

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 13 AUG 2024 Tuesday **REPORT**

TABLED BY: Hon. Naomi Wigo
Deputy Majority Party Whip
OF
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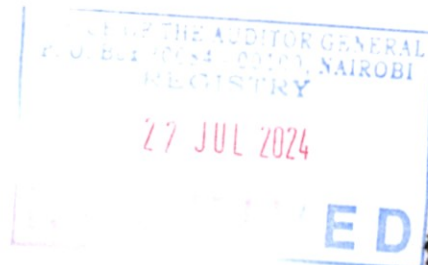
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ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**



MANDERA SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund
NG-CDFB- National Government Constituency Development Fund Board
NASC-National Assembly Select Committee
FAM-Fund Account Manager
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC- Project Management committee.
FY-Financial Year
PLWD-Persons Living with Disabilities

ii. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Adan Salah Mustafa
2.	Sub-County Accountant	John Munyao Mutonya
3.	Chairman NGCDFC	Abdirashid Maalim
4.	Member NGCDFC	Ramla Adan Ibrahim

(c) Fiduciary Oversight Arrangements

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

(d) Mandera South Constituency NGCDF Headquarters

P.O. Box 10-70301
NG-CDF office block
Mandera South Sub-County Headquarter
Elwak, Kenya

(e) Mandera South Constituency NGCDF Contacts

Telephone: (254) 721726301
E-mail: cdfmanderasouth.ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Mandera South Constituency NGCDF Bankers
Equity Bank (A/C no. 100026117664)
Mandera Branch

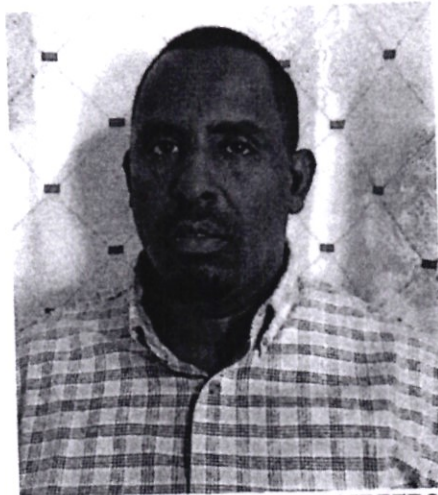
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDF Chairman's Report



ABDIRASHID MAALIM. CHAIRPERSON
NG-CDF MANDERA SOUTH CONSTITUENCY

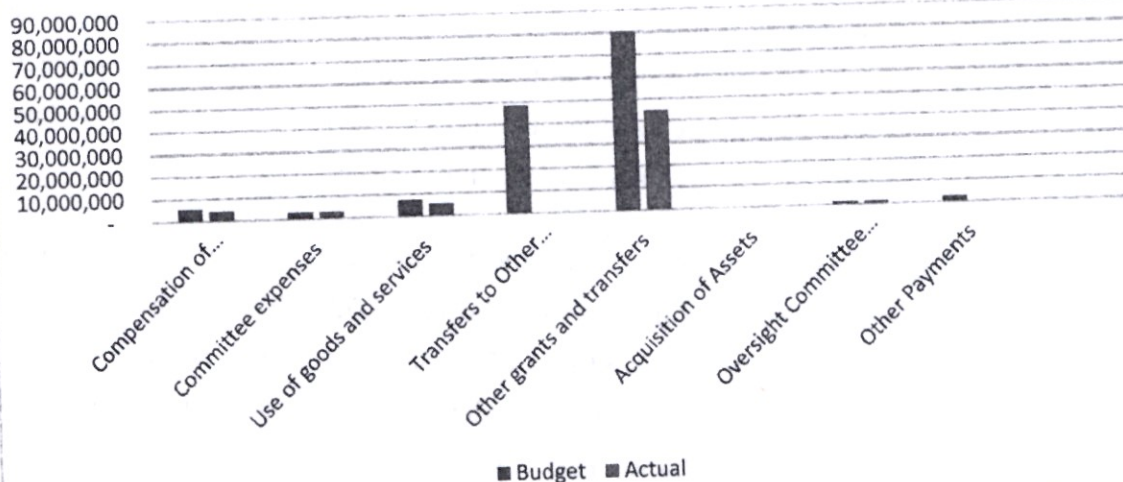
The National Government Constituencies Development Fund (NG-CDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NG-CDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National government functions at the local level and particularly those that provide basic needs like education, social welfare, and security and education bursaries.

I present our constituency Annual Report and Financial Statements for the year ended 30th June 2023. The total receipts from the NGCDF board for the year 2022/2023 was Kshs. 87, 000,000 against the annual budget (allocation) of Kshs145, 087,603. Out of the Kshs. 87,000,000 that was received in the year, the constituency was able to undertake various activities. However, bursary took the higher share of Kshs. 36,922,550. This was geared towards ensuring the school going children did not miss out of school. The performance per sector is as per the illustration of the graph below.

Actual absorption of funds



BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS



KEY ACHIEVEMENTS

The constituency has greatly benefited from NG-CDF notably in the sectors of education, the bursary funds have benefitted over 366 needy students both in tertiary and secondary across the constituency during the year. The constituency also committed Kshs 15,000,000 towards scholarship for 150 students studying degree in Education at Garrissa University to supplement Local teachers.

