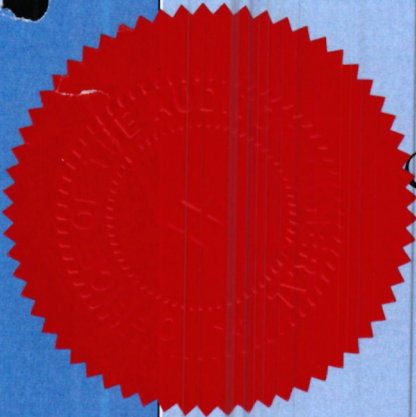


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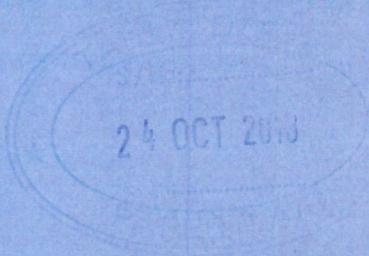
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Aden A. Alamp
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OFFICE OF THE AUDITOR-GENERAL



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REPORT



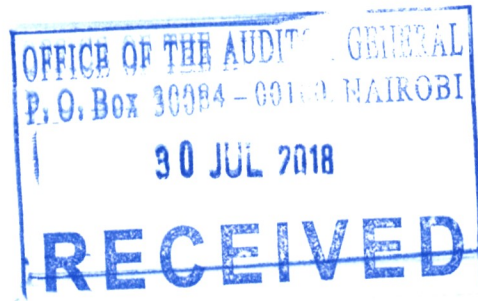
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MANDERA NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017

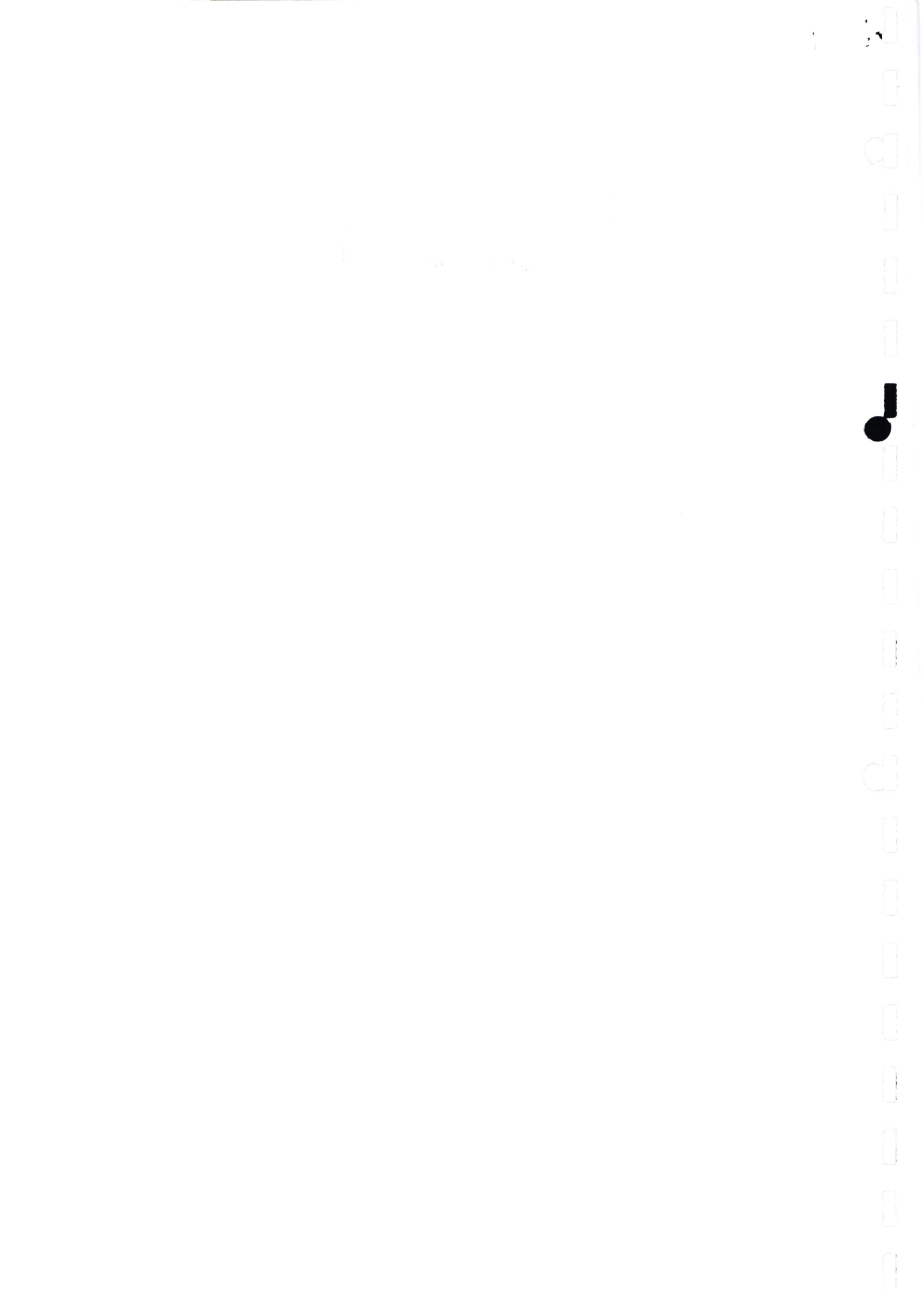


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MANDERA NORTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MANDERA NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2015. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The MANDERA NORTH Constituency's 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 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Adan S. Mustafa
3.	Accountant	Nahason N Mathagu
4.		

(d) Fiduciary Oversight Arrangements

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

(e) MANDERA NORTH NGCDF Headquarters

NG-CDF Office.
P.O Bo 23-70302
RHAMU
Mandera County



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

(f) MANDERA NORTHNGCDF Contacts

Telephone: (254) 0722 471 247
E-mail:manderanorth@ngcdf.go.ke
Website: www.mandera north.go.ke

(g) MANDERA NORTHNGCDF Bankers

Equity Bank
P.O Box 536-70300
Mandera

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

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

The NG-CDF board disbursed amount of kshs 51,448,276.60 in 2016-17 to the constituency of which NGDCFCs Utilised an amount of ksh 75,360,304 which include previous financial year balances. Disbursement was made to the PMCs promptly and the projects were implemented well.

The main challenge was insecurity and Poor infrastructure witnessed from time to time, has caused delay in project monitoring and evaluation.

By and large the impact of NG-CDF is felt and appreciated in the constituency

Sign.....
CHAIRMAN NGCDFC





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

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

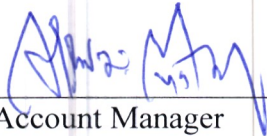
The Accounting Officer in charge of the MANDERA NORTH NG CDF is responsible for the preparation and presentation of the NG CDF's financial statements, which give a true and fair view of the state of affairs of the NG CDF for and as at the end of the financial year (period) ended on June 30, 2017. This 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 NG CDF; (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 NG CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the MANDERA NORTH NG CDF accepts responsibility for the NG CDF'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 NG CDF's financial statements give a true and fair view of the state of NG CDF's transactions during the financial year ended June 30, 2017, and of the NG CDF's financial position as at that date. The Accounting Officer charge of the MANDERA NORTH NG CDF further confirms the completeness of the accounting records maintained for the NG CDF, which have been relied upon in the preparation of the NG CDF's financial statements as well as the adequacy of the systems of internal financial control.

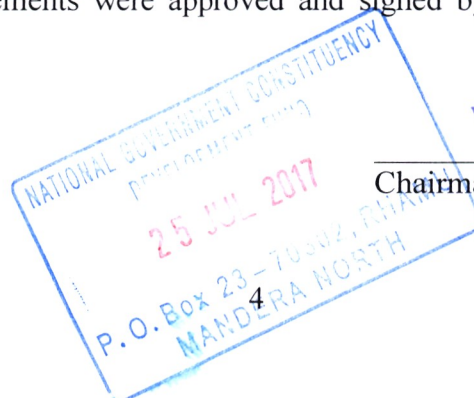
The Accounting Officer in charge of the MANDERA NORTHNGCDF confirms that the NG CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG CDF'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.

