

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: Tues.
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OF

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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1. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(b) Key Management

The NGCDF MANDERA EAST Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

N o	Designation	Name
1.	A.I.E holder	Dr.Mohamud M.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 NGCDF -MANDERA EAST Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

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

(e) NGCDF MANDERA EAST Constituency Headquarters

P.O. Box 197-70300
Kassim Building
Mandera-Rhamu Rd
Nairobi, KENYA

NGCDF MANDERA EAST Constituency Contacts

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

(f) NGCDF MANDERA EAST Constituency Bankers

Equity Bank Ltd
Mandera Branch
Account number: 1000296543528

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

II FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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 2019/20 the Constituency received Kshs 68,000,000 against the budgeted amount of Kshs 137,367,724.14.

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 pandemic that hit the world towards the last quarter of the year hence delayed the implementation of some projects.

Sign

CHAIRMAN NGCDF COMMITTEE

07/04/2021



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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 	<p>In FY 19/20</p> <ul style="list-style-type: none"> -we increased number of classrooms, dormitories, laboratories etc from 20 to 35 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

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

Staff	To develop staff capacity with focus on quality performance and service delivery.	Increased degree of competency in provision of services to the public -Percentage turnover -Non motivated staff	-The number of service related official complaints by all the Fund stakeholders -Number of trainings and capacity building - Number of staff leaving employment and degree of absenteeism.	-In FY 19/20 the constituency received one complaint compared to the year FY2018/2019 which had 4 number complaints
Security	To develop and enhance physical infrastructure.	Percentage Reduction in crime rate	-Number of complete and in use administrative offices and structures	In F/Y the constituency renovated 1 DCC office in Mandera East sub county.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF Mandera East Constituency 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 be sustainable, Mandera East NG-CDF projects are supposed to meet the objectives of NG-CDF that is, poverty reduction and development at the grassroots. This is well elaborated at our Strategic plan ensuring that the NG-CDFC focuses on three main pillars in the running of the Fund. First we have focused on quality management. Our project has optimised the three project management constraints that is cost, time and scope at the planning and implementation stage. This is ensured through project Monitoring via the use of Geographical information System, carrying out of Bill of Quantities before project proposal and allocating enough budget for a given project. Secondly, the Constituency ensures environmental sustainable projects. This is ensured by ensuring that all the enterprise environmental factors have been taken care of during project implementation. This is done through the use of local material and labour in the implementation of our projects. This increases the degree of ownership of our projects. Our project management also stresses on the aspect of energy conservation by designing projects that are energy compliant for example 80% of our classrooms are designed with gutters for water collection. Last but not least, the designs of our projects consider the universal aspect. Thirdly the constituency has ensured strategic allocation of resources. This has reduced skewed project implementation that defeats the concept of equitable development. Resource allocation activities are always planned for long term perspectives and utilized considering stakeholders expectation.

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 programmes. Create synergy between the NG-CDFC and other related players. In the financial year 2019/2020 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

The Occupational Health and Safety Act (OSHA) provide for the health, safety and welfare of persons employed, and all persons lawfully present at workplaces and related matters. Mandera East NG-CDFC adheres to this policy in various ways as it looks out to optimise employee output. To realise this, Mandera East NG-CDFC ensures that the offices are properly cleaned, ventilated and lighted. The constituency has ensured provision of good office space to avoid overcrowding, air pollution and noise at the workstations. There is established a dispute resolution sub-committee that looks into employee welfare and work environment. The Fund Account Manager has established a tracking chart that ensures the quarterly milestones are well tracked and attained by individual staff. This is followed by a Pizza eating session for all staff members whenever all the milestones are attained within the constraint of quality. The Committee ensures that Kenyan labour laws and NG-CDF 215 Act and regulations are adhered to during all the recruitment processes.

4. Market place practices-

a) Responsible competition practice.

Through NG-CDFC, Mandera East constituency ensures that all the projects and programmes are deliberated through consensus undertaken during their monthly meetings. The consensus are only arrived at after a comprehensive advice has been offered by the Fund Account Manager. The committee has also ensured there is an active website and other communication forum's that enable public participation in decision making. This include a functioning website, an open door office policy, Ward meetings for project identification and separation of the offices and staff of the Member of Parliament office and the NG-CDF office.

b) Responsible Supply chain and supplier relations.

