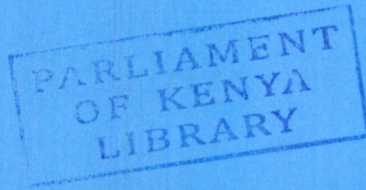


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



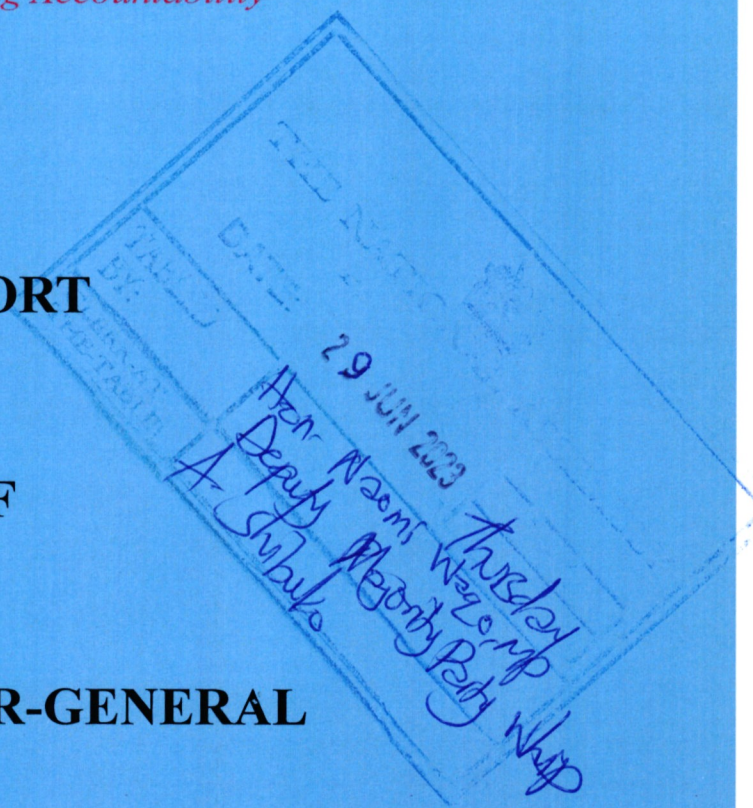
OF

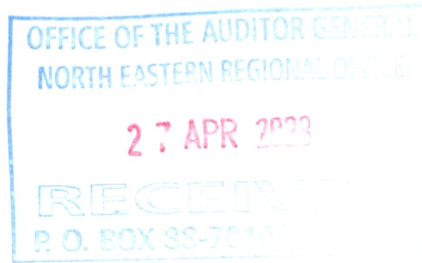
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**





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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

Table of Contents

Page

I.	Key Constituency Information and Management.....	ii
II.	NG-CDFC Chairman's Report	vi
III.	Statement of Performance Against Predetermined Objectives for FY2021/22.....	ix
IV.	Environmental and Sustainability Reporting.....	xi
V.	Statement of Management Responsibilities.....	xv
VI.	Report Of the Independent Auditors On The NGCDF- Mandera East Constituency.....	xvii
VII.	Statement of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII.	Statement of Assets and Liabilities as At 30 th June, 2022.....	2
IX.	Statement of Cash Flows for the Year Ended 30th June 2022.....	2
X.	Summary Statement of Appropriation for the Year Ended 30 th June 2022.....	4
X.	Budget Execution by Sectors and Projects for the Year Ended 30 th June 2022.....	6
XI.	Significant Accounting Policies	12
XII.	Notes to the Financial Statements	19

I. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

***Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Mandera East Constituency NGCDF 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)

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Dr. Mohamud Gedi
2.	Sub-County Accountant	Yunis Ali Dakat
3.	Chairman NGCDFC	Abdisalam Birik Aftin
4.	Member NGCDFC	Hibo Abdi Ali

(d) Fiduciary Oversight Arrangements

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

(e) MANDERA EAST Constituency NGCDF Headquarters

P.O. Box 197-70300

MANDERA EAST-NGCDF Building

Mandera-Rhamu rd

(f) MANDERA EAST Constituency NGCDF Contacts

Telephone: (254) 721111528
E-mail: cdfmanderaeast@ngcdf.go.ke
Website: www.ngcdfmanderaeast.go.ke

(g) MANDERA EAST Constituency NGCDF Bankers

Equity Bank Ltd
P.O.BOX 536-70300
Mandera Branch

(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. NG-CDFC Chairman's Report