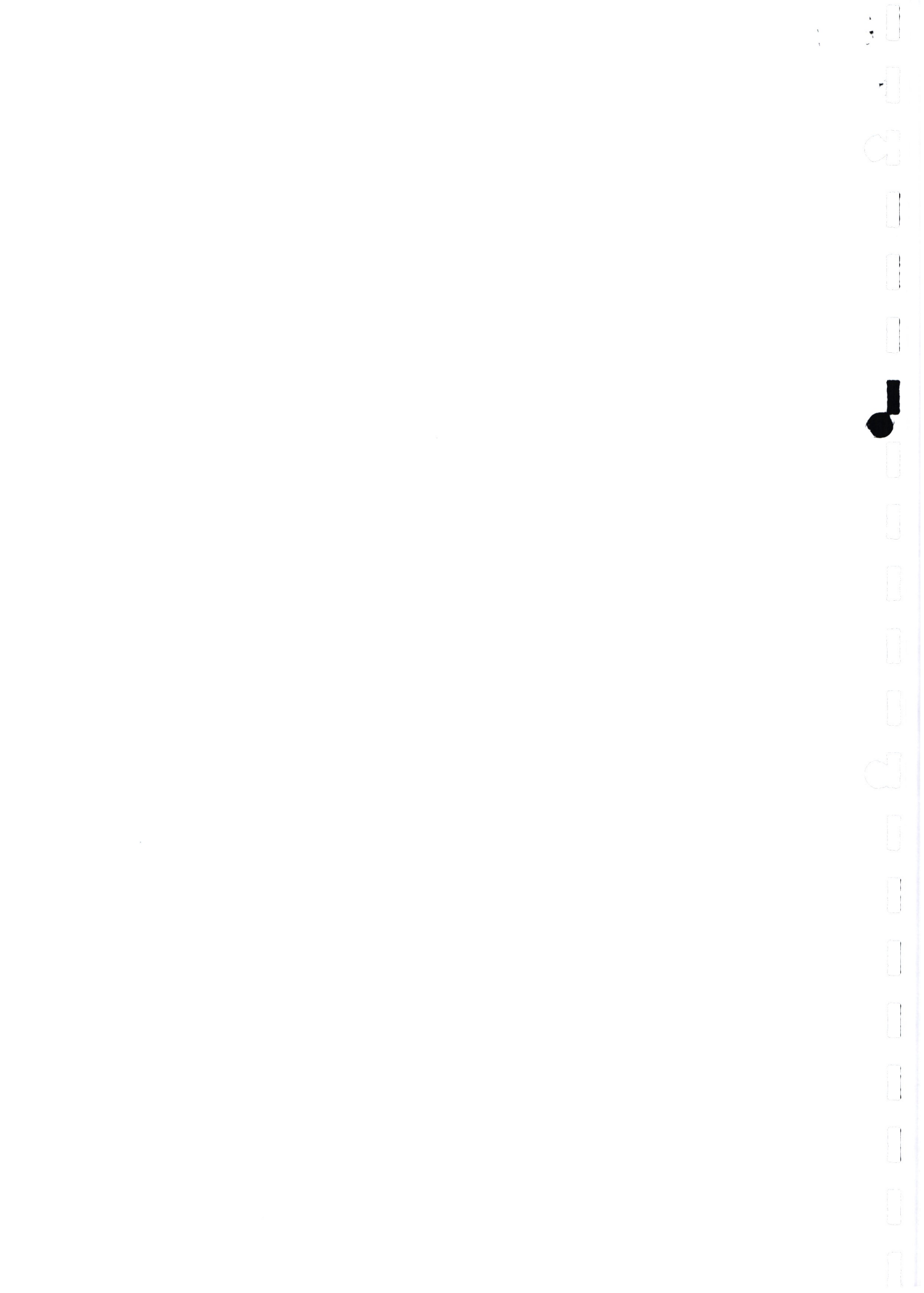
Approval of the financial statements

The NG CDF's financial statements were approved and signed by the Accounting Officer on 25th July 2017.


Fund Account Manager


Chairman





REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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 5 to 28, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mandera North Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

In addition, and as required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been used lawfully and in an effective way.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets reflects a bank balance of Ksh.11,481,898.10 as at 30 June, 2017. The balance was supported by certificate of bank balances, cash book, bank statement and bank reconciliation statement. However, a review of the bank reconciliation statement for the month of June 2017 revealed stale cheques amounting to Kshs.1,052,371.2 reflected as payments in cash book not yet recorded in the bank statement (Unrepresented Cheques). Some of the cheques which were paid to various learning institutions in 2014 being payment of bursaries to needy students and Kenya Revenue Authority continued to reflect as

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Mandera North Constituency for the year ended 30 June 2017

unpresented cheques. Further, no explanation was given why the cash book was not updated.

In the Circumstances, the accuracy, completeness and validity of the cash and cash equivalents balance of Ksh.11,481,89 reported in the statement of assets could not be ascertained as at 30 June 2017.

2. Award of Contracts for Primary School Projects

The National Government Constituency Development Fund – Mandera North disbursed an amount of Kshs.8,050,000 to various project management committees (PMCs) as grants for implementing projects in various primary schools within the Constituency for the year under review. It was however observed that the Public Procurement and Disposal Act, 2015 and the Regulations 2006 were not complied with in the procurement of these projects. Some of the projects were procured through request for quotations against the provisions of the threshold matrix as contained in the mentioned regulations. Further, there were no contract agreements signed between the contractors and the Project Management Committees as required by section 135 (2) of the Public Procurement and Disposal Act, 2015. It was further noted that the payments were not supported with inspection and acceptance committee reports, certificate of practical completion and Hydro-geological survey and post drilling report for borehole drilled at Domog primary school.

In the circumstances, the propriety of the expenditure of Kshs.8,050,000 could not be ascertained.

3. Award of Contracts for Secondary School Projects

During the financial year under review, the National Government Constituency Development Fund – Mandera North disbursed an amount of Kshs.8,050,000 to various Project Management Committees as grants for implementing projects such as construction of laboratory, fencing works and construction of a dining Hall in various secondary schools within the Constituency. It was however noted that tender opening register and evaluation reports for the projects were not made available for audit review. Further, the confidential business questionnaire, Form of tenders and tender questionnaire of the winning bidders were not filled as required by procurement laws. It was further noted that the payments were not supported with certificate of practical completions and inspection and acceptance committee reports.

Under the circumstance, it was not possible to ascertain whether the projects were implemented in accordance with the project specifications and whether the expenditure of Kshs.8,050,000 was accounted for as at 30 June 2017.

4. Unaccounted for Bursary Expenses

In the financial year 2016/2017, the National Government Constituency Fund Committee for Mandera North Constituency disbursed bursaries amounting to Kshs.19,926,000 to various tertiary institutions and secondary schools for the benefit of needy students. However, examination of payment vouchers and its supporting documents revealed that an amount of Kshs.1,952,200 disbursed to various institutions has not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

Further, cheque dispatch register was not maintained to record the cheques that were issued out, the level of studies for the beneficiaries was not indicated in the supporting payment schedules and minutes of the vetting committee were neither attached to the payment vouchers nor availed for audit review hence it was not possible to ascertain the criteria used in vetting the beneficiaries.

Consequently, the propriety of the expenditure of Kshs.1,952.200 could not be ascertained as at 30 June 2017.

5. Non-Appointment of the Constituency Oversight Committee

During the year under review, it was observed that constituency oversight committee was not appointed as required by section 53(1) of the National Government Constituency Development Fund Act, 2015. No reason was given for not appointing the committee. Consequently, it was not clear how the Fund operated without oversight committee.

6. Non-Maintenance of Financial and Accounting Records for The Project Management Committee

It is a requirement as per section 15(10)(a) and 10(b) of the National Government Constituency Development Fund Regulations, 2016 to maintain records of Bank accounts opened by project management committees and to prepare and table quarterly reports. Contrary to the regulations, it was noted that records of bank accounts held by the various project management committees such as bank statements and cashbooks were not maintained by the National Government Constituency Development Fund Mandera North office. There was no bank reconciliation statement for the Project Management Committee accounts.

