REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MANDERA

FOR THE YEAR ENDED 30 JUNE, 2019

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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MANDERA COUNTY GOVERNMENT

MANDERA COUNTY GOVERNMENT
(THE COUNTY EXECUTIVE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The governor is supported by the county executive committee in carrying out the mandate as stipulated in the constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CECM for Finance is financial reporting at the county level.

Vision

To be a regionally competitive and self- reliant county

Mission

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure county.

Motto

A county with unlimited opportunities and endless possibilities

Core Values

- Integrity
- Innovativeness
- Professionalism
- Team work
- Equity
- Transparency
- Accountability
- Respect for rule of law

b) Key Management

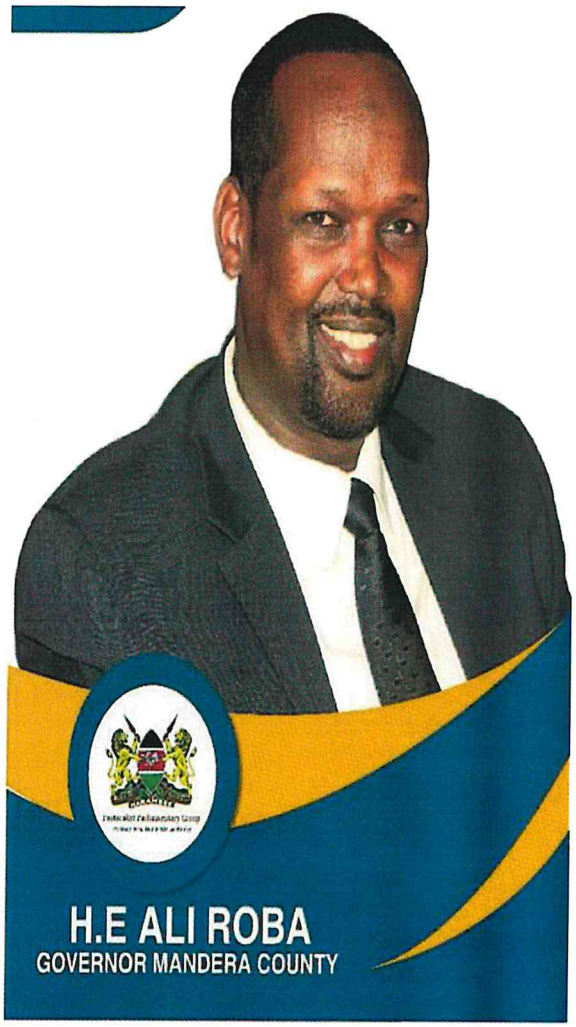
The County's day-to-day management is under the following:

No.	Name	Designation	Date of holding office
1.	H.E Capt. Ali Ibrahim Roba	Governor	17.08.2017
2.	H.E Ahmed Mohamed Arai	Deputy Governor	17.08.2017
3.	Abdinur Maalim Hussein	County Secretary	14.11.2018
4.	Ibrahim B. Hassan	CEC, Finance and Economic Planning	25.07.2018
5.	Ahmed Sheikh Mohamed	CEC, Public Services Management	25.07.2018

No.	Name	Designation	Date of holding office
6.	Abdiaziz Sheikh Maad	Trade, Industralization and Cooperative development	25.07.2018
7.	Johora Mohamed Abdi	Agriculture, Irrigation, Livestock, Fisheries and Veterinary services	25.07.2018
8.	Adan Hussein Hassan	Lands, Housing and Physical Planning	25.07.2018
9.	Mohamud Adan Mohamed	CEC, Health Services	25.07.2018
10.	Suleikha Harun	CEC, Roads, Public Works and Transport	25.07.2018
11.	CEC, Mohamed Ali Omar	CEC, Water, Energy, Environment and Natural Resources	25.07.2018
12.	Izzudin Abdullahi Adan	CEC, Education, Sports and Culture	25.07.2018
13.	Dr. Shamsa Mohamed	CEC, Gender and Social Services	25.07.2018
14.	Alinoor Mohamed Ali	Accounting Officer	26.09.2018