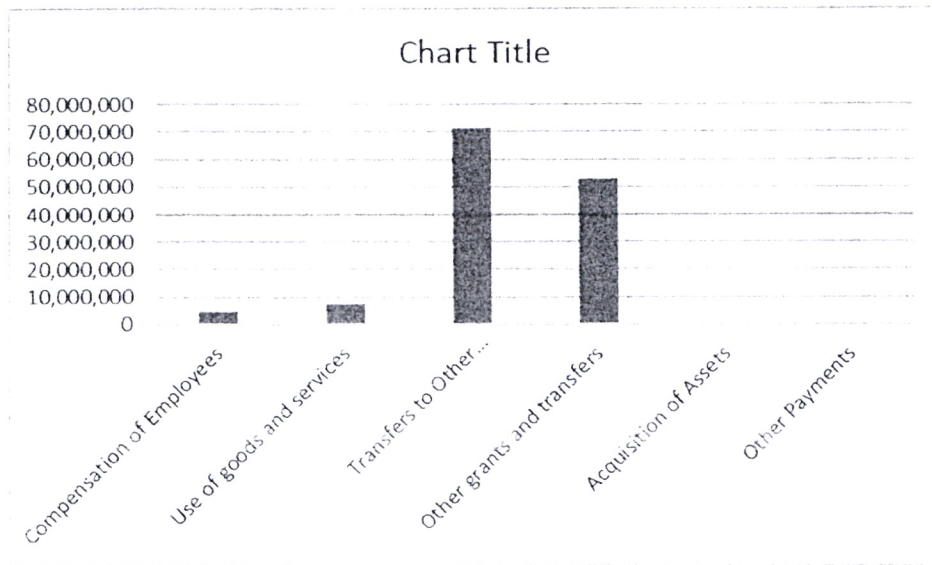


Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Mandera East Constituency through the various projects that we have funded. During the year 2021/22 the Constituency received all the funds as per the budgeted amount of Kshs 137,088,879.

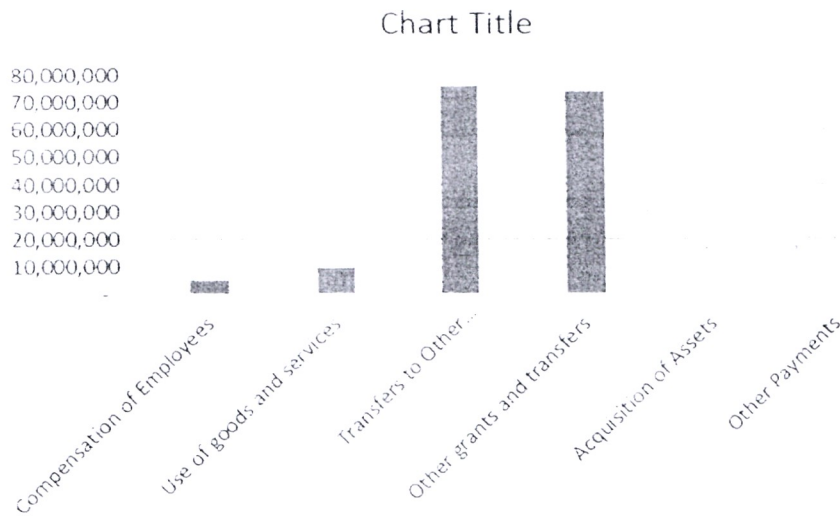
The table below represents the appropriation for the year. Summary statement of appropriation: recurrent and development combined

There were challenges related to security and the covid-19 pandemic that hit the world towards the last quarter of the year hence delayed the implementation of some projects.

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

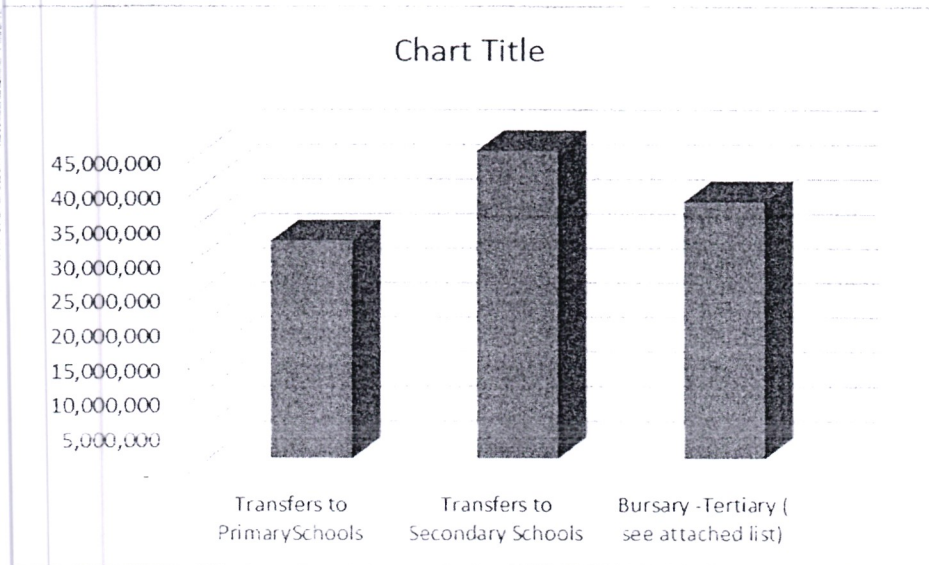


This is a graphical representation of how the constituency budget was distributed for the financial year 2021/2022. The highest allocation was under transfers to other government entities indicating most of the funds were meant to improve the education infrastructure of the constituency during the year. Other grants and transfers follows closely as bursary is part of that category and security projects.