Under the circumstances, it was not possible to ascertain whether the funds disbursed to the Project Management Committees accounts were used for the intended purposes and accounted for as at 30 June 2017.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund –Mandera North in accordance with ISSAI 30 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 our professional judgment, were of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

Budgetary Control and Performance

The statement of budget appropriation revealed that during the year under review, the Mandera North National Government Constituency Development Fund had an approved budget amounting to Kshs.117,790,478. Out of the Kshs.117,790,478 approved budgeted, an amount of Kshs.35,393,925 was unspent balance from the financial year 2015/2016. Budget utilization on receipts and expenditure are as follows: -

Item	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	% Utilization
Receipts	117,790,478	86,842,202	30,948,276	74%
Expenditure	117,790,478	75,360,304	42,430,174	64%

The above analysis reflects actual receipts of kshs.86,842,202 against budgeted amount of kshs.117,790,478 resulting to underfunding of kshs.30,948,276 or 26% of the funds budgeted for the year. Further, the Fund spent an amount of Kshs.75,360,304 against a budgeted amount of Kshs.117,790,478 resulting to under expenditure of kshs.42,430,174 or 36% of the approved budget as detailed below: -

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	% Difference
Compensation of employees	3,361,477	2,118,000	1,243,477	37%
Use of goods and services	9,930,974	8,240,410	1,690,564	17%
Transfer to other Government units	66,963,897	36,763,897	30,200,000	45%
Other grants and transfers	37,449,556	28,237,997	9,211,559	25%
Acquisition of assets	2,500	0	2,500	100%

Other payments	82,075	0	82,075	100%
Total	117,790,478	75,360,304	42,430,175	36%

No explanation was given why the funds were not fully utilized as budgeted for. The underutilization of the funds deny the constituents the planned and budgeted services.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting

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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

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

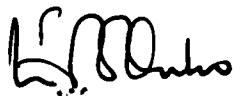
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 going concern 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's 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's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

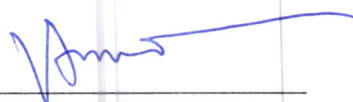
Nairobi

25 September 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

	Note	(Reclassified)	
		2016 – 2017 Kshs	2015 – 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	51,448,277.00	194,259,049.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		51,448,277.00	194,259,049.00
PAYMENTS			
Compensation of employees	4	2,118,000.00	2,212,600.00
Use of goods and services	5	8,240,410.00	9,217,169.20
Transfers to Other Government Units	6	36,763,896.55	133,028,584.00
Other grants and transfers	7	28,237,997.50	50,751,278.00
Acquisition of Assets	8	-	1,200,000.00
Other Payments	9	-	-
TOTAL PAYMENTS		75,360,304.00	196,409,631.20
SURPLUS/DEFICIT		(23,912,027.00)	(2,150,582.20)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MANDERA NORTHNGCDF financial statements were approved on 25th July 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	11,481,898	35,393,926
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	10C		
TOTAL FINANCIAL ASSETS		11,481,898	35,393,926
REPRESENTED BY			
Fund balance b/fwd 1st July 2016	11	35,393,926	37,544,508
Surplus/Deficit for the year		(23,912,027)	(2,150,582)
Prior year adjustments	12	-	-
NET FINANCIAL POSITION		11,481,898	35,393,926

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MANDERA NORTHNGCDF financial statements were approved on 25th July 2017 and signed by:

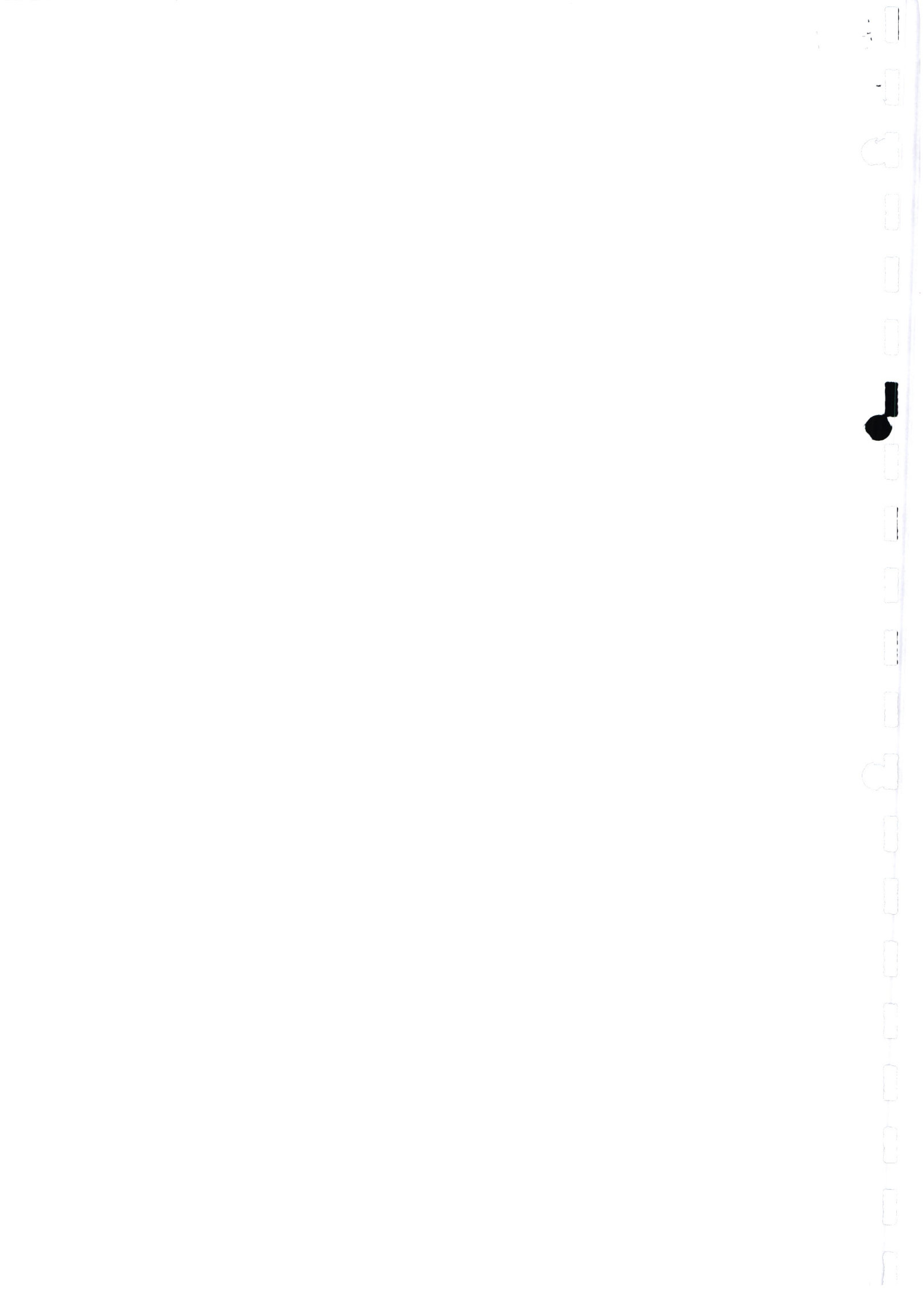


Chairman - NGCDFC



Fund Account Manager






**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MANDERA
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

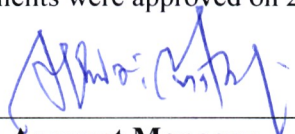
VI. STATEMENT OF CASHFLOW

		2016 – 2017	2015 – 2016
Receipts for operating income			
Transfers from CDF Board	1	51,448,277	194,259,049
Other Receipts	3	-	-
		51,448,277	194,259,049
Payments for operating expenses			
Compensation of Employees	4	2,118,000	2,212,600
Use of goods and services	5	8,240,410	9,217,169
Transfers to Other Government Units	6	36,763,896.55	133,028,584
Other grants and transfers	7	28,237,997.50	50,751,278
Other Payments	9	-	-
		75,360,304	195,209,631
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(23,912,027)	(950,582)
 CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,200,000)
Net cash flows from Investing Activities		-	(1,200,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(23,912,027)	(2,150,582)
Cash and cash equivalent at BEGINNING of the year	11	35,393,926	37,544,508
Cash and cash equivalent at END of the year	10A	11,481,898	35,393,926

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MANDERA NORTHNGCDF financial statements were approved on 25th July 2017 and signed by:



Chairman NGCDF



Fund Account Manager

NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
13 JUL 2017
P.O. Box 13-70302, KILIAS
MANDERA NORTH

**Reports and Financial Statements
For the year ended June 30, 2017**

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	35,893,926	117,790,478	86,842,202	30,948,276.13	74%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL	81,896,552	35,893,926	117,790,478	86,842,202	30,948,276.13	74%
PAYMENTS						
Compensation of Employees	2,542,044	819,433	3,361,477	2,118,000	1,243,477	63%
Use of goods and services	4,828,646	5,102,327	9,930,973	8,240,410	1,690,563	83%
Transfers to Other Government Units	40,806,897	26,157,000	66,963,897	36,763,897	30,200,000	55%
Other grants and transfers	33,718,966	3,730,590	37,449,556	28,237,997	9,211,559	75%
Acquisition of Assets	-	2,500	2,500	-	2,500	-
Other Payments	-	82,075	82,075	-	82,075	-
TOTAL	81,896,552	35,893,926	117,790,478	75,360,304	42,430,174	64 %



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017


Explanation on Budget Underutilization

Transfers to Other Government Units was underutilised by 45.1% .this was occasioned by the delay of money from the NG-CDFB.

