450,000/= | 700,000.00   |  |
| Barwaqo Primary School           | Construction of 1no. Classroom To Completion   | 950,000.00   |  |
| Kobandagan Primary School.       | Construction of 1no. Classroom To Completion   | 100,000.00   |  |
| Garbab Primary School            | Construction Of 2no. Classrooms to Completion @ 1,900,000/= And 2no. Door Pit Latrines @ 300,000/=   | 2,200,000.00 |  |
| Dagahtul Primary School          | Construction Of 1no. Classroom To Completion   | 950,000.00   |  |
| Shirshir Primary School          | Construction Of Kitchen/Store To Completion  | 1,300,000.00 |  |
| Kulmiye Primary School           | Construction 1no. Classroom To Completion  | 950,000.00   |  |
| Kubi Primary School              | Renovation Of 2no. Underground Water Tank of 50M <sup>3</sup> (General Repairs, Floor Screed, Repairs Of Wall Cracks Interior And Exterior, Gutters, Plastering, Painting And Labelling)   | 1,000,000.00 |  |
| Marothile Primary School         | Renovation Of 4no. Classrooms (Replacement Of Doors, Windows, Roofing, fascia Board, Repairs Of Wall Cracks, Floor Screed and Painting/ Labelling) At 1,400,000/= and Construction of 2no. Door Toilets At 300,000/=                                 | 1,700,000.00 |  |
| Ogorwein Primary School          | Completion of 1no. Dormitory Of 80 Bed Capacity (Roofing, General Fitting Of Doors, Windows, fascia Board, Plastering, Slap. Painting/ Labelling)  | 125,000.00   |  |
| Ashabito Boarding Primary School | Renovation Of 2no. Classrooms (Replacement Of Doors, Windows, Roofing, Fisher Board, Repairs Of Wall Cracks, Floor Screened and Painting/ Labelling) At 700,000/=  | 700,000.00   |  |

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|---------------------------------|--|--------------|--------------|
| Tinfa Primary School            | Construction Of 1no. Classroom to Completion   | 950,000.00   |              |
| Domog Primary School            | Construction Of 2no. Classrooms To Completion  | 95,000.00    |              |
| Quramathow Primary School       | Renovation Of 4no. Classrooms (Replacement Of Doors, Windows, Roofing, fascia Board, Repairs Of Wall Cracks, Floor Screed and Painting/Labelling) At 1,400,000/=   | 1,400,000.00 |              |
| Kubi Hills Primary School       | Renovation Of 1no. Underground Water Tank (General Repairs, Floor Screed, Repairs Of Wall Cracks Interior And Exterior, Gutters, Plastering, Replacing Water Tank Roofing With Concrete Deck Slap, Painting And Labelling) | 800,000.00   |              |
| Gololbia Sec School             | Completion of 1no. Laboratory of 45 capacity (Roofing, Door and Windows Fittings, Draining System, Gas Cylinder System, Fitting of Lab, Ceiling, Fisher Board, Plastering, Painting and Labelling) FY 2018 -2019           | -            | 2,000,000.00 |
| Ashabito Boys Sec School        | Completion of Kitchen Areas (Partitioning of Kitchen and Stores, Serving Area, Plastering, Painting/Labelling) 500 capacity.   | -            | 2,500,000.00 |
| Olla Boys Secondary School      | Olla Boys Secondary School   | -            | 2,000,000.00 |
| Olla Boys Secondary School      | Construction of 1no. Laboratory blocks   | -            | 1,500,000.00 |
| Libin Nomadic Girls Sec Sch     | Completion of chain link fencing of School Compound  | -            | 100,000.00   |
| Gololbia Secondary School       | Completion of 1no. Laboratory of 45 capacity (Roofing, Door and Windows Fittings, Draining System, Gas Cylinder System, Fitting of Lab, Ceiling, Fisher Board, Plastering, Painting and Labelling) FY 2018 -2019           | 200,000.00   | -            |
| Ashabito Girls Secondary School | Construction Of 800m Chain Link with concrete poles Fencing Of Girls Residential Areas To Completion   | 2,000,000.00 | -            |