EMERGING ISSUES

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

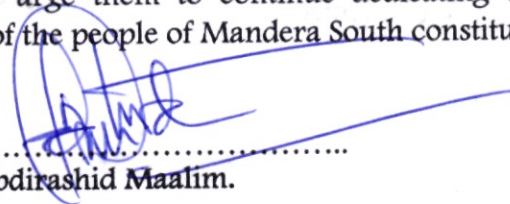
With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increased in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

IMPLEMENTATION CHALLENGES AND SOLUTIONS

- Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The numbers of needy students are many compared to the available funds for the same. However, we have been able to seek for help from other government organizations on the same and enable most of the needy students get scholarships. We also wish to increase the amount allocated to bursary funds in the coming financial years.
- The range of Staff Salaries amount paid to the employees at the constituency level doesn't attract those who are capable of delivering as per the requirements set by the Board. However, we have been always able to do continuous capacity Building and Training where necessary for our staff to enable them deliver.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise, the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.

I thank the people who worked tirelessly to ensure that the committee executes its mandate during the year and urge them to continue dedicating their energies towards meeting development expectations of the people of Mandera South constituency.


.....
Name: Abdirashid Maalim.

CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of Mandera South *Constituency 2012-2027 plan* are to:

- a) To enhance performance in primary and secondary schools by enhancing infrastructure
- b) To improve the current security infrastructures
- c) To improve the current sports & creative art kits
- d) To improve the current environmental conservation
- e) To create new structures for governance & HR issues

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 Sector	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 physical infrastructure build in primary, secondary, and tertiary institutions - A big number of beneficiaries were issued with bursary's beneficiaries at all levels 	In FY 2022/ 23 - We issued bursary to both tertiary and secondary schools There were 366 beneficiaries for Secondary Schools and 1,200 beneficiaries for Tertiary Institutions. The constituency also committed Ksh 15,000,000 towards scholarship for 150 students studying degree in Education at Garrissa University to supplement Local teachers.
Security	To have adequate infrastructure for the security groups	Increased infrastructure	No of security project implemented.	The fund for security has been disbursed and implementation Of 25 projects underway.
Environment	Purchase and installation of	Clean environment.	Number of water tanks installed for clean water	The fund for Enviroment has been disbursed and purchase of

Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

	gutters for water harvesting, Installation of sewer lines and purchase water tanks.	More clean water harvesting	harvesting.	ksh 75,000 litres water tank and installation of gutters at Wargadud primary School underway.
Emergency	The constituency spent the emergency funds on the unforeseen occurrences that affected the various institutions	Reduce loss of live and properties	Number of emergency cases solved.	We purchased and distributed water to the locals who were affected by severe drought. We also Renovated 6 classroom roof that were swept by storms.

V. Statement of Governance
Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NG-CDFC

The NGCDF Regulation 2016 on appointment of NGCDFC members states; the members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya
Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel; the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the

Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members.

Process

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NGCDF committee. Mandera South invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency.

The selection panel developed a short listing criterion which enabled picking of the nominees. Two additional nominees were proposed by Mandera South Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Abdrashid Maalim Mohamed	Male (Adult)	Elwak North
2.	Ibrahim Saman Maalim	Male (Youth)	Wargadud
3.	Fatuma Adan Alio	Female (Adult)	Elwak South
4.	Ramla Adam Ibrahim	Female (Youth)	Elwak South

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Shukrio Maalim Ali	One leg out	Elwak North

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Abass Hassan Ibrahim	Male representative	Kutulo
2	Barwaqa Mohamed Adan	Female Representative	Shimbir Fafuma

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Mohamed Ibrahim Abdi	Male	Elwak south

The members went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Abdirashid Maalim Mohamed
2. Secretary position – Ramla Adam Ibrahim

The board presented the names of the above selected members to the national assembly for approval. The members were approved and gazetted through gazette number 254 Vol.-CXXIV on 29th November 2022. The first Meeting was held on 9th, January 2023.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.

- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Mandera South the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Garrisa on 12th -18th March 2023. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Mandera South.

**Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
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Number of meetings held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC Mandera South held sixteen meetings and two subcommittee meetings.

S/NO.	NG-CDFC COMMITTEE MEMBERS	Octr 3rd 2022	nov 2rd 2022	SEP 6th 2022	Dec 14th 2022	JAN 9TH 2023	Jan 26th 2023	Feb 27th 2023	FEB 24TH 2023	Mar 13 2023	Apr 20th 2023	Apr 28th 2023	May 23rd 2023	June 20th 2023	JUNE 29th 2023
1	Abdrashid Maalim Mohamed chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ramla Adam Ibrahim Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Ibrahim Saman Maalim				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Fatuma Adan Alio	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Shukrio Maalim Ali				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Abbas Hassan Ibrahim	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Barwaqa				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless Institution required by law.
- Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- Leadership- NGCDFC members should promote leadership in the constituency.
- During the financial year 2022/2023 members of NGCDFC Mandera South adhered to the above ethical issues.

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Mandera South contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Mandera South has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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 reporting period, Mandera south implemented three water harvesting projects in the security sector.

3. Employee welfare

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

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

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in

place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Mandera South 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, 2023. 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 South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Mandera South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

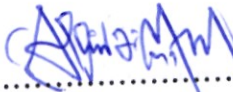
The Accounting Officer in charge of the NGCDF Mandera South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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



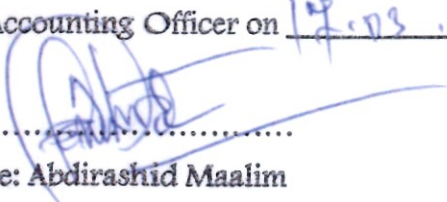
.....
Name: Adan Salah Mustafa.