The MANDERA NORTHNGCDF financial statements were approved on 25th July 2017 and signed by:

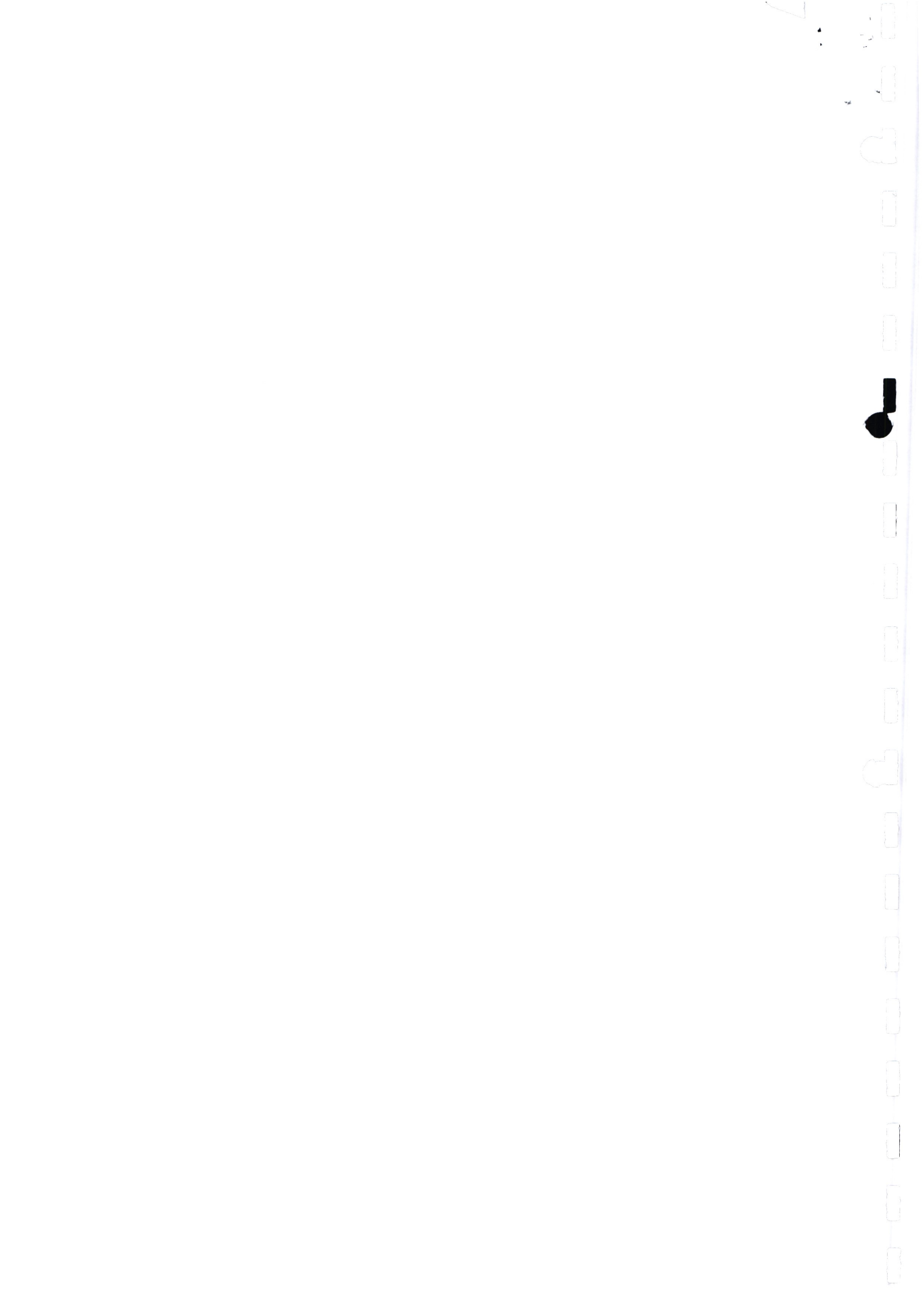


Chairman NGCDF



Fund Account Manager





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

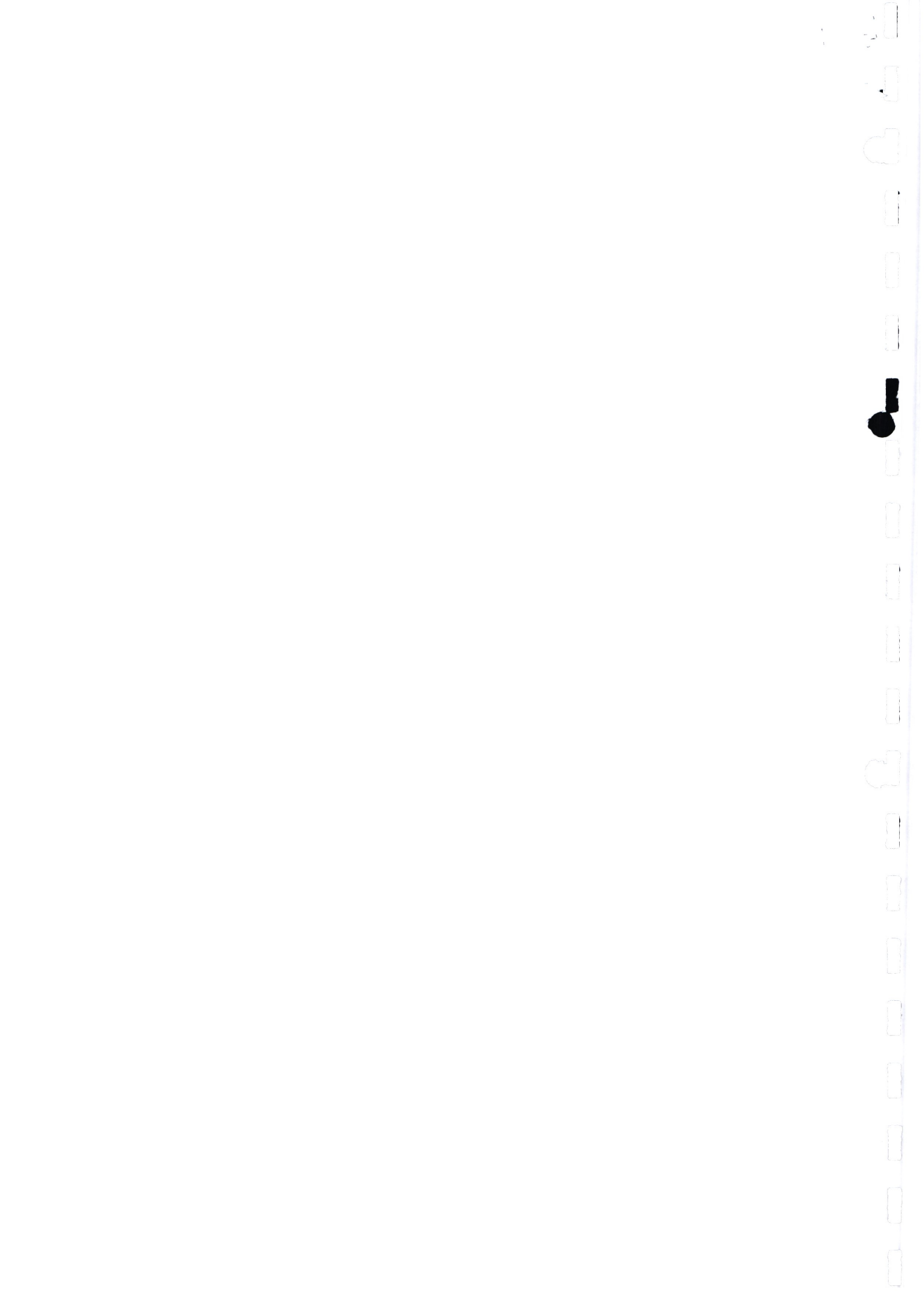
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG CDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment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

7. Comparative figures

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

8. Subsequent events

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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For the year ended June 30, 2017**

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016– 2017	2015– 2016
		Kshs	Kshs
Normal allocation			
	A829910	4,094,827.60	37,111,021.00
	A855056	36,853,449.00	10,000,000.00
	A855528	500,000.00	10,000,000.00
	A839734	10,000,000.00	20,000,000.00
			20,000,000.00
			18,000,000.00
			39,000,000.00
			40,148,028.00
TOTAL		51,448,276.60	194,259,049.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Basic wages of contractual employees	2,100,000.00	2,060,200.00
Basic wages of casual labour	-	120,000.00
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	18,000.00	32,400.00
Total	2,118,000.00	2,212,600.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	844,600.00	480,070.00
Office rent	540,000.00	540,000.00
Communication, supplies and services	79,000.00	261,500.00
Domestic travel and subsistence	715,200.00	1,431,250.00
Printing, advertising and information supplies & services	80,100.00	150,040.00
Rentals of produced assets	1,550,000.00	1,210,800.00
Training expenses	700,000.00	1,600,500.00
Hospitality supplies and services	409,600.00	271,600.00
Other committee expenses	1,222,000.00	949,000.00
Committee allowance	1,291,000.00	464,000.00
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	444,620.00	1,055,310.00
Fuel ,oil & lubricants	251,800.00	470,800.00
Other operating expenses	41,390.00	106,229.20
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	71,100.00	226,070.00
Total	8,240,410.00	9,217,169.20