The above graph indicates the expenditure during the year where most of the funds received were utilized under the projects basically on the education and security projects.

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022



Under the education sector, the above graph indicates how the constituency supported education during the financial year 2021/2022.

ABDISALAN BIRIK

CHAIRMAN NGCDF COMMITTEE

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

III. Statement of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

The key development objectives of *Mandera East Constituency 2018-2022* plan are to:

1. To have all children of school going age attending school
2. To ensure safety of all residents
3. To ensure school going children are learning in a good environment and have clean water.
4. To ensure all youths are given an opportunity to harness their potential.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In Financial Year 2020/21 - we increased number of classrooms, dormitories, laboratories - Bursary beneficiaries at all levels were as per the attached schedules
Security	To ensure safety of all residents	Increased security in all areas within the Constituency	<ul style="list-style-type: none"> - number of usable physical infrastructure built - Reduced number of 	In Financial Year 2020/2021 -we increased number of police posts and stations.

Mandera East Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Environment	To ensure school going children are learning in a good environment and have clean water.	Clean water in schools and reduction of wind effects in schools.	insecurity. Number of tanks purchased as well as number of trees planted	In the Financial Year 2020/2021 we increased number of trees planting and the purchase of water tanks
Sports	To ensure all youths are given an opportunity to harness their potential.	Upgrading of fields in schools.	Upgraded field.	

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile

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

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

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Mandera East NG-CDFC strategic Environmental agenda recognizes the provisions of the NG-CDF Board Strategic Plan and the National Environmental Management Authority (NEMA) guidelines. The NEMA Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake planning, implementation, monitoring and Audit of the projects to ensure compliance with and enforcement of the constitution and other statutory obligations relating to environmental sustainability.

As a Constituency, we ensure that Project Implementation Committees (PMC) continue to priorities and improve environmental sustainability projects. We also Encourage Community participation in identification, protection and conservation of environment by carrying out environmental awareness programs. Create synergy between the NG-CDFC and other related players. In the financial year 2020/2021 the Constituency carried out through Mandera East National Government Constituency Development Fund Committee (NG-CDFC), Members and Public on Environmental Sustainability through sharing of best practices with other constituencies.

3. Employee welfare

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

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

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

4. Market place practices

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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


.....

FUND ACCOUNT MANAGER
NGCDF MANDERA EAST
P. O. Box 197 - 70300,
MANDERA

Dr. Mohamud Gedi

FAM

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Mandera East 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

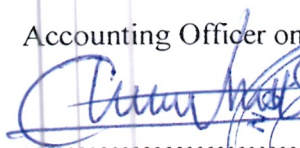
The Accounting Officer in charge of the NGCDF- Mandera East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Mandera East Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

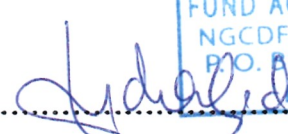
The Accounting Officer in charge of the NGCDF Mandera East Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

Approval of the financial statements

The NGCDF- Mandera East Constituency financial statements were approved and signed by the Accounting Officer on 16th September 2022.


.....
Abdisalam Birik
Chairman – NGCDF Committee




.....
Dr Mohamud Gedi
Finance Account Manager



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Mandera East Constituency set out on pages 1 to

Report of the Auditor-General on National Government Constituencies Development Fund - Mandera East Constituency for the year ended 30 June, 2022

34, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund – Manderu East Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.74,222,538 as disclosed in Note 7 to the financial statements. Included in the amount are bursary disbursements amounting to Kshs.8,351,000 and Kshs.4,454,000 to various secondary schools and tertiary institutions respectively. However, bursary disbursements amounting to Kshs.3,150,000 were not supported with letters of acknowledgement from the beneficiary institutions confirming receipt of the funds.

In the circumstances, the accuracy and completeness of the disbursement of bursaries amounting to Kshs.3,150,000 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 - Manderu East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects the Fund incurred an actual expenditure of Kshs.175,722,425 against an approved budget of Kshs.184,527,201, resulting to an under-expenditure of Kshs.8,804,776 or 5% of the approved budget.

The under-expenditure affected implementation of the Fund's planned activities and may have impacted negatively on service delivery to the public.

2. Project Implementation Status

The National Government Constituency Development Committee (CDFC) budgeted to implement thirty-seven (37) projects at a total cost of Kshs.87,096,220 during the year under review. However, the CDFC implemented and completed thirty-five (35) projects at a cost of Kshs.86,596,220, while two (2) projects with budget of Kshs.500,000 had not been implemented as at the end of the year. Further, audit inspection on sampled projects carried out in the month of March, 2023 revealed that three (3) projects implemented at a cost of Kshs.10,000,000 were not labelled as required by National Government Constituencies Development Fund regulations.

In the circumstances, Failure to complete projects as planned may have negatively impacted on service delivery to the public and Management was in breach of the law.