Fund Account Manager.

the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

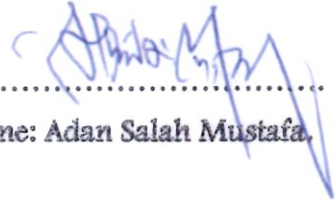
Approval of the financial statements

The NGCDF- Mandera South Constituency financial statements were approved and signed by the Accounting Officer on 17.03.2023 2023



.....
Name: Abdirashid Maalim

Chairman – NGCDF Committee



.....
Name: Adan Salah Mustafa

Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera South Constituency set out on pages

1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 South Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unaccounted for Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects other grants and transfers amounting to Kshs.44,522,550. Included in the amount are bursary disbursements of Kshs.3,032,000 to secondary schools and Kshs.33,890,550 to tertiary institutions to support education for the needy students. Review of payment vouchers and other supporting documents revealed that bursary disbursements amounting to Kshs.952,500 and Kshs.2,522,000 disbursed to various secondary schools and tertiary institutions respectively were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of bursary disbursements amounting to Kshs.3,474,500 could not be confirmed.

2. Summary of Fixed Assets Register

Annex 4 of the financial statements reflects a summary of fixed assets register with a balance of Kshs.28,500,000 as at 30 June, 2023. Included in the balance are buildings and other structures valued at Kshs.27,000,000. However, the value of land on which the buildings and other structures are located was not disclosed in the Annex and ownership documents were not provided for audit. In addition, the fixed assets register was not maintained as per requirements of IPSAS 17 that requires identification or serial number, accumulated depreciation and net book value.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.28,500,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies - Mandera South Constituency Management in accordance with ISSAI 130 on Code of

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.148,742,656 and Kshs.90,655,052 respectively, resulting in an under-funding of Kshs.58,087,603 or 39% of the budget. Similarly, the Fund spent Kshs.58,792,706 against actual receipts of Kshs.90,655,052 resulting to under-utilization of Kshs.31,862,346 or 35% of the actual receipts.

The under-funding and under-utilization affected planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Open Deposit Holding Account

The Fund did not open a deposit holding account as required by Section 7(1)(A) of the National Government - Constituency Development Fund (Amendment) Act, 2022 which provides that each constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.

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

2. Emergency Projects

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects other grants and transfers of Kshs.44,522,550. Included in the amount

is Kshs.7,600,000 incurred on emergency projects. However, the Fund Management did not report to the National Government Constituencies Development Fund Board on the utilization of the emergency funds within 30 days as stipulated in regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

2. Delay in Implementation of Projects

During the year under review, Management of the Fund budgeted to implement a total of seventy (70) projects under various sectors with a total budget allocation of Kshs.81,639,694. The projects comprised of thirty-nine (39) education projects, twenty-five (25) security projects, one (1) sports project, one (1) environment project, one (1) project on strategic plan and emergency projects. However, only three (3) emergency projects with a total contract sum of Kshs.7,600,000 were completed while sixty-seven (67) projects with a budget of Kshs.74,039,694 had not started.

Delay in implementation of projects denied the residents of the Constituency the expected services.

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 complying, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its 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 terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 Fund's 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2024

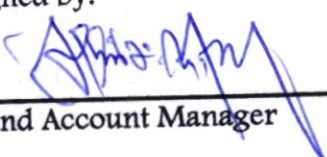
Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

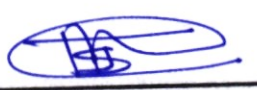
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

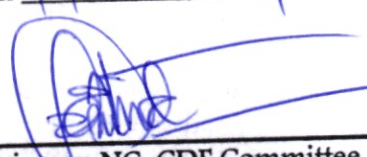
	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		87,000,000	182,177,758
PAYMENTS			
Compensation of employees	4	4,375,433	5,070,250
Committee expenses	5	3,023,400	3,415,000
Use of goods and services	6	5,471,323	13,169,041
Transfers to Other Government Units	7	-	151,767,121
Other grants and transfers	8	44,522,550	39,935,000
Acquisition of Assets	9	-	16,000,000
Oversight Committee Expenses	10	1,400,000	-
Other Payments	11	-	-
TOTAL PAYMENTS		58,792,706	229,356,412
SURPLUS/DEFICIT		28,207,294	(47,178,654)

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

The Constituency financial statements were approved by the NGCDFC on 17.03.2023 and signed by:


 Fund Account Manager
 Name: Adan Salah Mustafa


 National Sub-County Accountant
 Name: John M Mutonya


 Chairman NG-CDF Committee
 Name: Abdirashid Maalim

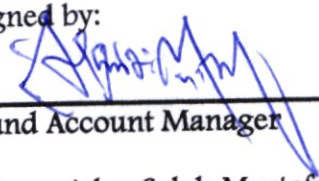
**Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

X. Statement of Assets and Liabilities As At 30th June, 2023


	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	31,862,346	1,912,352
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		31,862,346	1,912,352
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		31,862,346	1,912,352
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		31,862,346	1,912,352
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	1,912,352	49,091,006
Prior year adjustments	16	1,742,700	-
Surplus/Deficit for the year		28,207,294	(47,178,654)
NET FINANCIAL POSITION		31,862,346	1,912,352

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

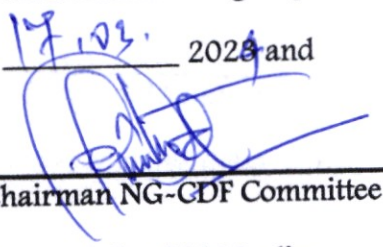
The Constituency financial statements were approved by NG CDFC on 17.03.2023 and signed by:


Fund Account Manager

Name: Adan Salah Mustafa


National Sub-County
Accountant

Name: John Munyao Mutonya.