THE LEADERSHIP OF MANDERA COUNTY GOVERNMENT
For the Financial Year 2018/2019

The county executive team during the financial year consisted of the following key officers:



H.E Captain Ali Ibrahim Roba – Governor

H.E Capt. Ali Ibrahim Roba is the governor of Mandera County. He has degrees in Business Management and Strategic Planning. He studied in Kenya Utalii College, Delta Qualiflight School of Aviation in Fort Worth Texas, Kenya School of Flying among other institutions. Captain Ali is a pilot with an Airline Transport Pilot License (ATPL). He is an instructor, examiner, a KCAA Approved Instrument Rating Examiner, a Training and Check pilot and Ground Instructor of various aviation related subjects. He worked for DAC Aviation International between 2002 and 2012. He grew through the ranks starting as a co-pilot in 2002 to the position of the Director of Flight Operations (DFO) in charge of the core business of the company in over nine countries. During this period, he played a major role in re-structuring flight operations department and enhancing the efficiency of operational control functions to enviable levels within the general aviation industry in Kenya.

He was successfully elected as the governor of Mandera County in 2013 and retained his seat in 2017. Governor Roba is the also the chairman of Frontier Counties Development Council (FCDC).

H.E Ahmed Mohamed Arai, Deputy Governor

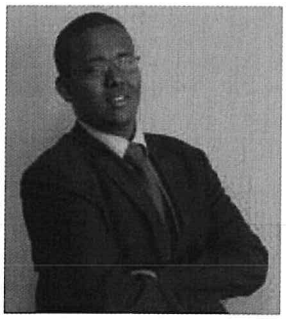
H.E Mohamed Arai is an experienced administrator and humanitarian expert. He brings on board a wealth of hands on experience in humanitarian work and public administration earned while working with nomadic communities in partnership with donors. He holds an MBA in NGO management from Kampala International University, and a bachelors degree in education from Kenyatta University. Hon. Arai is the former town clerk of the defunct local authority.

Abdinur Maalim Hussein, County Secretary, Head of Public Service

Mr. Abdinur is the county secretary for Mandera County Government and secretary to the cabinet. He holds a bachelor of arts in Business Administration from Kenya Methodist University and a Diploma in telecommunications from Kenya College of communications technology. He has a wealth of experience in public service and corporate sector. He worked as the chairperson to Mandera public service board from 2013-2018 and as a district telecommunication officer with Telkom Kenya limited from 1992-2012.

Ibrahim B. Hassan, CECM; Finance & Economic Planning

Mr. Ibrahim is the County executive committee member for Finance and Economic Planning. He has a Bachelor of Accounting from International Islamic University in Kuala Lumpur, Malaysia. He was trained as Chartered Certified Accountant in the United Kingdom between the years 2000-2004 and holds a Masters Degree in Accounting with Finance from the UK. He is a member of the Fellow of Association of Chartered Certified Accountants (FCCA). While in the UK, he worked as an accountant with IKEA Ltd and as an auditor with Issa Associate. Mr. Ibrahim began his career in Malaysia where he worked with Deloitte and Touché after completing his studies. He returned to Kenya in 1999 and held accounting roles with Co-operative Bank of Kenya.bIn the year 2005 he joined East African Portland Cement Co. Ltd as Treasury Accountant. He rose through the ranks to become Assistant Finance Manager. In 2008 he moved to DHL Express Kenya Ltd as Financial Controller and was head of Finance and Chief Finance Officer (CFO) by the time he was appointed by His Excellency the Governor of Mandera County to head the Treasury department in 2013. He was reappointed to the same position in 2017.