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 matter 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

Transfers to Primary Schools

The statement of receipts and payments reflects transfer to other government entities of Kshs.85,538,914 and as disclosed in Note 4 to the financial statements. Included in the balance are transfers to primary schools amounting to Kshs.59,000,000. Review of records revealed that Management awarded tenders for construction and renovation of classrooms at a total cost of Kshs.14,000,000. However, the tender opening committee members did not append their signatures or initials on one or more pages of the Bill of quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015. Further, the list of registered suppliers and contractors in the category of goods, works and services was not provided contrary to Section 57(1) of Public Procurement and Asset Disposal Act, 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Incomplete Fixed Assets Register

The summary of fixed assets register under Annex 4 of the financial statements reflects fixed assets balance of Kshs.25,347,098 as at 30 June, 2022. However, the balance excludes the value of the office blocks built during years 2017/2018 and 2019/2020. In addition, the asset register provided was incomplete and did not meet the requirements of National treasury guidelines on assets register and the assets were not tagged.

In the circumstances, the effectiveness of controls to safeguard the fixed assets could not be confirmed.

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 controls, risk management and overall 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 controls as Management determines is necessary to enable the preparation of financial statements which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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 how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report which 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 which 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 controls 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 controls would not necessarily disclose all matters in the internal controls which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls 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 which 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 controls.
- 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 which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner which 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls which 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 which may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 May, 2023

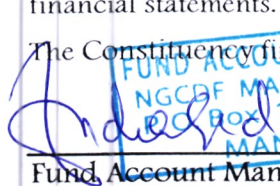
Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

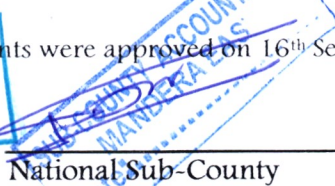
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

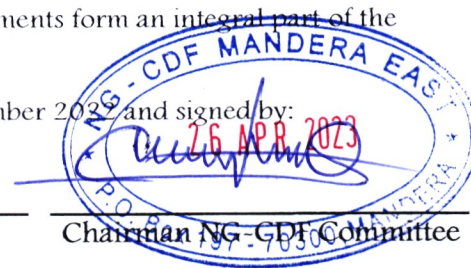
	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	163,277,758	180,267,724
TOTAL RECEIPTS		163,277,758	180,267,724
PAYMENTS			
Compensation of employees	2	5,627,659	5,109,060
Use of goods and services	3	7,333,314	9,587,265
Transfers to Other Government Units	4	85,538,914	76,000,000
Other grants and transfers	5	74,222,538	74,247,154
Acquisition of Assets	6	3,000,000	-
TOTAL PAYMENTS		175,722,425	164,943,479
SURPLUS/DEFICIT		(12,444,667)	15,324,245

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

The Constituency financial statements were approved on 16th September 2022 and signed by:


FUND ACCOUNT MANAGER
NGCDF MANDERA EAST
P.O. Box 197 - 70300,
MANDERA


NATIONAL SUB-COUNTY
ACCOUNTANT
MANDERA EAST


NG - CDF MANDERA EAST
26 APR 2023
CHAIRMAN NG - CDF COMMITTEE

Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Dr Mohamud Gedi

Yunis Ali
 ICPAK M/No:27901

Abdisalam Birik

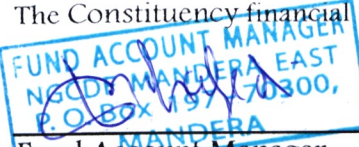
Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7A	8,804,776	21,248,529
Cash Balances (cash at hand)	7B	-	-
Total Cash and Cash Equivalents		8,804,776	21,248,529
Accounts Receivable			
TOTAL FINANCIAL ASSETS			
		8,804,776	21,248,529
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Gratuity	1	-	-
NET FINANCIAL ASSETS		8,804,776	21,248,529
REPRESENTED BY			
Fund balance b/fwd. 1st July...	8	21,249,443	5,924,283
Surplus/Deficit for the year		(12,444,667)	15,324,246
NET FINANCIAL POSITION		8,804,776	21,248,529

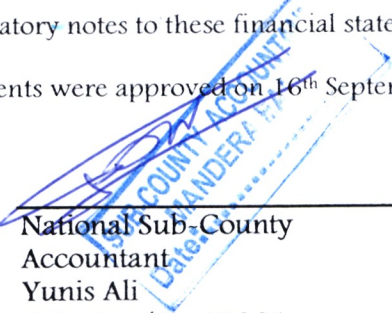
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 16th September 2022 and signed by


FUND ACCOUNT MANAGER
 NGCDF MANDERA EAST
 P. O. BOX 977, 70300,
 MANDERA

Fund Account Manager

Dr Mohamud Gedi


NATIONAL SUB-COUNTY
ACCOUNTANT
 Yunis Ali
 ICPAK M/No:27901


NGCDF MANDERA EAST
 26 APR 2023
 Chairman NG-CDF Committee
 P. O. BOX 977, 70300, MANDERA