Chairman NG-CDF Committee

Name: Abdirashid Maalim.

Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Statement Of Cash Flows for The Year Ended 30th June 2023

		2022-2023	2021-2022
		Kshs	Kshs
Transfers from NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	-	-
		87,000,000	182,177,758
Payments for operating activities			
Compensation of Employees	4	4,375,433	5,070,250
Committee expenses	5	3,023,400	3,415,000
Use of goods and services	6	5,471,323	13,169,041
Transfers to Other Government Units	7	-	151,767,121
Other grants and transfers	8	44,522,550	39,935,000
Oversight Committee Expenses	10	1,400,000	-
Other Payments	11	-	-
		58,792,706	213,356,412
Adjusted for:			
Decrease/ (Increase) in Accounts receivable	17	-	-
Increase/ (Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	1,742,700	-
Net Adjustments		1,742,700	-
Net cash flow from operating activities		29,949,994	(31,178,654)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(16,000,000)
Net cash flows from Investing Activities		-	(16,000,000)
		29,949,994	(47,178,654)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	12	1,912,352	49,091,006
Cash and cash equivalent at END of the year		31,862,346	1,912,352


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

The Constituency financial statements were approved by NG CDFC on 17.03.2023 and

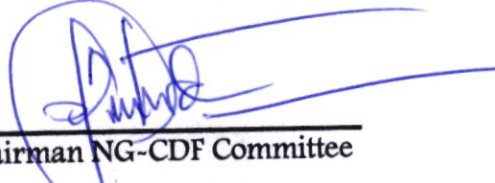
signed by:


 Fund Account Manager

Name: Adan Salah Mustafa.


 National Sub-County Accountant

Name: John Muniyao Mutonya.


 Chairman NG-CDF Committee

Name: Abdirashid Maalim.

*Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	3,655,052	-	148,742,656	90,655,052	58,087,603	61%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
Totals	145,087,603	3,655,052	-	148,742,656	90,655,052	58,087,603	61%
Payments							
Compensation Of Employees	5,532,722	58,800	-	5,591,522	4,375,433	1,216,089	78%
Committee Expenses	3,032,000	805,600	-	3,837,600	3,023,400	814,200	79%
Use Of Goods and Services	4,493,162	2,166,752	-	6,659,914	5,471,323	1,188,591	82%
Transfers To Other Government Units	48,400,000	-	-	48,400,000	-	48,400,000	0%
Other Grants and Transfers	79,578,843	623,900	-	80,202,743	44,522,550	35,680,193	56%
Acquisition of Assets	-	-	-	-	-	-	-
Oversight Committee Expenses	1,450,876	-	-	1,450,876	1,400,000	50,876	96%
Other Payments	2,600,000	-	-	2,600,000	-	2,600,000	0%
Funds Pending Approval**	-	-	-	-	-	-	-
Totals	145,087,603	3,655,052	-	148,742,655	58,792,706	89,949,949	40%

**Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Explanatory Notes.

- a. Kshs 58,087,603 was an amount for Financial Year 2022/2023 that had not been received from the NG CDF Board as at 30 June 2023.
- b. Kshs 3,655,052 was unutilized funds for Financial Year 2021/2022 in the cashbook as at 30 June 2023.
- c. The funds received relating to Financial Year 2022/2023 was appropriated to bursary therefore most infrastructure projects were not initiated by the closure of the year.
- d. Compensation of employees was underutilized due to
- e. Committee expenses was underutilized due to
- f. Use of goods and services was underutilized due to
- g. Transfers to other government units was underutilized due to
- h. Other grants and transfers
- i. Other payments

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	89,949,949
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	31,862,346
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	31,862,346


The Constituency financial statements were approved by NG CDFC on 17.03.2023 and signed by:


Fund Account Manager

Name: Adan Salah Mustafa


National Sub-County Accountant

Name: John M Mutonya
ICPAK M/No: None.