Abdiaziz Shiekh Maad, CECM; Trade, Industrialization and Cooperative Development

Abdiaziz Shiekh Maad is the County Executive Committee Member for the department of Trade, Industrialization and Cooperative Development. He holds a Masters degree in Business Administration (MBA) from the University of Nairobi and a Bachelors degree in Public Administration and Human Resource Management from Islamic University of Uganda. He worked for Mercy Corps, Arid Lands Development Focus (ALDEF) and Rural Agency for Community Development (RACIDA) serving at various capacities. Until his appointment, he was the Human Resource Manager for African Development Solutions (ADESO) Somalia. He has extensive experience in institutional policy development, organizational capacity building, strategic planning and operations management. He served as both the CECM for Trade and

industrialization, and the CECM for Public Services Management in the first five years of devolved governance.

Ahmed Sheikh Mohamed, CECM; Public Services Management

Mr Ahmed S. Mohammed is an International peace builder with 15 years of experience. He holds a Masters Degree in Peace and Reconciliation. He is currently undergoing another Masters degree in Peace Research studies in Coventry University-United Kingdom. He also worked for Kenya's Ministry of Health in the curative and preventive services. He served as the CECM for Public Services and the CECM member for Health Services in the first five years of devolution.

Johora Mohamed Abdi, CECM; Agriculture, Irrigation, Livestock, Fisheries and Veterinary Services

Mrs. Johora worked as a teacher for nineteen years; sixteen years as a head teacher and three years as a teacher in Mandera East Sub-county. She worked for four years in Machakos County as a District Human Resource Officer. She holds a Bachelor of Education Degree. She was appointed as the county executive committee member for Education and Social Services in 2013 before she was moved to serve in her current docket and reappointed in 2018.

Adan Hussein Hassan, CECM; Lands, Housing and Physical Planning

Mr. Adan holds a Bachelor of Education Degree from Kenyatta University. He was appointed by the County Government of Mandera in 2013 in this docket and reappointed to the same docket in 2018. He has a wealth of experience having served in the Ministry of Education in various capacities as a teacher, an education officer, a quality assurance and standards officer, and a dicece lecturer.

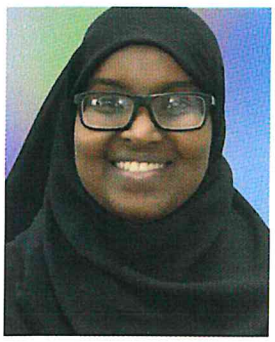
Mohamed Ali Omar, CECM-Water, Energy, Environment and Natural Resources

Mohamed Ali has a diploma in applied biology from Kenya poly, a diploma in disaster management from Kenya institute of open learning, a bachelor of development studies from Kampala University, a masters in governance and ethics from Mount Kenya University, an executive masters of public policy and administration from Kenyatta University and currently pursuing PHD in public policy and management at Kenya University. Mr. Mohamed has over 30 years of experience in public

works having served in the ministry of water in various cadres such as district water officer, and director of water services.

Izzudin Abdullahi, CECM; Education, Sports and Culture
Mr. Izzudin is currently the CECM for Education, Sports & Culture with over 12 years of experience in Audit, Strategy Development, Finance Process Consolidation and experience in implementing Oracle Financial Solutions. He graduated from the University of Wisconsin, Madison with a Bachelors of Business Administration Degree majoring in Accounts & Information Systems.
He started his professional career with PricewaterhouseCoopers LLP USA Advisory Practice in New York City NY, USA where he worked with clients in internal audit, optimization of company's general ledger and finance processes, and implementation of the Sarbanes Oxley Act (404) as required by the US Securities and Exchange Commission (SEC), and other regulatory bodies. Amongst the clients he served with PwC include the Bank of New York Mellon, Citibank North America, Goldman Sachs, PepsiCo North America, McDonalds Corporation, MasterCard International, SAP, The United Nations Office in New York amongst others. After he left the PwC Advisory Practice, Izzudin worked jointly with the Ministry of Defense, Rwanda and the Ministry of Infrastructure, Rwanda towards the development, financing and operation of the 9.50 MW Rukarara hydro power plant.