The NG-CDFC ensures that all contract obligations are met. This is done by ensuring the supply chain management process observe the Public Procurement and Asset Disposal Act, 2015. All the suppliers that attain and those that fail the prequalification threshold are communicated to officially. Payment of contractors is done on time. Lastly, all the contractors and suppliers are given clear guidelines and instructions on the content of their contracts.

c) Responsible marketing and advertisement

The Constituency has established a notice board where all the prequalified and tender winning companies are displayed.

d)Product stewardship

Instructions are given to all the contractors to secure the construction sites of our projects. This is meant to protect the beneficiaries from injuries related to construction works

5. Community Engagements-

During the financial year, the Constituency offered their GK vehicle to assist the sub-county health office to broadcast COVID-19 awareness across the constituency.

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-MANDERA 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

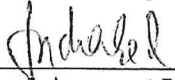
The Accounting Officer in charge of the NGCDF MANDERA EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

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


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

Approval of the financial statements

The NGCDF-MANDERA EAST Constituency financial statements were approved and signed by the Accounting Officer on 07/07 2021.



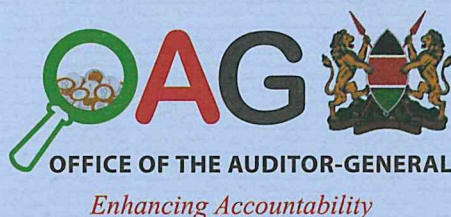
Fund Account Manager
Name: Dr. Mohamud Gedi


Date: 7/4/2021

Sub-County Accountant
Name: Yunis Ali
ICPAK Member Number: 27901

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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 15 to 34, which comprise the statement of financial assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund - Mandera East Constituency as at 30 June, 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

As disclosed in Note 8A to the financial statements, the statements of assets and liabilities reflects cash and cash equivalents balance of Kshs.5,924,283. However, examination of the bank reconciliation statement for the month of June, 2020 provided for audit revealed that cheques amounting to Kshs.452,206 had become stale and had not been reversed in the cashbook. Further, payments in bank statement not yet recorded in the cash book totalling to Kshs.361,715 which were mainly bank charges had not been recorded in the cashbook.

Consequently, the accuracy, completeness and validity cash and cash equivalents balance of Kshs.5,924,283 could not be confirmed.

2. Unsupported Transfer to Primary Schools

Note 4 to the financial statements reflects transfer to primary schools amounting to Kshs.12,749,800. However, included in the transfer is an amount of Kshs.8,646,368 for which the Project Management Committee (PMC) bank statements were not provided for audit review. Further, tender documents in respect to this transfer had not been signed by the tenderers and payments records revealed that the payments were made before the certificates of completion were issued.

In the circumstances, the validity of the expenditure for transfer to primary schools amounting to Kshs.8,646,368 as at 30 June, 2020 could not be ascertained.

3. Unsupported Expenditure on Sports Materials

Note 5 to the financial statements reflects other grants and payments totaling to Kshs.25,597,354 which in turn includes an amount of Kshs.2,747,354 for sports project. The sports project expenditure relates to a contract for supply and delivery of sports equipment and uniforms awarded to a supplier. However, there was no evidence to indicate that the items supplied were received by the Fund and issued to the beneficiaries. Further, PMC bank statements were not availed for audit review.

In the circumstances, the validity of the expenditure of Kshs.2,747,354 as at 30 June, 2020 could not be ascertained.

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

Key Audit 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 - recurrent and development combined reflect a final receipts budget for the year under review of Kshs.141,735,684 against total actual receipts of Kshs.172,367,960, resulting to budget under funding of Kshs.69,367,724 or 49%. Similarly, the Fund expended Kshs.66,443,657 against the approved budget of Kshs.141,735,684 resulting to budget under expenditure of Kshs.75,292,027 or 53% of the budget.

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

2. Project Implementation and Management

During the financial year under review, the Fund allocated Kshs.99,465,714 to 68 projects in various sectors including Education, Security, Emergency, Environment and Others. However, review of the Project Implementation Status (PIS) report provided for audit revealed that twenty two (22) projects were completed and forty six (46) projects have not started as analyzed in the table below:

Sector	Project Status	Project Cost (Kshs.)	Number of Projects
Emergency	Complete	7,198,241	1
	Ongoing	0	0
	Not Started	0	0
Environment	Complete	0	0
	Ongoing	0	0
	Not Started	2,747,354	13
Security	Complete	16,750,000	7
	Ongoing	0	0
	Not Started	7,500,000	5
Education	Complete	26,546,368	13
	Ongoing	0	0
	Not Started	34,723,750	28
Others	Complete	4000,000	1
	Ongoing	0	0
	Not Started	0	0
Total		99,465,714	68

The projects were not physically verified due to the insecurity in the region and the incomplete projects may have led to poor service delivery to the constituents.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Incomplete Fixed Asset Register

Annex 3 to the financial statement is a summary of fixed asset register that discloses fixed assets valued at Kshs.26,347,098 for the financial year 2019/2020. However, the Fund's Management did not maintain an asset register that indicate the details of the value of the asset and with tagging number for identification.