Chairman NG-CDF Committee

Name: Abdirashid Maalim

***Mandera South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,532,722	58,800	-	5,591,522	4,375,433	1,216,089
1.2 Committee allowances	1,594,000	805,600	-	2,399,600	1,795,300	604,300
1.3 Use of goods and services	1,578,534	2,166,752	-	3,745,286	3,070,200	675,086
Sub-total	8,705,256	3,031,152	-	11,736,408	9,240,933	2,495,475
2.0 Monitoring and evaluation						
2.1 Capacity building	2,414,000	-	-	2,414,000	1,938,100	475,900
2.2 Committee allowances	1,438,000	-	-	1,438,000	1,228,100	209,900
2.3 Use of goods and services	500,628	-	-	500,628	463,023	37,605
Sub-total	4,352,628	-	-	4,352,628	3,629,223	723,405
3.0 Emergency						
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilized	7,636,190	-	-	7,636,190	7,600,000	36,190
Sub-total	7,636,190	-	-	7,636,190	7,600,000	36,190
4.0 Bursary and Social Security						
4.1 Primary Schools						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	5,000,000	200,900	-	5,200,900	3,032,000	2,168,900
4.3 Tertiary Institutions	43,939,149	423,000	-	44,362,149	33,890,550	10,471,599
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
Sub-total	48,939,149	623,900	-	49,563,049	36,922,550	12,640,499
5.0 Sports						
5.1	2,901,752	-	-	2,901,752	-	2,901,752
5.2	-	-	-	-	-	-
Sub-total	2,901,752	-	-	2,901,752	-	2,901,752
6.0 Environment						
Wargadud Primary School- Construction of 75,000 Litres Underground Water Tank	2,901,752	-	-	2,901,752	-	2,901,752
6.3	-	-	-	-	-	-
Sub-total	2,901,752	-	-	2,901,752	-	2,901,752
7.0 Primary Schools Projects (List all the Projects)						
Bulla Afya Primary School- Supply of 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Burmayo South Primary School- Construction of 2 Toilets	500,000	-	-	500,000	-	500,000
Charifuda Primary School- Supply of 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Chief Mohamed Jari Primary School- Renovation to Completion of 3 Classrooms	900,000	-	-	900,000	-	900,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
chief Mohamed Jari Primary School- Purchase & Supply of 100 wooden Desks	500,000	-	-	500,000	-	500,000
Chief Mohamed Jari Primary School- Construction of 2 Door Toilet for Junior Secondary School	500,000	-	-	500,000	-	500,000
Chief Mohamed Jari Primary School- Construction of 1 45 student Capacity Laboratory	2,500,000	-	-	2,500,000	-	2,500,000
Elagarsu Primary School- Construction to Completion of 1 45 Capacity Laboratory for Junior Secondary	2,500,000	-	-	2,500,000	-	2,500,000
Elagarsu Primary School- Purchase & Supply of 100 wooden Desks	500,000	-	-	500,000	-	500,000
Elagarsu Primary School- Construction to Completion of 4 Door Toilet	1,000,000	-	-	1,000,000	-	1,000,000
Falama Primary School- Supply of 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Gode Primary School- Supply 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Gode Primary School- Construction to Completion of 1 45 Student Capacity Laboratory For Junior Secondary	2,500,000	-	-	2,500,000	-	2,500,000
Mitita Primary School- Construction to Completion of 2 door Toilet	500,000	-	-	500,000	-	500,000
Mitita Primary School- Construction to Completion of Chain Link Fence with Concrete posts of 1200 Metres	4,000,000	-	-	4,000,000	-	4,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Senior Chief Adawa Primary School- Construction of 1 45 student Capacity Laboratory for Junior Secondary	2,500,000	-	-	2,500,000	-	2,500,000
Shimpir Fatuma Primary School- Construction to Completion of 1 45 student Capacity Laboratory for Junior Secondary	2,500,000	-	-	2,500,000	-	2,500,000
Elele Primary School- Supply of 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Gesrebki Primary School- Construction to Completion of 2 Classrooms	1,700,000	-	-	1,700,000	-	1,700,000
Gesrebki Odha Primary School- Supply of 100 wooden Desks	500,000	-	-	500,000	-	500,000
Mitita Primary School- Purchase & Supply of 100 Wooden Desks	500,000	-	-	500,000	-	500,000
Wargadud Primary School- Construction to Completion of 1 45 Student Capacity Laboratory for Junior Secondary	2,500,000	-	-	2,500,000	-	2,500,000
Sub-total	28,600,000	-	-	28,600,000	-	28,600,000
8.0 Secondary Schools Projects (List all the Projects)						
Chief Mohamed Jari Secondary School- Purchase & Supply of 100 Wooden Desks	700,000	-	-	700,000	-	700,000
Borehole 11 Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Chief Mohamed Jari Secondary	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School- Purchase & Supply of Laboratory Equipments						
Darul Hikma Secondary School- Purchase of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Elagarsu Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Elwak Girls Secondary School- Construction of 45 student Capacity Library	1,000,000	-	-	1,000,000	-	1,000,000
Elwak Secondary School- Purchase of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Fincharo Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Kotulo Model Girls Secondary School- Purchase & Supply of 100 Metallic/ Wooden Lockers and Chairs	700,000	-	-	700,000	-	700,000
Kotulo Model Girls Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Shimpir Fatuma Secondary School- Purchase & Supply of Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Tawakal Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Wargadud Secondary School- Construction to Completion of 5 Door Toilets	1,250,000	-	-	1,250,000	-	1,250,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Wargadud Secondary School- Purchase & Supply of Laboratory Equipments	1,500,000	-	-	1,500,000	-	1,500,000
Sub-total	18,650,000	-	-	18,650,000	-	18,650,000
9.0 Tertiary institutions Projects (List all the Projects)						
Elwak Technical Training Institute- Purchase & Supply- Purchase & Supply & Delivery of 10,000 Litres Plastic Water Tank	400,000	-	-	400,000	-	400,000
Elwak Technical Training Institute- Purchase & Supply- Construction to Completion of 3 door toilets	750,000	-	-	750,000	-	750,000
Sub-total	1,150,000	-	-	1,150,000	-	1,150,000
10.0 Security Projects						
Bulla Afya Chief's Office- Construction to Completion of 1 room Chief's Office	800,000	-	-	800,000	-	800,000
bulla Afya Chief's Office- Purchase of Furniture	200,000	-	-	200,000	-	200,000
Bulla Afya Chief's Office- Construction to Completion of 2 Door Toilets	500,000	-	-	500,000	-	500,000
Burmayo Police Post- Construction of 2 Door Toilet	500,000	-	-	500,000	-	500,000
Deputy County Commissioner Mandera Central- Purchase of Office Furniture	500,000	-	-	500,000	-	500,000
deputy County Commissioner Mandera Central- Construction to	500,000	-	-	500,000	-	500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Completion of 2 door Toilet						
Elele Quick Response Unit- Construction of 2 door Toilet	500,000	-	-	500,000	-	500,000
Elwak Border Patrol Unit- Fortification/Excavation to Completion of Trenches	2,000,000	-	-	2,000,000	-	2,000,000
Elwak Police Station- Construction & Connection of Septic Tank	500,000	-	-	500,000	-	500,000
Elwak police Station- Construction to Completion of Concrete Perimeter Wall	2,000,000	-	-	2,000,000	-	2,000,000
Elwak South Chief's Office- Construction to Completion of 1 Room Chief's Office	800,000	-	-	800,000	-	800,000
Elwak South Chief's Office- Construction to Completion of 2 Door Toilets	500,000	-	-	500,000	-	500,000
Elwak South Chief's Office- Purchase of Office Furniture	200,000	-	-	200,000	-	200,000
Elwak Town Chief's Office- Construction to Completion of 1 Room Chief's Office	800,000	-	-	800,000	-	800,000
Elwak Town Chief's Office- Purchase of Office Furniture	200,000	-	-	200,000	-	200,000
Elwak Town Chief's Office- Construction to Completion of 2 Door Toilets	500,000	-	-	500,000	-	500,000
Mandera Central Criminal Investigation Office- Construction to Completion of 3 Roomed Office Block	2,000,000	-	-	2,000,000	-	2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mandera Central Criminal Investigation Office- Purchase of Office Furniture	700,000	-	-	700,000	-	700,000
Udole Chief's Office- Construction to Completion of 1 Room Chief's Office	800,000	-	-	800,000	-	800,000
Udole Chief's Office- Purchase of Office Furniture	200,000	-	-	200,000	-	200,000
Udole Chief's Office- Construction to Completion of 2 Door Toilet	500,000	-	-	500,000	-	500,000
Wante Chief's Office- Construction to Completion of 1 Room Chief's Office	800,000	-	-	800,000	-	800,000
Wante Chief's Office- Purchase of Office Furniture	200,000	-	-	200,000	-	200,000
Wante Chief's Office- Construction to Completion of 2 Door Toilet	500,000	-	-	500,000	-	500,000
Wargadud Police Line- Construction to Completion of 2 Door Toilets	500,000	-	-	500,000	-	500,000
Sub-total	17,200,000	-	-	17,200,000	-	17,200,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total						
12.0 Oversight Committee Expenses (itemize)						
Accommodation- Domestic Travel	50,000	-	-	50,000	50,000	-
Constituency Allowances	100,000	-	-	100,000	100,000	-
Daily Subsistence Allowance	400,000	-	-	400,000	400,000	-
Travel Costs	50,000	-	-	50,000	50,000	-
Hire of Transport	320,000	-	-	320,000	300,000	20,000
Hire of Training Facilities	80,000	-	-	80,000	75,000	5,000
Other Committee Expenses	450,876	-	-	450,876	425,000	25,876
Sub-total	1,450,876	-	-	1,450,876	1,400,000	50,876
13.0 Others						
13.1 Strategic Plan						
Mandera South NG-CDF Strategic Plan- To Facilitate in Review & Development of a New 5 Year Constituency Strategic Plan	2,600,000	-	-	2,600,000	-	2,600,000
13.2 Innovation Hub	-	-	-	-	-	-
Sub-total	2,600,000	-	-	2,600,000	-	2,600,000
Funds pending approval**	-	-	-	-	-	-
Total	145,087,603	3,655,052	-	148,742,655	58,792,706	89,949,949