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 – 2017 Kshs	2015 -2016 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	21,856,896.55	74,277,650.00
Transfers to secondary schools (see attached list)	14,907,000.00	58,740,934.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	10,000.00
-TOTAL	36,763,896.55	133,028,584.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017 Kshs	2015 -2016 Kshs
Bursary – secondary schools (see attached list)	5,000,000.00	5,086,452.00
Bursary – tertiary institutions (see attached list)	14,926,000.00	16,937,121.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	1,197,900.00
Water projects (see attached list)	-	2,076,000.00
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	990,000.00	11,935,000.00
Roads projects (see attached list)	-	-
Sports projects (see attached list)	700,000.00	2,924,355.00
Environment projects (see attached list)	2,300,000.00	1,642,000.00
Other Projects (see attached list)	-	-
Emergency Projects (specify)	4,321,997.50	8,952,450.00
Total	28,237,997.50	50,751,278.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2016 - 2017	2015 – 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	880,000.00
Purchase of ICT Equipment, Software and Other ICT Assets	-	320,000.00
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	1,200,000.00

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

**Reports and Financial Statements
For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 – 2016
	Kshs	Kshs
Equity Bank – Manderla Branch A/c no. 1000261174117	11,481,898.10	35,393,925.55
	-	-
	-	-
	11,481,898.10	35,393,925.55

10B: CASH IN HAND

	2016– 2017	2015– 2016
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (specify)	-	-
	-	-
Total	11,481,898.10	35,393,925.55

[Provide cash count certificates for each]

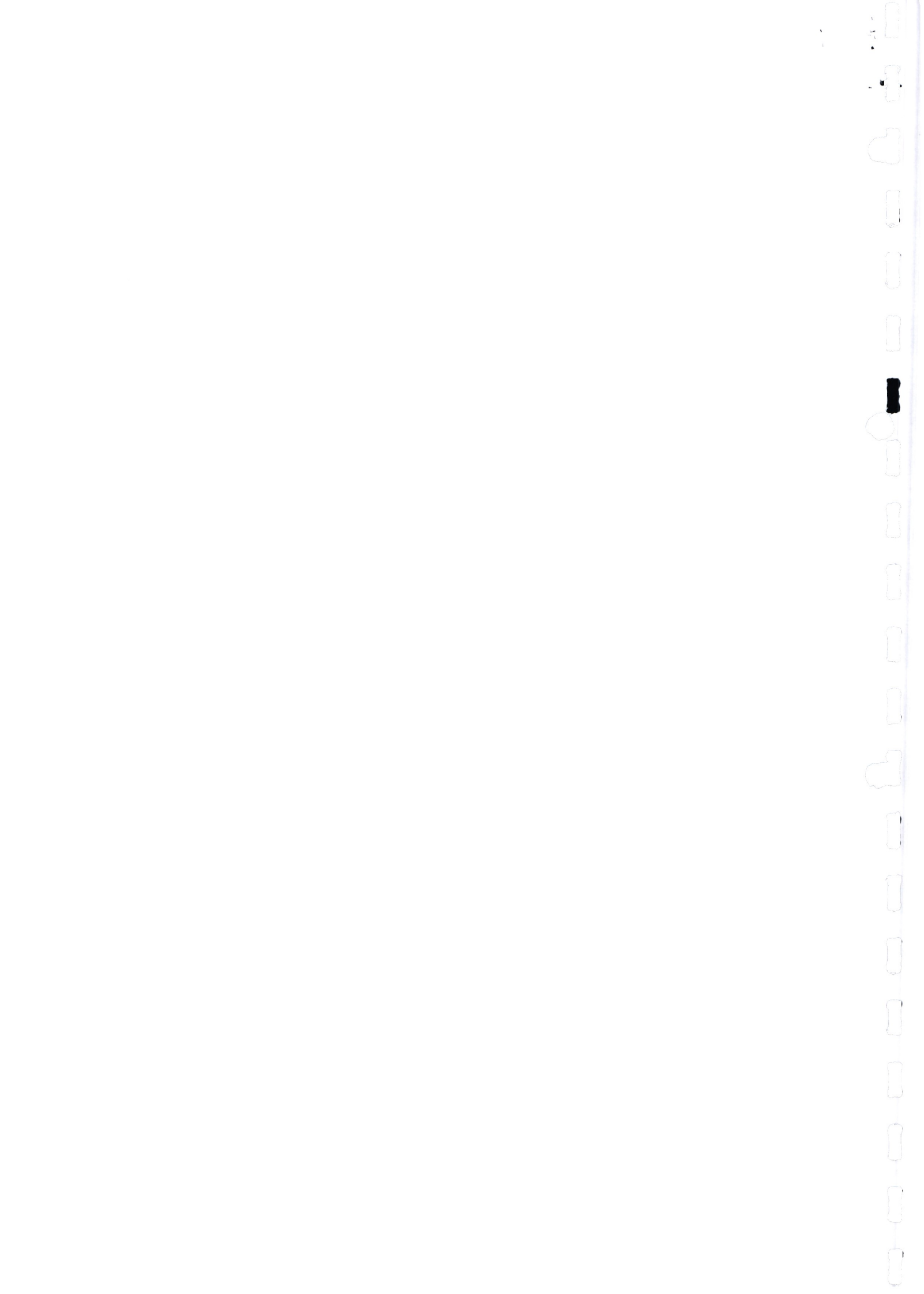


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	35,393,926	37,544,508
Cash in hand	-	-
Imprest		
Total	35,393,926	37,544,508



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA
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12. OTHER IMPORTANT DISCLOSURES

12.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016 – 2017	2015– 2016
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods and services	1,690,563	5,102,328
	1,690,563	5,102,328

12.2: PENDING STAFF PAYABLES (See Annex 1)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
All employees	1,243,477	819,433
	1,243,477	819,433

12.3: OTHER PENDING PAYABLES (See Annex 1)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	30,200,000.00	25,157,000.00
Amounts due to other grants and other transfers (see attached list)	9,214,059.00	3,733,090.00
Others (specify)	82,075.00	1,082,075.00
	39,496,134.00	29,972,165.00

12.4: PMC ACCOUNT BALANCES (See Annex 3)

	Kshs	Kshs
PMC account Balances (see attached list)	20,478.90	2,748,017
	20,478.90	2,748,017

12.5: AMOUNT DUE FROM THE BOARD

	Kshs	Kshs
Amount due from the Board	30,948,275.13	500,000.00
	30,948,275.13	500,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA NORTH CONSTITUENCY
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ANNEX 1 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
		a	b	c	2017	2,016	
					d=a-c		
Amounts due to other Government entities							
Darusalam Pry School	2no. Classrooms	1,700,000.00		-	1,700,000.00	-	
Abakaro Pry School	2no. Classrooms and 2toilets	2,000,000.00		-	2,000,000.00	-	
Dahirarab Pry School	2no. Classrooms	1,700,000.00		-	1,700,000.00	-	
Mado Pry School	2no. Classrooms	1,700,000.00		-	1,700,000.00	-	
Garbab Pry School	2no. Classrooms	1,700,000.00		-	1,700,000.00	-	
Bambo West Pry School	2no. Classrooms and 2toilets	2,000,000.00		-	2,000,000.00	-	
Damog Pry School	2no. Classrooms	1,700,000.00		-	1,700,000.00	-	
Libin Girls Sec	Chain link fencing	2,000,000.00		-	2,000,000.00	-	
Sheikh Ali High School	staff house	3,000,000.00		-	3,000,000.00	-	
Gololbia Sec School	principle house	2,700,000.00		-	2,700,000.00	-	
SeyidAbass Technical Training Institute	Construction of technical college	10,000,000.00		-	10,000,000.00	10,000,000	
Sub-Total		30,200,000		0.00	30,200,000		
Amounts due to other							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANDERA NORTH CONSTITUENCY
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grants and other transfers							
Guticha Chief Office	Chief office	1,500,000.00				1,500,000.00	
Rhamu North Sub-county Commission house	Renovation	1,500,000.00				1,500,000.00	
Wargadud Police	Staff house	3,700,000.00				3,700,000.00	
Daresalam Pry School	clearing of school field	500,000.00				500,000.00	
Girisa Pry School	Tree plantation	500,000.00				500,000.00	
Bursary for Tertiary Institutions	Payment of bursary to needy students in colleges and universities.	1,500,065.93				1,500,065.93	
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	3991.65				3991.65	
Reporting office	Wargadud Police Station	2,200,000.00			2,190,000.00	10,000.00	
Sub-Total		11,404,059.00			2,190,000.00	9,214,059.00	
Others (specify)							
Compensation of employees	staff salaries	3,361,477			2,118,000	1,243,476.72	
Admin and Monitoring	Goods and Services	9,930,973			8,240,410	1,690,563.00	
Audits fees	vote balances	82,075.00			-	82,075.00	
Sub-Total		13,374,526.00			10,358,410	3,016,115.72	
Grand Total		54,978,585.00			12,548,410.00	42,430,173.82	