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|  |   |                      |                      |
|--|---|----------------------|----------------------|
| Ashabito Boys Secondary School                         | Completion of Kitchen Areas (Partitioning of Kitchen and Stores, Serving Area, Plastering, Painting/ Labelling) 500 capacity.   | 50,000.00            | -                    |
| Olla Boys Secondary School                             | Completion of 1no. Laboratory of 30 capacity (Roofing, Door and Windows Fittings, Draining System, Gas Cylinder System, Fitting of Lab, Ceiling, Fisher Board, Plastering, Painting and Labelling) Phase I FY 2018 - 2019 | 150,000.00           | -                    |
| Daua River Day Secondary School                        | Construction Of 2no. Classrooms To Completion @ 1,900,000/= & 4no. Door Pit Latrines @ 600,000/= to completion  | 2,500,000.00         | -                    |
| Rhamu Girls Secondary School.                          | Construction of 2no. classrooms   | 1,900,000.00         | -                    |
| SeyidAbass Technical Training Institute                | Construction of technical college   | 10,000,000.00        | 10,000,000.00        |
| Rhamu Vocational Training Centre                       | Construction of 3no. Toilets  | -                    | 450,000.00           |
| <b>Sub-Total</b>                                       |   | <b>45,465,345.00</b> | <b>57,955,345.00</b> |
| <b>Amounts due to other grants and other transfers</b> |   |                      |                      |
| Bursary Secondary Schools                              | Payment of bursary to needy students in colleges and universities.  | 1,750,518.89         | 685,809.89           |
| Bursary Tertiary Schools                               | Payment of bursary to needy students in colleges and universities.  | 21,681,351.67        | 2,389,015.00         |
| Wargadud Police  | Staff house/Reporting Office  | 10,000.00            | 10,000.00            |
| Rhamu AP Camp  | Construction of Underground Water tank 70M <sup>3</sup>   |                      | 2,300,000.00         |
| Girissa Chief Camp                                     | Construction of Chief Office block to Completion containing 3 rooms @ 2,150,000/= and 1no. Door Pit Latrine @ 150,000/= to Completion   | 2,300,000.00         |                      |
| Rhamu Dimtu Chief Camp                                 | Construction of Administration block Phase 1 - containing 3 rooms and one Boardroom: Foundation, walls and beaming  | 3,000,000.00         |                      |



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|   |  |                      |                      |
|---|--|----------------------|----------------------|
| Ashabito Chief Camp                             | Construction of Administration block Phase 1 - containing 3 rooms and one Boardroom: Foundation, walls and beaming | 2,300,000.00         |                      |
| Mandera North Sub-County Commissioner Residence | Construction of 300m Perimeter wall to Completion (Phase1)   | 100,000.00           |                      |
| Rhamu Police Station                            | Construction of 3no. Door Pit Latrines @ 450,000/= and 2no. Bathrooms @ 200,000/= To Completion                    | 32,500.00            |                      |
| Rhamu DEB Primary School                        | Construction of waste disposal site  | -                    | 400,000.00           |
| RhamuDintu Boys Sec School                      | Construction of waste disposal site  | -                    | 300,000.00           |
| Ashabito Girls Secondary School                 | Construction of waste disposal site  | -                    | 300,000.00           |
| Rhamu Girls Secondary School.                   | Construction of 2no. door toilets to completion  | 300,000.00           |                      |
| Olla Boys Secondary School                      | Construction of 2no. door toilets to completion  | 300,000.00           |                      |
| Abakaro Primary School                          | Purchase and planting of 200 trees   | 100,000.00           |                      |
| Girissa Primary School                          | Purchase and planting of 200 trees   | 100,000.00           |                      |
| Emergency                                       | To cater for any unforeseen occurrences in the constituency during the financial year                              | 44,157.83            | 2,265,916.45         |
| <b>Sub-Total</b>                                |  | <b>32,018,528.39</b> | <b>8,650,741.34</b>  |
| <b>Acquisition of assets</b>                    |  |                      |                      |
| NG-CDF office furniture                         | NG-CDF office furniture  | 2,500.00             | 2,500                |
| <b>Others (specify)</b>                         |  |                      |                      |
| Other   | Other Payments   | 82,075.00            | 82,075               |
| NG-CDFC Office                                  | Construction of NG-CDF Office  | 5,000,000.00         | -                    |
| <b>Sub-Total</b>                                |  | <b>5,082,075.00</b>  | <b>84,575</b>        |
| <b>Grand Total</b>                              |  | <b>85,930,338.70</b> | <b>70,009,477.34</b> |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDEI  
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**ANNEX 2 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