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Mandera South 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.

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)
Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

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 2023.

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
B128609		6,000,000
B155993		11,088,879
B155882		20,088,879
B164351		18,000,000
B105661		44,000,000
B105858		22,000,000
B140997		34,000,000
B128921		12,000,000
B154118		15,000,000
B185160	7,000,000	
B185450	6,000,000	
B206018	5,000,000	
B185703	15,000,000	
B206465	12,000,000	
B205810	12,000,000	
B207572	15,000,000	
B207739	15,000,000	
TOTAL	87,000,000	182,177,758

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. Compensation Of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,319,633	3,875,950
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	998,300
Employer Contributions Compulsory national social security schemes	55,800	196,000
TOTAL	4,375,433	5,070,250

5. Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,580,200	1,515,000
Other committee expenses	1,443,200	1,900,000
TOTAL	3,023,400	3,415,000

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Notes To The Financial Statements (Continued)

6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	2,859,200	4,586,761
Communication, supplies and services	67,000	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	143,000	-
Rentals of produced assets	-	-
Training expenses	465,600	1,500,000
Hospitality supplies and services	480,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,402,720	7,082,280
Fuel , oil & lubricants	-	-
Other operating expenses	28,803	-
Bank Charges	25,000	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	5,471,323	13,169,041

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	-	121,247,121
Transfers to Secondary Schools	-	30,520,000
Transfers to Tertiary Institutions	-	-
TOTAL	-	151,767,121

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Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	3,032,000	-
Bursary -Tertiary (see attached list)	33,890,550	935,000
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	-	29,000,000
Sports Projects (see attached list)	-	-
Environment Projects (see attached list)	-	2,900,000
Emergency Projects (see attached list)	7,600,000	7,100,000
Roads Projects	-	-
TOTAL	44,522,550	39,935,000

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	16,000,000
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	-	16,000,000

10. Oversight Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	1,095,000	-
Other COC expenses	305,000	-
TOTAL	1,400,000	-