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

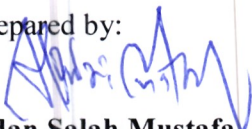
Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

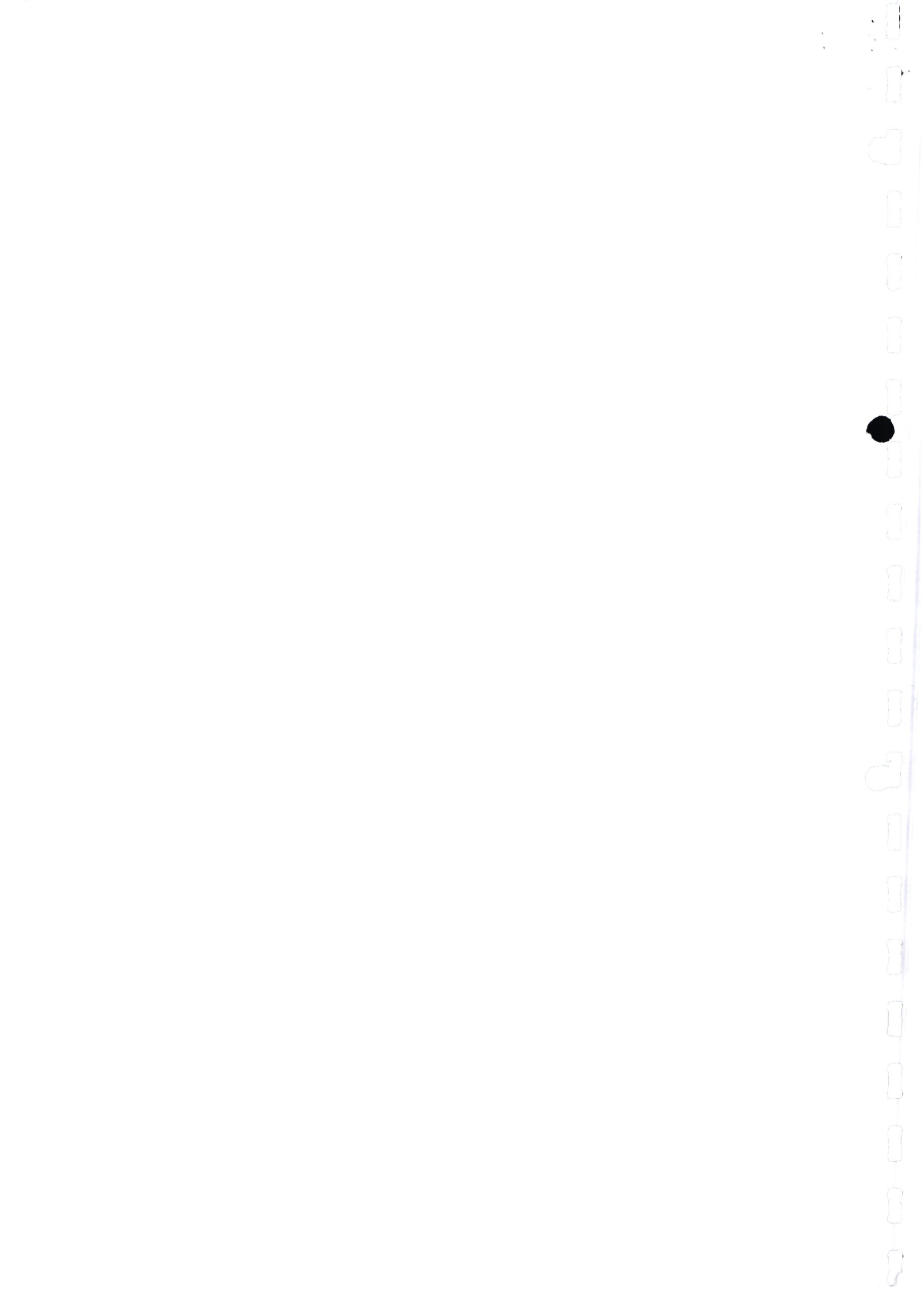
ANNEX 2– SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings	2,227,500.00	2,227,500.00
ICT Equipment, Software and Other ICT Assets	420,000.00	420,000.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	2,647,500.00	2,647,500.00

Prepared by:

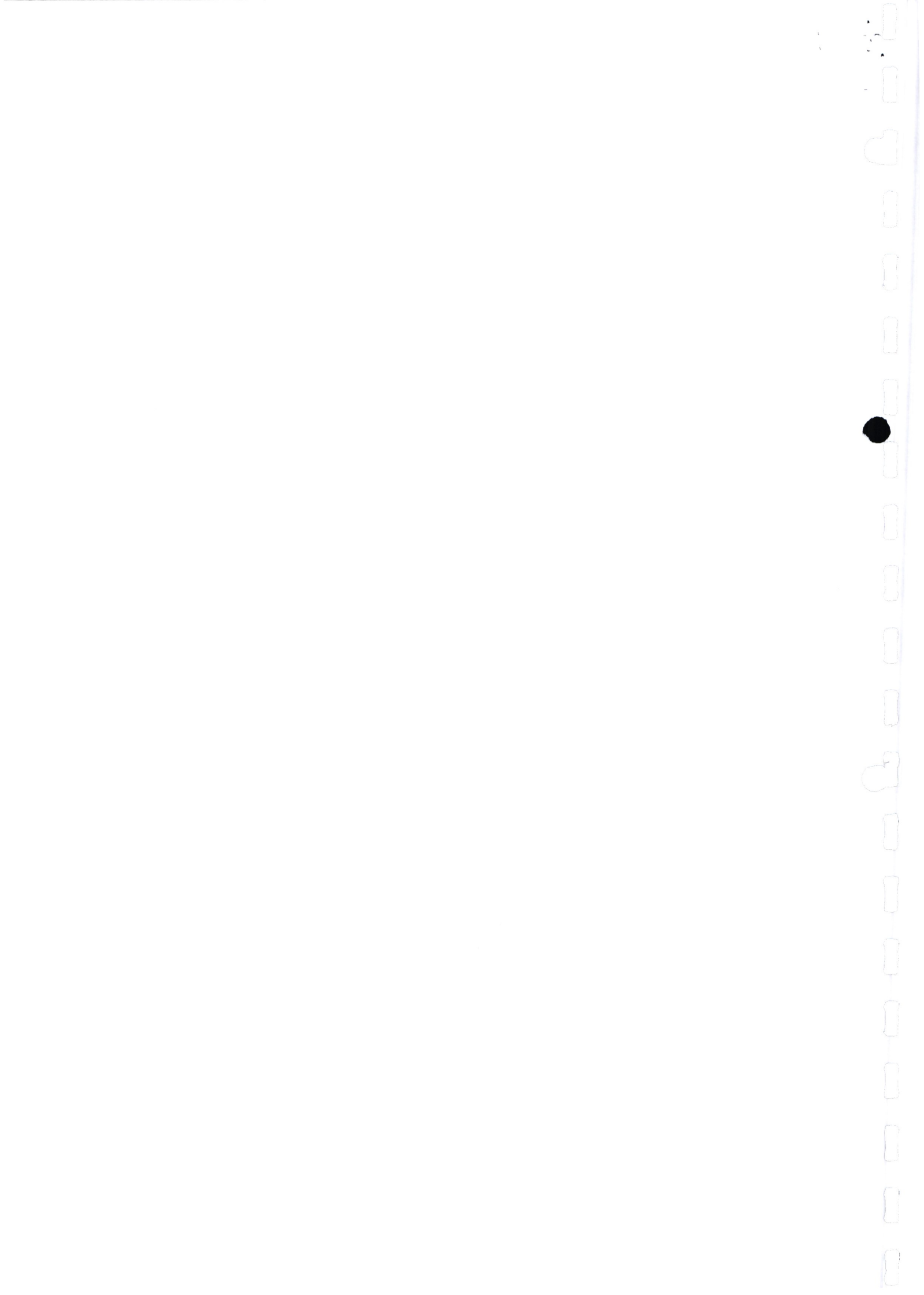

Adan Salah Mustafa
Fund Account Manager
MANDERA NORTH





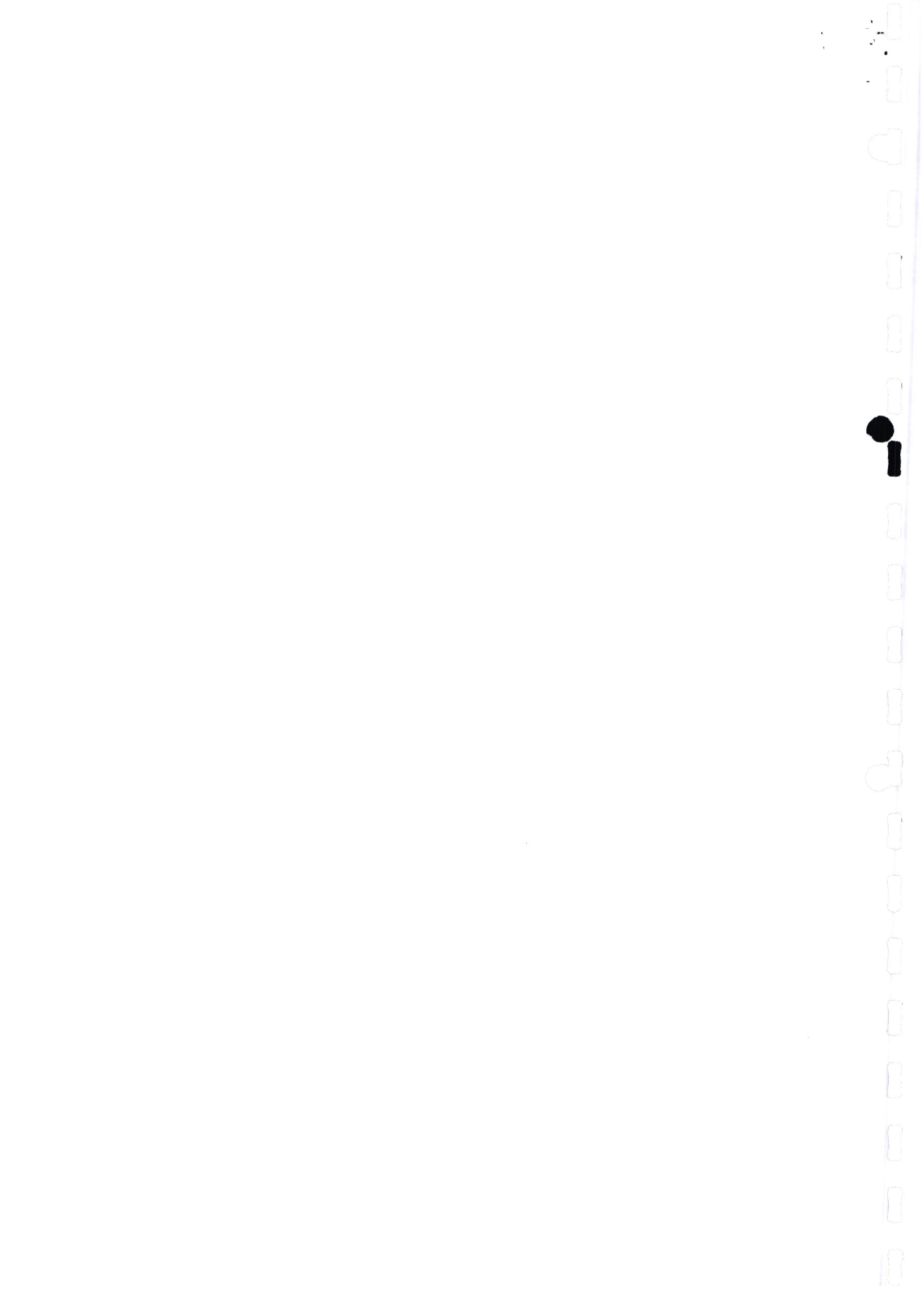
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MANDERA NORTH CONSTITUENCY
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ANNEX 3 – PMC BANK BALANCES AS AT 30TH JUNE 2017				
PMC	BANK	ACCOUNT NUMBER	BANK BALANCE 2016/17	BANK BALANCE 2015/16
Degmarer Primary School	Equity	,1000199975179	345	
Qorahey Primary School	Equity	,1000297206425	440	
Kulmiye Primary School	Equity	,1000268680753	0	
Daidai Primary School	Equity	,1000266568190	2,000	
Gofa Primary School	Equity	,1000298879227	280	
Shirshir Primary School	Equity	,1000299051977	15	
Ladeni Primary School	Equity	,1000297179048	140	
Isa Kora Primary School			20	
Daru Salam Primary School			40	
Alfurqan Intergrated Primary School	Equity	,1000294018105	687.85	
Upper Hill Primary School			340	
Alhidaya Primary School			115	
Marothile Primary School	Equity	,1000271879721	38	
Kubi Primary School	Equity	,1000299025908	185	
Ogorwein Primary School	Equity	,1000199798359	875	
Damog Primary School	Equity	,1000266616457	480	
ArdaAgarsu Primary School	Equity	,1000262353435	0	
Tinfa Primary School	Equity		123	
Libin Nomadic Secondary School	Equity	,1000167484139	2,890	
Olla Secondary School	Equity	,1000262484562	470	
Rhamu Girls Secondary School	Equity	,1000299045215	215	
Ashabito Girls Secondary School	Equity	,1000295105827	3,545.05	
Gololbia Secondary School	Equity	,1000164385536	1,360	
Ashabito Boys Secondary School	Equity	,1000262654877	3,295	
Reporting Office	Equity		670	
RhamuDimtuAp Camp	Equity		890	
Rhamu Police Station	Equity		1020	
Libin Nomadic Girls Sec	Equity	,1000167484139		2,450
Ashabito Girls Sec	Equity	,1000295105827		1,699,820.05
Gololbia Sec	Equity	,1000164385536		1,360
Olla Sec	Equity	,1000262484562		470
Ashabito Boys	Equity	,1000262654877		3,295
ArdaHgarsu Primary Sch	Equity	,1000262353435		0
Ashabito Girls Sec	Equity	,1000295105827		3,545.05
Rhamu Girls	Equity	,1000299045215		914,101
Sheikh Ali High Sch	Equity	,1000299001569		98,642.50
RhamuDimtu Sec	Equity			765
Libin Nomadic Girls Sec	Equity	,1000167484139		2,450



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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Yabicho A Pry	Equity			80
Adm. Police RhamuDimtu	Equity			110
Kenya Police RhamuPmc	Equity			132
RhamuAp Camp Pmc	Equity	,1000172263966		0
AshabitoAp Camp Pmc	Equity	,1000172264123		0
LanquraPriSch	Equity	,1000297059216		1,990
Tanasa Road Pmc	Equity	,1000166619006		90
Rhamu Water Pmc	Equity	,1000171819073		180
Ashabito Ward Water Pmc	Equity	,1000172046129		780
Rhamu Environmental Pmc	Equity			80
DarusalamPri Sch.	Equity			113
Upper Hill Pri. Sch	Equity			37
LadeniPriSch	Equity	,1000297179048		120
GofaPriSch	Equity	,1000298879227		280
DaidaiPriSch	Equity	,1000266568190		2,560
Alfurqan Integrated PriSch	Equity	,1000294018105		1,847.85
KubiPriSch	Equity	,1000299025908		185
MarothilePriSch	Equity	,1000271879721		1,000.55
OgorweinPriSch	Equity	,1000199798359		765
ShirShir Primary Sch	Equity	,1000299051977		255
QoraheyPriSch	Equity	,1000297206425		220
DagmarerPriSch	Equity	,1000199975179		345
Rhamu Deb PriSch	Kcb			500
ArdaHagarsuPriSch	Equity	,1000262353435		0
Al FowzanPriSch	Equity	,1000163839442		1,237.50
Mandera North Cdf Desk Pmc	Equity			500
MarothilePriSchPmc	Equity	,1000271879721		1,000.55
Alhidayaprietary School Pmc	Kcb	1103917269		1000
Damog Primary School Pmc	Equity	,1000266616457		4,930.00
Kulmiye Primary School Pmc	Equity	,1000268680753		280
Kubi Hills Primary School Pmc	Equity	,1000162581765		190
Tinfa Primary School Pmc	Equity			310
SUB -TOTAL			20,479	2,748,017



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

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For the year ended June 30, 2017