| PMC                             | Bank   | Account number | Bank Balance 2019/20 | Bank Balance 2018/19 |
|---------------------------------|--------|----------------|----------------------|----------------------|
| ABAKARO PRI SCH PMC             | Equity | 1000272430334  | 2,235.00             | 2,235.00             |
| AL HIDAYA PRI PMC               | Equity | 1000277331408  | 318,270              | 8,410.00             |
| ALFOWZAN PRI SCHOOL PMC         | Equity | 1000163839442  | 237.5                | -                    |
| ASHABITO GIRLS SEC SCHOOL PMC   | Equity | 1000295105827  | 1105.05              | -                    |
| DOMOG PRI SCHOOL PMC            | Equity | 1000266616457  | 8,960                | -                    |
| MANDERA NORTH SUB COUNTY PMC    | Equity | 1000173449340  | 5,105.65             | -                    |
| BAMBO WEST PRI SCH PMC          | Equity | 1000264881793  |                      | 70.00                |
| BURJOHN PRIMARY SCH PMC         | Equity | 1000299952655  | 1,890                | 890.00               |
| CHIEF DAHIR ARAB PRIMARY SCHOOL | Equity | 1000299025693  | 140.00               | 140.00               |
| LIBIN NOMADIC GIRLS SEC SCH PMC | Equity | 1000167484139  | 920                  | 3,760.00             |
| OLLA BOYS SEC SCH PMC           | Equity | 1000262484562  | 15,470               | 1,280.00             |
| SHEIKH ALI HIGH SCHOOL PMC      | Equity | 1000278962431  | 400                  | -                    |
| DARUSALAM PRI SCH PMC           | Equity | 1000267463618  | 1,750                | 1,750.00             |
| GOLOBIA SEC SCH PMC             | Equity | 1000164385536  | 1,930                | 1,030.00             |
| ASHABITO BOYS SEC SCH PMC       | Equity | 1000262654877  | 4,340                | 4,340.00             |
| ASHABITO AP CAMP PMC            | Equity | 1000172264123  | 390.00               | 390.00               |
| DAIDAI PRI SCH. PMC             | Equity | 1000266568190  | 17,080               | 17,080.00            |
| GOFA PRI SCH. PMC               | Equity | 1000298879227  | 470.00               | 470.00               |
| KUBI PRI SCH. PMC               | Equity | 1000299025908  | 25.00                | 25.00                |
| LANQURA PRIMARY SCHOOL PMC      | Equity | 1000297059216  | 597.5                | 657.50               |
| MAROTHILE PRIMARY SCH PMC       | Equity | 1000271879721  | 318.95               | 5,158.95             |
| RHAMU POLICE STATION PMC        | Equity | 1000168160234  | 5,660                | 1,280.00             |
| SHIRSHIR PRI SCH PMC            | Equity | 1000299051977  | 15.00                | 15.00                |
| TINFA PRI SCH PMC               | Equity | 1000162309025  | 60.00                | 60.00                |
| UPPER HILL PRIMARY SCHOOL       | Equity | 1000299838753  | 2,307.50             | 2,307.50             |

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| <b>PMC</b>                     | <b>Bank</b> | <b>Account number</b> | <b>Bank<br/>Balance<br/>2019/20</b> | <b>Bank<br/>Balance<br/>2018/19</b> |
|--------------------------------|-------------|-----------------------|-------------------------------------|-------------------------------------|
| YABICHO PRI SCH PMC            | Equity      | 1000297189145         | 1,070                               | 170.00                              |
| AL FURQAN INTE PRIMAFRY SCHOOL | Equity      | 1000294018105         | 1555.00                             | 2,795.35                            |
| DAGMARER PRI SCH. PMC          | Equity      | 1000199975179         | 2.5                                 | 2.50                                |
| LADENI PRI SCH. PMC            | Equity      | 1000297179048         | 860.00                              | 860.00                              |
| QORAHEY PRIMARY SCHOOL PMC     | Equity      | 1000297206425         | 530.00                              | 530.00                              |
| ASHABITO BOARDING PRI SCH PMC  | Equity      | 1000299025827         | 640                                 | 1,120.00                            |
| AWARA PRIMARY SCHOOL           | Equity      | 1000299025350         | 630.00                              | 630.00                              |
| <b>Total</b>                   |             |                       | <b>394,965</b>                      | <b>57,457</b>                       |

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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

| <b>Asset class</b>                                 | <b>Historical Cost<br/>b/f<br/>(Kshs)<br/>2018/19</b> | <b>Additions<br/>during the year<br/>(Kshs)</b> | <b>Disposals during<br/>the year (Kshs)</b> | <b>Historical<br/>Cost<br/>(Kshs)<br/>2019/20</b> |
|--|---|---|---|---|
| Office equipment,<br>furniture and fittings        | 2,227,500.00  | -   | -   | 2,227,500.00                                      |
| ICT Equipment,<br>Software and Other ICT<br>Assets | 420,000.00  | -   | -   | 420,000.00  |
| <b>Total</b>                                       | <b>2,647,500.00</b>                                   | -   | -   | <b>2,647,500.00</b>                               |

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**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.