Abdisalam Borik

IX. Statement of Cash Flows for the Year Ended 30th June 2022

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	163,277,758	180,267,724
Other Receipts		-	-
		163,277,758	180,267,724
Payments for operating activities			
Compensation of Employees	2	5,627,659	5,109,060
Use of goods and services	3	7,333,314	9,587,265
Transfers to Other Government Units	4	85,538,914	76,000,000
Other grants and transfers	5	74,222,538	74,247,154
		172,722,425	164,943,479
Net cash flow from operating activities		(9,444,667)	15,324,246
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(3,000,000)	-
Net cash flows from Investing Activities		(3,000,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(12,444,667)	15,325,246
Cash and cash equivalent at BEGINNING of the year	7	21,249,443	5,924,283
Cash and cash equivalent at END of the year		8,804,776	21,248,529

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

The Constituency financial statements were approved on 16th September 2022 and signed by:

FUND ACCOUNT MANAGER
 NGCDF MANDERA EAST
 P.O. Box 197-70300,
 MANDERA

Fund Account Manager

Dr Mohamud Gedi

National Sub-County
 Accountant
 Yunis Ali
 ICPAK M/No: 27901

NGCDF MANDERA EAST
 26 APR 2023
 Chairman NG-CDF Committee

Abdisalam Birik

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

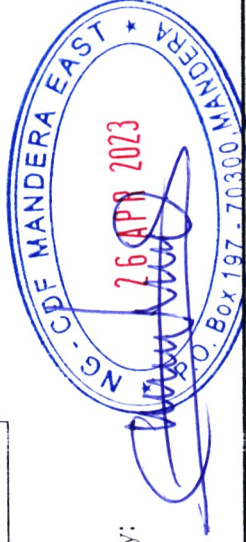
X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b 2021/2022	Actual on comparable basis d 30/06/2022	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding disbursements Kshs				
Receipts					Kshs	Kshs	Kshs	
Transfers From NGCDF Board	2021/2022 137,088,879		21,249,443	26,188,879	184,527,201	184,527,201	(0)	100.0%
Totals	137,088,879		21,249,443	26,188,879	184,527,201	184,527,201	(0)	100.0%
Payments								
Compensation Of Employees	5,310,359		332,300	0	5,642,659	5,627,659	15,000	99.7%
Use Of Goods and Services	7,027,639		305,720	0	7,333,359	7,333,314	45	100.0%
Transfers To Other Government Units	51,500,000		17,350,035	17,188,879	86,038,914	85,538,914	500,000	99.4%
Other Grants and Transfers	70,250,881		3,261,388	9,000,000	82,512,269	74,222,538	8,289,731	90.0%
Acquisition Of Assets	3,000,000		-	-	3,000,000	3,000,000	-	100.0%
Other Payments	-		-	-	-	-	-	-
Funds Pending Approval**	-		-	-	-	-	-	-
Totals	137,088,879		21,249,443	26,188,879	184,527,201	175,722,425	8,804,776	95.2%

**Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

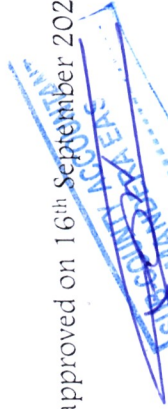
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	8,804,776
Less undisbursed funds receivable from the Board as at 30th June 2022	-
	8,804,776
Add Accounts payable	
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	8,804,776

The Constituency financial statements were approved on 16th September 2022 and signed by:



Chairman NG-CDF Committee

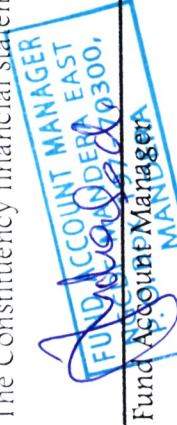
Abdisalam Birik



National Sub-County Accountant

Yunis Ali

ICPAK M/No:27901



Fund Account Manager

Dr. Mohamud Gedi

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/ Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022	Kshs	
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,310,359	332,300	-	5,642,659	5,627,659	15,000	100
1.2 Committee allowances	1,248,000	305,720	-	1,553,720	1,553,718	2	100
1.3 Use of goods and services	1,666,973		-	1,666,973	1,666,950	23	100
Total	8,225,332	638,020	-	8,863,352	8,848,327	15,025	100
2.0 Monitoring and evaluation							
2.1 Capacity building	1,500,000			1,500,000	1,500,000	-	100
2.2 Committee allowances	1,500,000			1,500,000	1,500,000	-	100
2.3 Use of goods and services	1,112,666			1,112,666	1,112,646	20	100
Total	4,112,666	-	-	4,112,666	4,112,646	20	100
3.0 Emergency							
3.1 Primary Schools	7,192,207	-	-	7,192,207	7,192,207	-	-

**Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

3.2 Secondary schools	-	-	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-	-	-	-
Total	7,192,207	-	0	7,192,207	-	7,192,207	-	-	-
4.0 Bursary and Social Security									
4.1 Secondary Schools	10,000,000			10,000,000		8,351,000	1,649,000		84
4.2 Tertiary Institutions	10,075,120	1,019,611		11,094,731		4,454,000	6,640,731		40
4.3 Social Security	15,000,000	-	-	15,000,000		15,000,000	-		-
4.4 Special Needs	-	-	-	-		-	-		-
Total	35,075,120	1,019,611	-	36,094,731	27,805,000	8,289,731	-	77	-
5.0 Sports									
5.1	2,741,777	-	-	2,741,777		2,741,777	-		100
Total	2,741,777	-	-	2,741,777	-	2,741,777	-	100	-
6.0 Environment									
6.1	2,741,777	2,241,777	0	4,983,554		4,983,554	-		-
Total	-	2,241,777	-	4,983,554	4,983,554	4,983,554	-	-	-

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	2,741,777								
7.0 Primary Schools Projects									-
Arabia Primary school		4,000,000				4,000,000		4,000,000	-
Duse primary school		2,000,000				2,000,000		2,000,000	-
Sharif Iley primary school			2,000,000			2,000,000		2,000,000	-
Bulla Mpya primary school			2,000,000			2,000,000		2,000,000	-
Kheira Intergrated primary			2,000,000			2,000,000		2,000,000	-
Boystown primary school			2,000,000			2,000,000		2,000,000	-
Karo primay school			2,000,000			2,000,000		2,000,000	-
Sarohindi primary school	1,000,000					1,000,000		1,000,000	-
Tawakal primary school	2,000,000					2,000,000		2,000,000	-
Tawakal primary school	4,000,000					4,000,000		4,000,000	-
Duse primary school	1,000,000					1,000,000		1,000,000	-
Duse primary school	2,000,000					2,000,000		2,000,000	-
Karo primay school	250,000					250,000		-	250,000
Almanar primary school	2,000,000					2,000,000		2,000,000	-
Almanar intergrated primary school	2,000,000					2,000,000		2,000,000	-
Figo primary school	2,000,000					2,000,000		2,000,000	-
Khadija primary school	250,000					250,000		-	250,000
Aresa primary school	4,000,000					4,000,000		4,000,000	-

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Barwago primary school	2,000,000				2,000,000	2,000,000	-
Aresa primary school	2,500,000				2,500,000	2,500,000	-
Aresa primary school	1,500,000				1,500,000	1,500,000	-
Aresa primary school	2,000,000				2,000,000	2,000,000	-
Duse primary school	3,000,000				3,000,000	3,000,000	-
Libehia primary school	2,000,000				2,000,000	2,000,000	-
Hareri Primary school	1,000,000				1,000,000	1,000,000	-
Barwago primary school	3,000,000				3,000,000	3,000,000	100
Aresa primary school	2,000,000				2,000,000	2,000,000	100
Khalallo aresa primary road	-	4,000,000.00			4,000,000	4,000,000	100
					-	-	-
Total	39,500,000	6,000,000	14,000,000		59,500,000	59,000,000	99
8.0 Secondary Schools Projects							
Aresa Girls secondary school	-	2,291,560	-		2,291,560	2,291,560	100
Secondary school projects		250,000	-		250,000	250,000	-
Shafahafey Boys secondary school			3,000,000		3,000,000	3,000,000	-
Arabia Boys sec school			188,879		188,879	188,879	-
Arabia secondary school		2,558,475			2,558,475	2,558,475	(0)
Arabia Girls secondary school		250,000			250,000	250,000	-
Hareri secondary school		4,000,000			4,000,000	4,000,000	-

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Kamor mixed secondary school		2,000,000			2,000,000	2,000,000	-	
Neboi secondary school	4,000,000				4,000,000	4,000,000	-	
Shafshatey secondary school	2,000,000				2,000,000	2,000,000	-	
Moi girls secondary school	4,000,000				4,000,000	4,000,000	-	
Mandera secondary school	2,000,000				2,000,000	2,000,000	-	
Total	12,000,000	11,350,035	3,188,879	26,538,914	26,538,914	26,538,914	(0)	100
9.0 Tertiary institutions Projects							-	-
Total	-						-	-
10.0 Security Projects							-	-
Central chief office			1,000,000	1,000,000	1,000,000	1,000,000	-	
Gaduduye chief office			2,000,000	2,000,000	2,000,000	2,000,000	-	
Arabia sub county police station			2,000,000	2,000,000	2,000,000	2,000,000	-	
Arabia sub county police station			2,000,000	2,000,000	2,000,000	2,000,000	-	
Arabia sub county police station			1,000,000	1,000,000	1,000,000	1,000,000	-	
Arabia sub county police station			1,000,000	1,000,000	1,000,000	1,000,000	-	
Rapid police camp	1,000,000			1,000,000	1,000,000	1,000,000	-	
Rapid police camp	4,000,000			4,000,000	4,000,000	4,000,000	-	
Rapid police camp	1,000,000			1,000,000	1,000,000	1,000,000	-	
Arabia sub county police station	4,500,000			4,500,000	4,500,000	4,500,000	-	
Arabia police line	4,000,000			4,000,000	4,000,000	4,000,000	-	

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Arabia sub county police station	2,000,000						2,000,000		
Omarjillaow chief office	2,000,000						2,000,000		
Mandera East adm Police	3,000,000						3,000,000		
Mandera East adm Police	1,000,000						1,000,000		
Total	22,500,000	-	9,000,000	-	31,500,000	31,500,000	-	-	100
11.0 Acquisition of assets									
	3,000,000						3,000,000		100
Total	3,000,000	-	-	-	3,000,000	3,000,000	-	-	100
12.0 Other payments									
Total									
13.0 unallocated fund									
Unapproved projects									
A/A									
Total	137,088,879	21,249,443	26,188,879	184,527,201	175,722,425	8,804,776	-	-	95

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

External Assistance

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

b) Recognition of payments

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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.