ANNEX 4 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

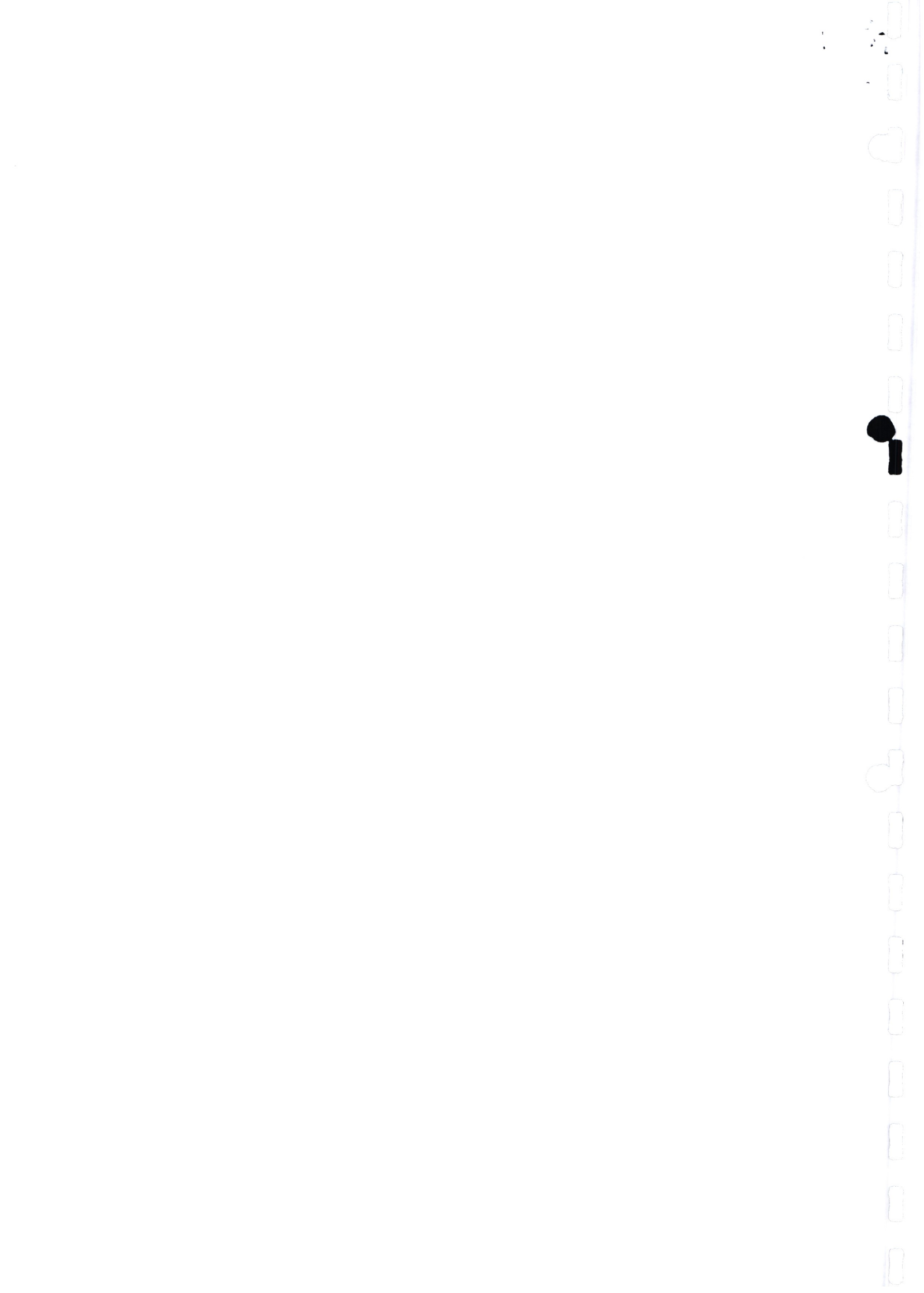
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
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) and were not taken-on-charge in the store ledger	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 to the stores since extra transportation cost was not budgeted for.	FAM	Resolved	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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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)
		<p>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.</p>			
5.0	Emergency expenses of Ksh 3,077,450	<p>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.</p> <p>NG-CDFC Grant letter issued to PMC's clearly states all requirements for implementation of projects. Hence the shortcomings may be as a result of incompetence among PMCs.</p> <p>Furthermore, inspection and acceptance reports and delivery notes for the mattresses procured as emergency is as provided</p>	FAM	Resolved	

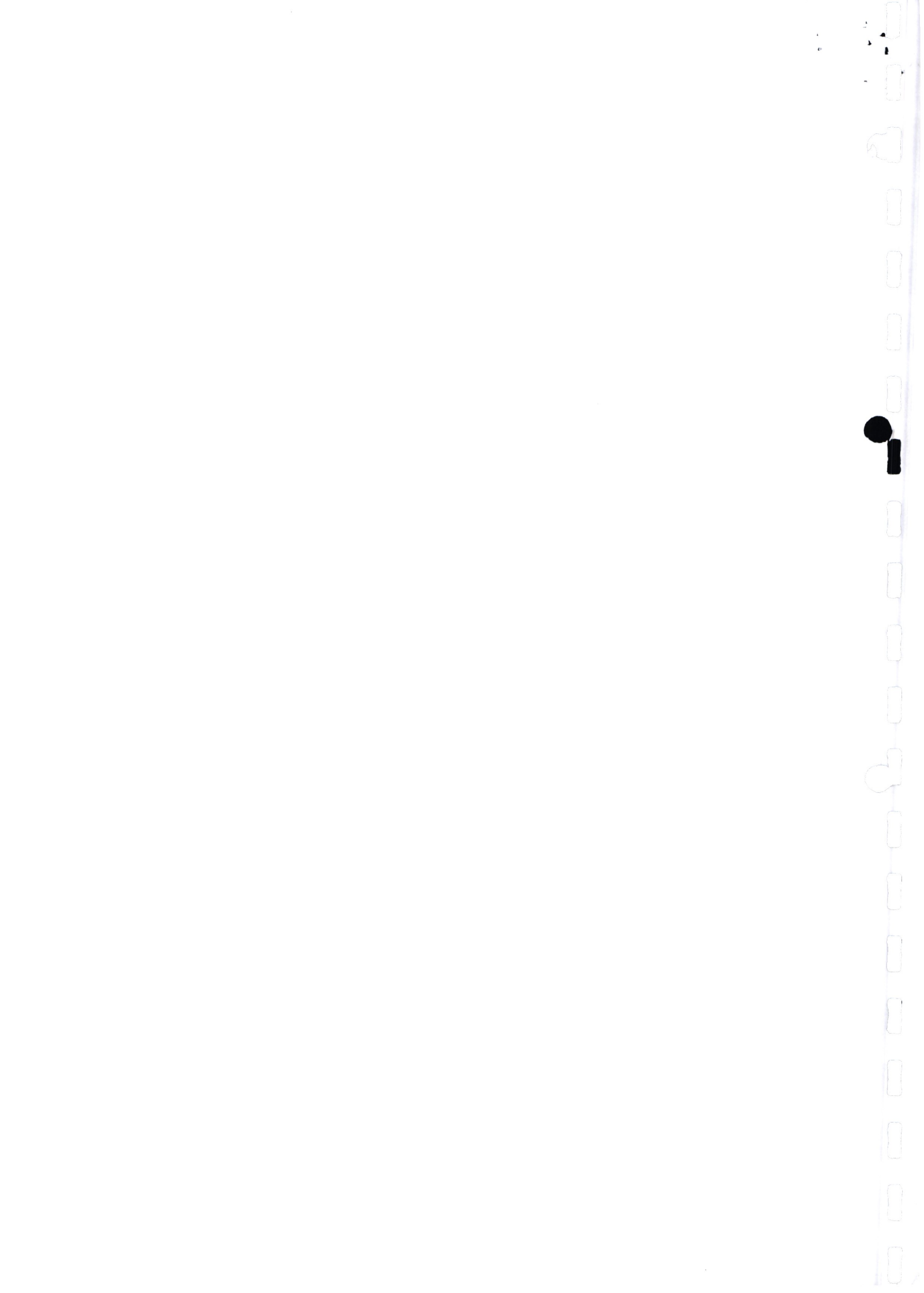


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MANDERA NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		for in the project file and attached here are the copies.			
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 st 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	
Other Matters					
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 Kshs 35,893,926	Under expenditure was due to late disbursement of funds and security challenges.	FAM	Resolved	
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	



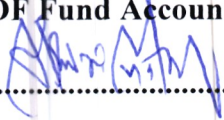
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MANDERA NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

Guidance Notes:

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

NG CDF Fund Account Manager

Date.....



NG CDF Chairman

Date.....