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>   | <b>Management comments</b>  | <b>Focal Point person to resolve the issue (Name and designation)</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|---|---|--|---|
| 1.0   | Award of Contract for Capital Project Ksh 14,032,500.00  | PMC have being trained on procurement procedure and Government Financial regulations on contract, responses containing attachments on supporting documents for contract awarded provided for audit verification.      | FAM   | Resolved                                 |   |
| 2.0   | Bank Accounts for Project Management Committee (PMC's)   | Please find records relating to bank accounts maintained by various PMCs required by section 10 sub sections 15 (a) and (b). Attached is the registration certificate of PMC's  | FAM   | Resolved                                 |   |
| 3.0   | Constituency Oversight Committee   | The Constituency Oversight Committee was not budgeted for in the approved code lists.   | FAM   | Resolved                                 |   |
| 4.0   | Store records revealed desks and sport kits worth Ksh. 5,097,180 were not received vide counter receipt vouchers (S13) | The desks and sports kits were procured through PMCs who deliver the stores to intended schools directly without passing through NG-CDF office to reduce and avoid storage space and extra transport cost in relation | FAM   | Resolved                                 |   |

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| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>         | <b>Management comments</b>  | <b>Focal Point person to resolve the issue (Name and designation)</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|---|---|--|---|
|   | and were not taken-on-charge in the store ledger | to the stores since extra transportation cost was not budgeted for.<br><br>PMCs may not be conversant to accounting reports such as counter receipt note (S13) and Issue note (S11). However, The receipt of desks and sports kits are supported by the acknowledgement letter from the respective schools.   |   |  |   |
| 5.0   | Emergency expenses of Ksh 3,077,450              | Any expenditure of emergency nature should be compliant to section 8 of NG CDF Act, 2015 and supported by NG CDFC minutes are required by section 12(5) of NG CDF Act, 2015 which states that every payment or instruction for payment out of the constituency fund account shall be strictly in accordance to the minutes of a resolution of a meeting of the Constituency Committee.<br><br>NG-CDFC Grant letter issued to PMC's clearly states all requirements for implementation of projects. Hence the shortcomings may be as a | FAM   | Resolved                                 |   |

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| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>   | <b>Management comments</b>   | <b>Focal Point person to resolve the issue (Name and designation)</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|--|---|--|---|
|   |  | <p>result of incompetence among PMCs.</p> <p>Furthermore, inspection and acceptance reports and delivery notes for the mattresses procured as emergency is as provided for in the project file and attached here are the copies.</p>   |   |  |   |
| 6.0   | Unaccounted for Administration /Monitoring and Evaluation Expenses of Ksh 3,603,690                  | Please find copies of project visit list showing the projects status report and some of these projects were verified on 1 <sup>st</sup> April 2017 by auditors during physical verification of projects paid in the financial year 2015/2016 showing that the projects were complete and in use. | FAM   | Resolved                                 |   |
| 7.0   | Unaccounted for Bursary Funds Expenses of Ksh 895,028  | NG-CDFC minutes that was supporting the payment was the same. also Acknowledgments and receipt was provided  | FAM   | Resolved                                 |   |
| <b>Other Matters</b>                              |  |  |   |  |   |
| 1.0   | Budget performance analysis - Implementation of Projects for FY 2014/15 were lagging behind schedule | Implementation of projects were lagging behind schedule due to late disbursement of funds from NG-CDFB and security challenges in the county   | FAM   | Resolved                                 |   |
| 1.1   | Under expenditure of   | Under expenditure was due to late disbursement   | FAM   | Resolved                                 |   |

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| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>          | <b>Management comments</b>  | <b>Focal Point person to resolve the issue (<i>Name and designation</i>)</b> | <b>Status: (<i>Resolved / Not Resolved</i>)</b> | <b>Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)</b> |
|---|---|---|--|---|--|
|   | Kshs<br>35,893,926                                | of funds and security challenges.   |  |   |  |
| 2.0   | Outstanding Prior – year’s Audit Issues 2014/2015 | The Audit issues of 2014/2015 was responded and submitted to Kenya National Audit Office Garissa Hub on 9/12/2016 as per attached received copy of responses. | FAM  | Resolved  |  |