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

5. In-kind contributions

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

balance' items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

14. Errors

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

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

15. Related Party Transactions

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

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

	2021-2022 Kshs	2020 - 2021 Kshs
AIE NO. B 096974		20,000,000
AIE NO. B 104637		35,000,000
AIE NO. A823673		14,367,724
AIE NO. B104931		5,000,000
AIE NO. B 124602		9,000,000
AIE NO. B 047007		12,000,000
AIE NO. B 041083		15,000,000
AIE NO. B 047450		6,900,000
AIE NO. B 041290		8,000,000
AIE NO. B 047710		6,000,000
AIE NO. B 049297		15,000,000
AIE NO. B 104322		6,000,000
AIE NO. B 096578		13,000,000
		15,000,000.00
AIE NO. B 140995	26,188,879.00	
AIE NO. B 105397	45,000,000.00	
AIE NO. B 105612	23,000,000.00	
AIE NO. B 105979	10,000,000.00	
AIE NO. B 128607	16,000,000.00	
AIE NO. B 128919	26,000,000.00	
AIE NO. B 154116	17,088,879.00	
	163,277,758	180,267,724

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

2. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,342,499	3,890,900
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	1,220,160	1,071,360
Employer Contributions Compulsory national social security schemes	65,000	146,800
Total	5,627,659	5,109,060

3. Use of Goods and Services

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	2021-2022 Kshs	2020-2021 Kshs
Committee Expenses		
Utilities, supplies and services		
Communication, supplies and services	1,000,000	
Domestic travel and subsistence	256,950	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	1,500,000	3,301,400
Hospitality supplies and services	376,700	0
Other committee expenses	305,720	1,591,016
Committee allowance	2,747,998	1,505,708
Insurance costs		
Specialized materials and services		
Office and general supplies and services		2,063,000
Other operating expenses	1,045,946	1,126,142
Routine maintenance – vehicles and other transport equipment	100,000	
Routine maintenance – other assets		
Total	7,333,314	9,587,266

4. Transfer To Other Government Units

Description	2021-2022	2020-2021
-------------	-----------	-----------

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	59,000,000	31,500,000
Transfers To Secondary Schools (See Attached List)	26,538,914	44,500,000
Transfers To Tertiary Institutions (See Attached List)		
Total	85,538,914	76,000,000

5. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,351,000	-
Bursary – tertiary institutions (see attached list)	4,454,000	37,133,700
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	15,000,000	12,000,000
Security projects (see attached list)	31,500,000	12,088,112
Sports projects (see attached list)	2,741,777	5,715,528
Environment projects (see attached list)	4,983,554	-
Emergency projects (see attached list)	7,192,207	7,309,814
Total	74,222,538	74,247,154

6. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs

Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Purchase of Buildings	-	-
Construction of Buildings	3,000,000	-
Refurbishment of Buildings		-
Purchase of Vehicles and Other Transport Equipment		-
Purchase of Household Furniture and Institutional Equipment		-
Purchase of Office Furniture and General Equipment		-
Purchase of ICT Equipment, Software and Other ICT Assets		-
Purchase of Specialized Plant, Equipment and Machinery		-
Acquisition of Land		-
Total	3,000,000	-

7: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022 Kshs	2020-2021 Kshs
7 A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Account No. 1000296543528</i>	8,804,776	21,249,529
Total	8,804,776	21,249,529
7 B: Cash on Hand		
Other Locations (<i>Specify</i>)		
Total	-	-

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

8. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	21,249,443	5,924,283
Cash in hand		
Imprests		
Total	21,249,443	5,924,283

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

9. Other Important Disclosures

9.1: Unutilized Fund (See Annex 3)

	2021-2022 Kshs	2020-2021 Kshs
Compensation of employees	15,000	545,135
Use of goods and services	45	1,315,256
Amounts due to other Government entities (see attached list)	500,000	33,465,005
Amounts due to other grants and other transfers (see attached list)	8,289,731	9,820,452
Acquisition of assets	-	2,291,560
Funds pending approval	-	0
Total	8,804,776	47,437,407

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

9.2: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	33,770.83	33,771
Total	33,770.83	33,771