In the absence of a detailed fixed assets register, it is not possible to ascertain the accuracy and completeness of the fixed assets balance of Kshs.26,347,098 disclosed in the financial statements.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

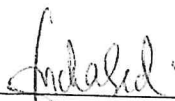
09 March, 2022


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

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	70,453,451	109,040,875
TOTAL RECEIPTS		70,453,451	109,040,875
PAYMENTS			
Compensation of employees	2	4,293,154	3,855,051
Use of goods and services	3	4,553,349	8,483,863
Transfers to Other Government Units	4	27,999,800	73,108,064
Other grants and transfers	5	25,597,354	52,587,662
Acquisition of Assets	6	4,000,000	10,249,139
Other Payments	7	-	-
TOTAL PAYMENTS		66,443,657	148,283,779
SURPLUS/DEFICIT		4,009,794	(39,242,904)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA EAST Constituency financial statements were approved on 07/4/ 2021 and signed by:


Fund Account Manager
Name: Dr. Mohamud Gedi


National Sub-County Accountant
Name: Yunis Ali
ICPAK Member Number: 27907

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

VII. STATEMENT OF ASSETS AND LIABILITIES

		2019-2020	2018-2019
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	5,924,283	1,914,509
Total Cash and Cash Equivalents		5,924,283	1,914,509
TOTAL FINANCIAL ASSETS		5,924,283	1,914,509
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		5,924,283	1,914,509
REPRESENTED BY			
Fund balance b/fwd 1st July...	9	1,914,509	41,206,858
Surplus/Deficit for the year		4,009,794	(39,242,904)
NET FINANCIAL POSITION		5,924,303	1,914,509

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA EAST Constituency financial statements were approved on 27/11/2021 and signed by:

Dr. Mohamud Gedi
Fund Account Manager
Name: Dr. Mohamud Gedi

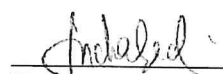
Yunis Ali
National Sub-County Accountant
Name: Yunis Ali
ICPAK Member Number: 27901

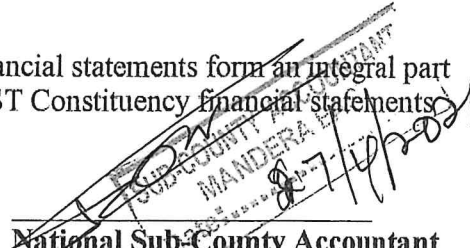
Reports and Financial Statements
For the NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
(NGCDF) MANDERA EAST CONSTITUENCY
year ended June 30, 2020

STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	70,453,451	109,040,875
			-
		70,453,451	109,040,875
Payments for operating expenses			
Compensation of Employees	2	4,293,154	3,855,051
Use of goods and services	3	4,553,349	8,483,863
Transfers to Other Government Units	4	27,999,800	73,108,064
Other grants and transfers	5	25,597,354	52,587,662
Other Payments	7	-	-
		62,443,657	138,034,640
Net cash flow from operating activities		8,009,974	(28,993,765)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(4,000,000)	10,249,139
Net cash flows from Investing Activities		(4,000,000)	(10,242,904)
NET INCREASE IN CASH AND CASH EQUIVALENT		4,009,774	(39,243,004)
Cash and cash equivalent at BEGINNING of the year	9	1,914,509	41,157,413
Cash and cash equivalent at END of the year		5,924,303	1,914,509

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA EAST Constituency financial statements were approved on 07/07/2021 and signed by:


Fund Account Manager
Name: Dr. Mohamud Gedi


National Sub-County Accountant
Name: Yunis Ali
ICPAK Member Number: 27901

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

VIII. 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 NG-CDF Board	137,367,724	4,367,960	141,735,684	72,367,960	69,367,724.00	52.00%
TOTAL RECEIPTS	137,367,724	4,367,960	141,735,684	72,367,960	69,367,724	52.00%
PAYMENTS						
Compensation of Employees	4,951,200	44,949	4,996,149	4,293,154	702,995	85.90%
Use of goods and services	7,411,895	657,176	8,069,071	4,553,349	3,515,722	56.40%
Transfers to Other Government Units	64,270,119	1,444,706	65,714,825	27,999,800	37,715,005	42.80%
Other grants and transfers	54,442,950	2,221,129	56,664,079	25,597,354	31,066,725	47.00%
Acquisition of Assets	6,291,560		6,291,560	4,000,000	2,291,560	63.60%
Other Payments			0		0	
TOTAL	137,367,724	4,367,960	141,735,684	66,443,657	75,292,007	47.70%

- In compensation of employees, use of goods and services, Transfer to government units, other grants and transfers and other payments, there was underutilization. This was caused by delay in the disbursement of funds to the constituency.
- The changes between the original and actual budget was as a result of balance brought forward from the previous year and funds for previous year received in the current year.

The NGCDF-MANDERA EAST Constituency financial statements were approved on 07/06/2021 and signed by:

Fund Account Manager
Name: Dr. Mohamud Gedi

Sub-County Accountant
Name: Yuniis Ali

ICPAK Member Number: 27901

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,951,200	44,949	4,996,149	4,293,154	702,995
1.2 Committee allowances	1,248,000		1,248,000	990,000	258,000
1.3 Use of goods and services	2,042,863	657,176	2,700,039	2,042,862	657,177
2.0 Monitoring and evaluation			-		-
2.1 Capacity building	1,500,000		1,500,000		1,500,000
2.2 Committee allowances	1,500,000		1,500,000	1,404,000	96,000
2.3 Use of goods and services	1,121,032		1,121,032	116,487	1,004,545
3.0 Emergency	7,198,241		7,198,241	7,100,000	98,241
4.0 Bursary and Social Security			-		-
4.2 Secondary Schools	12,000,000	1,212,384	13,212,384		13,212,384
4.3 Tertiary Institutions	12,000,000		12,000,000		12,000,000
5.0 Sports	2,747,354		2,747,354	2,747,354	- 0
6.0 Environment	2,747,354		2,747,354		2,747,354
7.0 Primary Schools Projects			-		-
(List all the Projects)		19	-		-

7.1 Aresa Primary School		2,000,000		2,000,000		2,000,000
7.2 Aresa Primary School		250,000		250,000		250,000
7.3 Aresa primary school		650,000		650,000		650,000
7.4 Tawakal Primary school		2,000,000		2,000,000	2,000,000	-
7.5 Tawakal Primary School		325,000		325,000	325,000	-
7.6 Bula Mpya Primary School		2,000,000		2,000,000	2,000,000	-
7.7 Bula Mpya Primary school		487,500		487,500		487,500
7.8 Hareri Primary school		2,000,000		2,000,000		2,000,000
7.9 Hareri Primary school		211,250		211,250		211,250
7.10 Kamor Primary school		2,000,000		2,000,000	2,000,000	-
7.11 Kamor Primary school		325,000		325,000	325,000	-
7.12 Kamor Primary school		1,646,369		1,646,369	1,646,369	0
7.13 Sunnah Intergrated		2,000,000		2,000,000		2,000,000
7.14 Sunnah Intergrated		1,000,000		1,000,000		1,000,000
7.15 Libahiya Pri School		2,000,000		2,000,000		2,000,000
7.16 Libahiya Pri School		2,000,000		2,000,000		2,000,000
7.17 Odha Primary School		1,000,000		1,000,000		1,000,000
7.18 Sarohindi Primary School		2,000,000		2,000,000		2,000,000
7.19 Farey Primary school		2,000,000		2,000,000		2,000,000
7.20 Farey Primary School		1,000,000		1,000,000		2,000,000

							1,000,000
7.21 Sharifilley Primary school		1,000,000			1,000,000	1,000,000	-
7.22 Bella Primary school		650,000			650,000		650,000
7.23 Township primary school		650,000			650,000		650,000
7.24 Dusey Primary school		325,000			325,000		325,000
7.25 Barwago Primary school		2,000,000	800,000		2,800,000	2,800,000	-
7.26 Khalilo Primary school		2,000,000			2,000,000		2,000,000
7.27 Access road to primary school		3,000,000			3,000,000	3,000,000	-
7.28 Aresa Primary School			653,451		653,451	653,451	-
8.0 Secondary Schools Projects (List all the Projects)					-		-
8.1 Neboi Secondary school		4,000,000			4,000,000	4,000,000	-
8.2 Neboi Secondary school		500,000			500,000		500,000
8.3 Neboi Secondary school		250,000			250,000	250,000	-
8.4 Mandera secondary school		4,000,000			4,000,000	4,000,000	-
8.5 Mandera secondary school		500,000			500,000		500,000
8.6 Moi girls secondary school		4,000,000			4,000,000	4,000,000	-
8.8 Moi girls secondary school		500,000			500,000		500,000
8.9 Khalilio Girls secondary school		4,000,000			4,000,000		4,000,000
8.10 Khalalio Girls Secondary school		500,000			500,000		500,000