11. Other Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TOTAL	-	-

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12. Cash Book Bank Balance

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Equity Bank, A/C no.1000261176664, Branch. (main account)	31,862,346	1,912,352
Bank (deposit account)	-	-
TOTAL	31,862,346	1,912,352
12B: CASH IN HAND)		
	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-
<i>[Provide cash count certificates for each</i>		

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy			
Name of Officer	dd/mm/yy			
Total		-	-	-

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	1,912,352	49,091,006
Cash in hand	-	-
Imprest	-	-
Total	1,912,352	49,091,006
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	1,912,352	49,091,006

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Notes To The Financial Statements (Continued)

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	1,912,352	1,742,700	3,655,052
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	1,912,352	1,742,700	3,655,052

**** The adjusted balances are not carried down on the face of the financial statement.
(Entity to provide disclosure on the adjusted amounts)**

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Notes To the Financial Statements (Continued)

17. Other Important Disclosures

19.1: Unutilized Fund (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,216,089	-
Committee Expenses	814,200	805,600
Use of Goods and Services	1,188,591	1,106,752
Amounts due to other Government entities (see attached list)	48,400,000	-
Amounts due to other grants and other transfers (see attached list)	35,680,193	-
Acquisition of assets	-	-
Oversight Committee Expenses	50,876	-
Others (<i>specify</i>)	2,600,000	-
Funds pending approval		
Total	89,949,949	1,912,352

19.2: PMC account balances (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	2,355	7,735
Total	2,355	7,735

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XVI. Annexes
Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Compensation of Employees- Payment of Staff Basic Salaries to 17 staff	1,216,089	58,800	Ongoing
Committee Expenses	Payment of Committee sitting Allowances	814,200	805,600.00	Ongoing
Use of goods & services	Purchase of Goods and Services	1,188,591	2,166,752.36	Ongoing
Sub-Total		3,218,880	3,031,152	
Amounts due to other Government entities				
Bulla Afya primary school	Primary school projects	500,000		Late Disbursement of Funds
Burmayo South primary school	Primary school projects	500,000		Late Disbursement of Funds
Charifuda primary school	Primary school projects	500,000		Late Disbursement of Funds
Chief Mohamed Jari primary school	Primary school projects	900,000		Late Disbursement of Funds
Chief Mohamed Jari primary school	Primary school projects	500,000		Late Disbursement of Funds
Chief Mohamed Jari primary school	Primary school projects	500,000		Late Disbursement of Funds
Chief Mohamed Jari primary school	Primary school projects	500,000		Late Disbursement of Funds
Chief Mohamed Jari primary school	Primary school projects	2,500,000		Late Disbursement of Funds
Elagarsu Primary school	Primary school projects	2,500,000		Late Disbursement of Funds
Elagarsu Primary school	Primary school projects	500,000		Late Disbursement of Funds
Elagarsu Primary school	Primary school projects	1,000,000		Late Disbursement of Funds
Falama primary school	Primary school projects	500,000		Late Disbursement of Funds
Gode primary school	Primary school projects	500,000		Late Disbursement of Funds
Gode primary school	Primary school projects	2,500,000		Late Disbursement of Funds

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Mitita Primary school	Primary school projects	500,000		Late Disbursement of Funds
Mitita Primary school	Primary school projects	4,000,000		Late Disbursement of Funds
Senior chief Adawa primary school	Primary school projects	2,500,000		Late Disbursement of Funds
Shimpir Fatuma primary school	Primary school projects	2,500,000		Late Disbursement of Funds
Elele primary school	Primary school projects	500,000		Late Disbursement of Funds
Gesrebki primary school	Primary school projects	1,700,000		Late Disbursement of Funds
Gesrebki Odha primary school	Primary school projects	500,000		Late Disbursement of Funds
Mitita Primary school	Primary school projects	500,000		Late Disbursement of Funds
Wargadud primary school	Primary school projects	2,500,000		Late Disbursement of Funds
Chief Mohamed Jari secondary school	Secondary school projects	700,000		Late Disbursement of Funds
Borehole 11 secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Chief Mohamed Jari secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Darul hikma secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Elagarsu secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Elwak secondary school	Secondary school projects	1,000,000		Late Disbursement of Funds
Elwak secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Fincharo secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Kotulo Model Girls secondary school	Secondary school projects	700,000		Late Disbursement of Funds
Kotulo Model Girls secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Kotulo Model Girls secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Shimpir Fatuma secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Tawakal secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Wargadud secondary school	Secondary school projects	1,250,000		Late Disbursement of Funds