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annexes

Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		15,000	545,135	
Use of goods & services		45	1,315,256	
Amounts due to other Government entities			27,411,891	
Karo Primary school		250,000		
Khadija Primary school		250,000		
Sub-Total		515,045	29,272,282	
Amounts due to other grants and other transfers				
Bursary secondary		1,649,000		
Bursary Tertiary		6,640,731	1,884,436	
Environment			4,989,131	
Security Projects			9,000,000	
Sub-Total		8,289,731	15,873,567	
Acquisition of assets			2,291,560	
Sub-Total			2,291,560	
Funds pending approval				
Grand Total		8,804,776	47,437,409	

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	14,249,139			14,249,139
Buildings and structures		3,000,000		3,000,000
Transport equipment	6,809,959			6,809,959
Office equipment, furniture and fittings	1,115,000			1,115,000
ICT Equipment, Software and Other ICT Assets	173,000			173,000
Other Machinery and Equipment				-
Heritage and cultural assets				-
Intangible assets				-
Total	22,347,098	3,000,000	-	25,347,098

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 3 –PMC Bank Balances as At 30th June 2022

NO.	PMC NAME	ACCOUNT NUMBER	BANK	2021/2022	2020/2021
1	mandera east sports pmc	1000176848348	EQUITY	891.98	891.98
2	Barwago ward Lab pmc	1000180781076	EQUITY	880	880
3	Libehiya ward lab pmc	1000180781206	EQUITY	380	380
4	Bulla mpaya lab pmc	1000180781238	EQUITY	880	880
5	Township ward lab pmc	1000180779762	EQUITY	880	880
6	Arabia ward lab pmc	1000180780015	EQUITY	380	380
7	Neboi ward lab pmc	1000180779662	EQUITY	380	380
8	Farrey Pri Sch	1000266119317	EQUITY	1,681.00	1,681.00
9	Farrey Pri Sch	1000266119317	EQUITY	1,681.00	1,681.00
10	Kamor Mixed Sec	1000271800994	EQUITY	40	40
11	kamor girls	1000180196490	EQUITY	800	800
12	aresa pri sch	1000264381077	EQUITY	2,517.00	2,517.00
13	odha pry sch	1000176856737	EQUITY	1,360.00	1,360.00
14	hareri pry sch	1000264391720	EQUITY	2,825.00	2,825.00
15	Sarohindi Pri Sch	1000164297367	EQUITY	2,715.85	2,715.85
16	khalalio pri sch	1000265473562	EQUITY	1,500.00	1,500.00
17	Arabia boys sec	1000264454661	EQUITY	1,899.00	1,899.00
18	khalalio girls sec	1000180244116	EQUITY	800	800
19	Buse pry pmc	1000264429091	EQUITY	1,140.00	1,140.00
20	buruburu girls	1000280772843	EQUITY	1,000.00	1,000.00
21	neboi pry pmc	1000264459748	EQUITY	1,500.00	1,500.00

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

22	Aresa girls sec pmc	1000176849607	EQUITY	3,100.00	
23	Neboi pry pmc	1000264459748	EQUITY	1,500.00	1,500.00
24	Arabia DCC office pmc	1000180964782	EQUITY	880	880
25	shafshafey chief office	1000180116510	EQUITY	880	880
26	Libehiya chief office	1000180169227	EQUITY	1,280.00	1,280.00
TOTAL				33,770.83	30,670.83

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MANDERA EAST/CDF/13	1. Transfers to Other Government Units Transfers to other government entities expenditure totalling Kshs. 76,000,000 could not be confirmed		Mohamud Gedi-FAM	Resolved	Resolved

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*


MANDERA EAST/CDF/13	2. Transfers to Other Government Units Expenditure totalling Kshs. 76,000,000 could not be confirmed.				
MANDERA EAST/CDF/13	3. Other Grants and Transfers. The expenditure on social security programmes totalling Kshs. 12,000,000 could not be confirmed	Mohamud Gedi-FAM	Resolved	Resolved	
MANDERA EAST/CDF/13	4. Budgetary Control and Performance- under- expenditure of Kshs. 47,437,407 or 22% of the budget.	Mohamud Gedi-FAM	Resolved	Resolved	
	5. Un- implemented				

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	Projects.					
	Funds totalling Kshs.46,754,441 for twenty-eight (28) projects were					
MANDERA EAST/CDF/13	6.Unsupported Expenditure on Security Work plans for projects costed at Kshs.12,000,000 in aggregate were not provided for audit.	Mohamud Gedi-FAM	Resolved			Resolved
MANDERA EAST/CDF/13	7.Failure to Report Utilization of the Emergency Reserves- Kshs.7,309,814	Mohamud Gedi-FAM	Resolved			Resolved
MANDERA EAST/CDF/13	8.Delay in Remittance of Statutory Deductions- National Social	Mohamud Gedi-FAM	Resolved			Resolved

*Mandera East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	Security Fund(NHIF)Ks hs. 50,800 and Kenya Revenue Authority (KRA)- Kshs.70,650			
--	---	--	--	--

.....

 Dr. Mohamud Gedi
 Fund Account Manager.

FUND ACCOUNT MANAGER
 NGCDF MANDERA EAST
 P. O. Box 197 - 70300,
 MANDERA