8.11 Shafshafey Day Boy's secondary school	2,000,000		2,000,000		2,000,000
8.12 Shafshafey Day Boy's secondary school	250,000		250,000		250,000
8.13 Arabia Boys secondary school	2,000,000		2,000,000		2,000,000
8.14 Kamor Girls secondary school	2,000,000		2,000,000		2,000,000
8.15 Kamor girls secondary school	250,000		250,000		250,000
8.16 Mandera east sub county education office	3,000,000		3,000,000		-
8.17 Access road between Kamor secondary and Kamor primary	4,000,000		4,000,000		-
9.0 Tertiary institutions Projects (List all the Projects)			-		-
10.0 Security Projects			-		-
10.1 Mandera central police station	1,000,000		1,000,000		-
10.2 Libahiya's Chiefs office	2,000,000		2,000,000		2,000,000
10.3 Busley chiefs office	1,000,000		1,000,000		1,000,000
10.4 Aresa-Kurtunle security road	4,000,000		4,000,000		-
10.5 Central police line	1,000,000		1,000,000		-
10.6 Central police line	750,000		750,000		-
10.7 Bula Jamburia chiefs office	2,000,000		2,000,000		2,000,000
10.8 Garaba Qoley Chiefs camp	1,000,000		1,000,000		1,000,000
10.9 Deputy County commissioner Mandera East sub county	1,000,000		1,000,000		-
10.10 Andado Chiefs office	22	500,000	500,000	500,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA
EAST CONSTITUENCY**

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

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-MANDERA 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.

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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

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

External Assistance

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

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

6. Cash and Cash Equivalents

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

SIGNIFICANT ACCOUNTING POLICIES

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity 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.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

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 2020.

14. Errors

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

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

15. Related Party Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	B030095		10,000,000
Normal Allocation	B042794		10,000,000
	A724470		11,000,000
	B030493		23,000,000
	B006440		6,000,000
	B047515		49,040,875
	B047273	2,453,451	
	B041121	4,000,000	
	B047735	7,000,000	
	B047966	9,000,000	
	B049368	19,000,000	
	B041316	20,000,000	
	B1014392	9,000,000	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		70,453,451	109,040,875

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	3,165,394	3,585,051
Personal allowances paid as part of salary	56,400	
Pension and other social security contributions (Gratuity)	1,071,360	
Employer Contributions Compulsory national social security schemes		270,000
Total	4,293,154	3,855,051

3. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,394,000	5,532,380
Utilities, supplies and services	2,159,349	273,121
Printing, advertising and information supplies & services		1,394,014
Other operating expenses		927,124
Routine maintenance – vehicles and other transport equipment		59,457
Electricity		10,000
Fuel, Oil and Lubricants		287,767
Total	4,553,349	8,483,963

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools (see attached list)	12,749,800	26,218,021
Transfers to secondary schools (see attached list)	15,250,000	46,890,043
TOTAL	27,999,800	73,108,064

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools		14,426,668
Bursary – tertiary institutions		16,169,994
Security projects	8,750,000	11,500,000
Sports projects	2,747,354	2,280,000
Environment projects		280,000
Emergency projects	7,100,000	2,931,000
Roads	7,000,000	5,000,000
Total	25,597,354	52,587,662

6. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Construction of Buildings	4,000,000	10,249,139
Total	4,000,000	10,249,139

7. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	-

8A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
A/C No. 1000296543528	5,924,283	1,914,509
Total	5,924,283	1,914,509

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MANDERA
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 . BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	1,914,509	41,206,858
Total	1,914,509	41,206,858

10.1: UNUTILIZED FUND (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	702,995	415,566
Use of goods and services	3,515,722	370,617
Amounts due to other Government entities (see attached list)	37,048,250	
Amounts due to other grants and other transfers (see attached list)	29,747,355	1,498,943
Acquisition of assets	2,291,560	
	73,305,882	2,285,126