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Wargadud secondary school	Secondary school projects	1,500,000		Late Disbursement of Funds
Elwak Technical Training Institute	Tertiary Institution projects	400,000		Late Disbursement of Funds
Elwak Technical Training Institute	Tertiary Institution projects	750,000		Late Disbursement of Funds
Sub-Total		48,400,000	-	
Amounts due to other grants and other transfers				
Bursary - Secondary (see attached list)	Payment of Bursaries to needy students in Tertiary Institutions	2,168,900	200,900	On going
Bursary -Tertiary (see attached list)	Security projects	10,471,599	423,000	On going
Bulla Afya Chief's office	Security projects	800,000		Late Disbursement of Funds
Bulla Afya Chief's office	Security projects	200,000		
Bulla Afya Chief's office	Security projects	500,000		Late Disbursement of Funds
Bulla Afya Chief's office	Security projects	500,000		Late Disbursement of Funds
Burmayo Police post	Security projects	500,000		Late Disbursement of Funds
Deputy County Commissioners Mandera Central	Security projects	500,000		Late Disbursement of Funds
Deputy County Commissioners Mandera Central	Security projects	500,000		Late Disbursement of Funds
Elele Quick Response unit	Security projects	500,000		Late Disbursement of Funds
Elwak Border patrol unit	Security projects	2,000,000		Late Disbursement of Funds
Elwak Border patrol unit	Security projects	500,000		Late Disbursement of Funds
Elwak Police station	Security projects	500,000		Late Disbursement of Funds
Elwak Police station	Security projects	2,000,000		Late Disbursement of Funds
Elwak Police station	Security projects	800,000		Late Disbursement of Funds
Elwak South Chief's office	Security projects	500,000		Late Disbursement of Funds
Elwak South Chief's office	Security projects	500,000		Late Disbursement of Funds
Elwak South Chief's office	Security projects	200,000		Late Disbursement of Funds
Elwak South Chief's office	Security projects	800,000		Late Disbursement of Funds
Elwak Town Chief's office	Security projects			

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Elwak Town Chief's office	Security projects	200,000		Late Disbursement of Funds
Elwak Town Chief's office	Security projects	500,000		Late Disbursement of Funds
Mandera Central Criminal Investigation office	Security projects	2,000,000		Late Disbursement of Funds
Mandera Central Criminal Investigation office	Security projects	700,000		Late Disbursement of Funds
Udole Chief's office	Security projects	800,000		Late Disbursement of Funds
Udole Chief's office	Security projects	200,000		Late Disbursement of Funds
Udole Chief's office	Security projects	500,000		Late Disbursement of Funds
Udole Chief's office	Security projects	800,000		Late Disbursement of Funds
Wante Chief's office	Security projects	200,000		Late Disbursement of Funds
Wante Chief's office	Security projects	500,000		Late Disbursement of Funds
Wante Chief's office	Security projects	500,000		Late Disbursement of Funds
Wargadud Police line	Security projects	500,000		Late Disbursement of Funds
Emergency	Emergency Projects	36,190		Late Disbursement of Funds
Environment		2,901,752		Late Disbursement of Funds
Sports		2,901,752		Late Disbursement of Funds
Sub-Total		35,677,193	623,900	
Acquisition of assets				
Oversight Committee Expenses(itemize)				
Hire of Transport	Hire of Transport- Payment for hire of Transport	20,000	-	On going
Hire of Training Facilities	Hire of Training Facilities - Hire of Training Facilities and Equipment	5,000	-	On going
Other Committee Expenses	Other Committee Expenses- Payment of Other Committee Expenses	25,876	-	On going

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Sub-Total		50,876	-	
Others (specify)				
Strategic plan	Develop & review a 5 year strategic plan	2,600,000	-	On going
Sub-Total		2,650,876	-	
Funds pending approval		-	-	
Grand Total		89,949,949	3,655,052	

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	-	-	-	-
Buildings and structures	27,000,000	-	-	27,000,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,500,000	-	-	1,500,000
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	28,500,000	-	-	28,500,000

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Annex 3-PMC Bank Balances As At 30th June 2023


PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Elgoclicha Primary School	Equity Bank,Mandera Branch	1000296776977	20	470
Dawder Primary School	Equity Bank,Mandera Branch	1000296752124	605	625
Wachile Primary School	Equity Bank,Mandera Branch	1000273641469	759.80	780
Chirole Primary School	Equity Bank,Mandera Branch	1000194074863	71.95	1591.95
Godhe Primary School	Equity Bank,Mandera Branch	1000262354827	(331.70)	397.70
Dadach Primary School	Equity Bank,Mandera Branch	1000176353476	90.00	930
Harwale Primary School	Equity Bank,Mandera Branch	1000297186592	420	420
Kutayu Primary School	Equity Bank,Mandera Branch	1000199593406	329.90	849.90
Borehole 11 Primary School	Equity Bank,Mandera Branch	1000297179754	390.00	1150
Wargadud AP Camp	Equity Bank,Mandera Branch	1000178994580	0	520
Total			2,355	7,735

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Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue/Observation from the 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	Unsupported Cash Book Bank Balance	The Bank reconciliation statement did not have the list of Unpresented cheques. The list has now been attached to the Bank Reconciliation statement	John Munyao Mutonya. Sub-County Accountant Mandera South.	Resolved.	
2	Unsupported Bursary Grants to Various Tertiary Institutions	The issue was discussed by NG-CDF Committee and Various Tertiary institutions have already been contacted to Provide acknowledgement receipts.	Adan Salah Mustafa Fund Account Manager Mandera South NG-CDF	Not Resolved	30 th December 2023
3	Lack of an Oversight Committee	The issue was discussed by NG-CDF Committee and a Committee is now in place	Abdirashid Maalim Chairman Mandera South NG-CDF	Resolved.	
4	Non- Maintenance of Project Management Committees (PMC) Bank Records and Quarterly Report.	The issue was discussed by the PMC's and several Bank records have already been done. The few remaining are in Progress.	Adan Salah Mustafa Fund Account Manager Mandera South NG-CDF	Not Resolved	30 th December 2023.
5	Lack of Asset Register	The issue was discussed by NG-CDF Committee and an Asset Register is now there and Up-to-date	Adan Salah Mustafa Fund Account Manager Mandera South NG-CDF	Resolved.	


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Adan Salah Mustafa.
Fund Account Manager.