10.2: PMC account balances (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)		30,083
TOTAL		30,083

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

ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		702,995		
Use of goods & services		3,515,722		
Amounts due to other Government entities				
Aresa Primary School	Construction of Two classrooms	2,000,000		
Aresa Primary School	Purchase of 200 desks	650,000		
Aresa Primary School	Construction of two pit latrines	250,000		
Tawakal Primary	Completion of two classrooms	2,000,000		
Tawakal Primary School	Purchase of 100 desks	325,000		
Bulla Mpya Primary School;	Purchase of 150 desks	487,500		
Hareri Primary school	Completion of two no classrooms	2,000,000		
Hareri Primary school	Purchase of 65 desks	211,250		
Sunnah Intergrated	Completion of 2 No classrooms	2,000,000		
Sunnah Intergrated	Construction of underground water tank	1,000,000		
Libehia Primary School	Construction of Two classrooms	2,000,000		
Libehia Primary School	Renovation of 6 no Classrooms	2,000,000		
Odda Primary School	Renovation of 3 classrooms	1,000,000		
Sarohindi Primary School	Construction of 2 No classrooms	2,000,000		
Farey primary School	Construction of 2 classrooms	2,000,000		
Farey Primary school	Construction of underground water tank	1,000,000		

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

Bella Primary School	Purchase of 200 desks	650,000		
Township Primary School	Purchase of 200 desks	650,000		
Duse Primary School	Purchase of 100 desks	325,000		
Khalalio Primary School	Construction of administration block	2,000,000		
Purchase of beds(MSS,Moi Girls,neboi and Khalalio Sec 80 beds each)	Purchase of beds@500,000 each school	2,000,000		
Khalalio Girls Sec School	Construction of Dormitory	4,000,000		
Shafshafey Boys Sec	Construction of 2 classrooms	2,000,000		
Shafshafey Boys Sec	Construction of 2 latrines	250,000		
Arabia Boys Sec school	Construction of Admin Block	2,000,000		
Kamor Girls sec School	Construction of 2 classrooms	2,000,000		
Kamors Girls Sec	Construction of 2 latrines	250,000		
Sub-Total		37,048,250		
Amounts due to other grants and other transfers				
Bursary(Tertiary)	Bursary for Unive/college students	12,000,000		
Bursary(secondary)	Bursary for Secondary students	12,000,000		
Environment	Environmental activities	2,747,355		
Garbogoley Chief	Fencing of Chief Camp	1,000,000		
Libehia Chief Camp	Construction of Chief's office	2,000,000		
Sub-Total		29,747,355		
Acquisition of assets		2,291,560		
Grand Total		73,305,882		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX – ANNEX 2 –PMC BANK BALANCES AS AT 30TH JUNE 2019

S/NO	INSTITUTION	BANK	A/C NO	2018-2019	2019-2020
1	ARESA GIRLS	EQUITY	265528400	13,814.00	
3	KHALALIO SEC	EQUITY	1773466994	4,305.00	
5	KAMOR SEC	EQUITY	277445257	215.00	
6	NEBOI SEC	EQUITY	176849607	815.00	
8	HARERI PMC	EQUITY	26587933	10,933.90	
				30,082.90	

ANNEX 3– SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Additions	Disposal	Historical Cost
	(Kshs)	During the	During the	(Kshs)
	2018-2019	Year(Ksh)	Year (kshs)	2019-2020
Land	-			-
Buildings and structures	14,249,139	4,000,000		18,249,139
Transport equipment	6,809,959			6,809,959
Office equipment, furniture and fittings	1,115,000.00			1,115,000.00
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	4,000,000		26,347,098

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

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)
MANDERA EAST/CDF/13	Cash & Cash Equivalents - Kshs. 448768	Stale cheques has been receipted back in the cashbook	Mohamud Gedi- FAM	Resolved	Resolved
MANDERA EAST/CDF/13	Unimplemented Projects – Kshs. 6,177,027.00	ICT Hub funds reallocated to construction of NG-CDF office and strategic plan has been implemented	Mohamud Gedi- FAM	Resolved	Resolved
MANDERA EAST/CDF/13	Irregular Allocation of Bursary Funds	NG-CDFC has through a minuted resolution developed criteria for the award of bursary. Bursary award done at the sub-location level	Mohamud Gedi- FAM	Resolved	Resolved