Suleikha Harun, CECM; Roads, Public Works and Transport
Mrs. Sulekha holds a Bachelor of Commerce degree; finance option from Masinde Muliro University and is currently awaiting her graduation with a Master of Arts degree in Gender and Development Studies at Kenyatta University.
She began her career as an audit assistant in Nairobi where she worked with Josia, Salah & Associates (CPAK) after completing her CPA studies. She later joined Development Concern (NGO) where she assumed the position of a Program accountant. In the year 2009 she joined African Development Solution (ADESO) an NGO with presence in West, East and Central Africa as well as the horn of Africa. She rose through the ranks from a Financial Analyst/Programme Accountant to become the overall regional (Horn of Africa) Finance Manager. Through education, training, work and travels, Sulekha has gathered over ten (10) years of varied experiences from financial management to corporate governance. In 2017 she went into private practice as a finance and corporate governance advisor with various assignments in Africa and Asia. She had since established herself as a prolific consultant by the time she was appointed by His Excellency the Governor of Mandera County to head the Roads, Public Works and Transport Sector.



Dr. Shamsa Mohamed - CECM Gender & Social Services

Dr. Shamsa is a pharmacist.

She previously worked as a Pharmacist at The Nairobi Hospital and Pumwani. She possesses vast experience in understanding the challenges in gender inequalities and social services.

Dr. Mohamud Adan Mohamed - CECM Health Services

Dr. Mohamud is an anaesthesiologist. He previously worked as a doctor /Anaesthesiologist. course coordinator & lecturer in Anaesthesia for Clinical officer anaesthests at CPGH Mombasa.

He also worked in various rural hospitals in Kenya scooping various awards as a civil servant.

Alinoor Mohamed Ali, Chief Officer – Accounting and Financial Services

Mr. Alinoor is the Accounting Officer for Mandera County Government. He holds a Master of Arts in Economic Policy and Planning, Bachelor of Business Administration, Diploma in Accountancy. He is a Certified Public Accountant a member of the Institute of Certified Public Accountants of Kenya. He was appointed as the chief officer for Finance and Economic Planning in August 2015 and reappointed in his current docket in September 2018.

Mr. Alinoor has vast experience in Public Service and was an auditor before he was appointed by the Governor of Mandera County Government to spearhead the Finance and Planning department.

c) Fiduciary Management

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

No.	Name	Designation
1.	Ibrahim B. Hassan	CEC, Finance and Economic Planning
2.	Alinoor Mohamed Ali	Chief Officer, Accounting and Financial Services
3	Abdifatah Ibrahim Ogle	Chief Officer, Roads and Transport
4	Adawa Haji Adan	Chief Officer, Public Works
5	Bare Mohamed Shabure	Chief Officer, Lands
6	Rahma Abdullahi Mahmud	Chief Officer, Health Services
7	Abdi Mohamed Ali	Chief Officer, Education and Social Services
8	Osman Ibrahim Mohamed	Chief Officer, Trade and Investment
9	Abukar Abdi Sheikh	Chief Officer, Agriculture, Livestock and Fisheries
10	Mohamed Adan Osman	Chief Officer, Youth and De-Radicalization
11	Yussuf Mohamed Kala	Chief Officer, Public Service and Devolved Unit

No.	Name	Designation
12	Hassan Mohamed Ahmed	Chief Officer, Medical Services
13	Adan Abdirahman Mohamed	Chief Officer, Water Services
14	Mohamed Mohamud Ali	Chief Officer, Public Services Management

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the county for the year ended 30th June 2019 were:

- Mandera County Assembly
- Controller of Budget
- Public Accounts Committee
- Budget and Appropriations Committee
- Finance Committee
- Internal audit department

e) Entity Headquarters

P.O. Box 13-70300
Roads and Public Works Building
Jamia Mosque Road
Mandera, KENYA

f) Entity Contacts

Telephone: (+254) 722466499/0725421888/ 0708749633
E-mail: info@mandera.go.ke
Website: www.mandera go.ke

g) Entity Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya

2. Kenya Commercial Bank
   Mandera Branch.

3. Equity Banka of Kenya
   Mandera Branch.

4. National Bank of Kenya
   Mandera Branch.

h) Independent Auditors

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

i) Principal Legal Adviser

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

2. FORWARD BY THE CEC

The Financial year 2018/2019 is the sixth full year under the devolved governance structure we had an approved budget of Kshs 13,709,957,408 that is made up of Kshs 6,633,042,110 for recurrent expenditure and 7,076,915,298 for Development. This is 48% recurrent and 52% development. In order to finance the budget, we expect to get Kshs. 10,142,200,000 equitable share of revenue allocated by Commission on Revenue Allocation, Local revenue of Kshs. 179,287,568 and various conditional grants of Kshs 653,963,173. Further Kshs 2.4 billion relates to projects brought forwards from 2017/2018 financial year.

However, as the year progressed, we had challenges in meeting our local revenue collection target and only Kshs. 95,421,471 was raised while on Donor Grants, Kshs 32,653,126 was received from Danida, Kshs 85,173,208 from World Bank Transforming Healthcare Systems for Universal Care Project (Ministry of Health), Kshs 235,542,828 was received from Kenya Devolution Support Program LEVEL II & III. , kshs 175,819,500 from Kenya Urban Support Programme , kshs 41,200,000 and 54,858,856 from Kenya Urban Support Project (Kusp) -Urban Institutional Grants (Uig) and Kenya Climate Smart Agriculture Project (KCSAP) respectively by the end of the financial year, however the budget had a deficit of Kshs 83,866,098. The reasons for the failure to meet our local revenue target included insecurity, droughts, Manual revenue collection, and delays in the inflow of revenue from the devolved funds and community conflict.

The budget implementation started in earnest as early as July 2018. This was particularly the case for the on-going projects whose contracts were awarded in 2017/2018 financial year. Accordingly, we had a much better absorption rate of 87% during the year under review compared to 83% in previous financial year. In addition to many projects that were initiated in the previous financial years such as Road infrastructure, Construction of the County Headquarter, County Assembly, Rest House, Moi stadium etc., many more new projects were also initiated during the year under review. These includes Construction of KMTC in partnership with Kenya Medical Training College at 100m and Level 4 hospital at Kutulo sub-county (Outpatient dept., Male and Female Wards, Maternity Wing, Theater, Radiology, Lab, etc.) at 67m, Eye equipment for 6 sub County Hospitals at 30m, Dental equipment for 6 Sub County Hospitals (30m) and construction of 6 new dispensaries at a cost of 35m. New theatres were also constructed at Dandu and Takaba sub county hospitals at a cost of 23m each. There was also construction of water infrastructure for MCRH at a cost of 30m as well as administration block.

Others were Ministry of water which unlike in the previous two financial years, allocation for new projects has taken a big chunk of this ministry's development budget. Out of a development budget of 1.6914 billion, an amount of 1.201 billion was going towards financing new development projects. Some of the new projects include: development of Office block for MADAWASCO head office at 40m, water pans for Komor Elle/Bida and Karo at 20m, Purchase, operate and maintain 2 Mobile RR Crane Trucks at 24m and Drilling of Boreholes at 30m

Ministry of Roads, Public works and transport received a total development budget of kshs 2,030,512,603, Over 90% of this investment budget went towards completion of already ongoing projects from previous financial years. Some of these projects include: tarmacking of Mandera Town roads with a cumulative budget of about 1.04 billion, completion of County Headquarter at a cost of 150m, Completion of Governor's Residence 82m, Completion of Rest House at 100m.
Ministry of Agriculture, Livestock and Fisheries received a total development budget of kshs 649,985,726 including conditional grants from Agricultural Sector Development Support Progam (ASDSP) of 37m and Kenya Climate smart Agriculture Project (NEDI) of 150m. Some of the major projects that were implemented in this F/Y include; Constructions of modern slaughter house and slaughter value chain (Bio Gas productions) in Mandera East at 70m, Water supply for Koromey farms irrigation infrastructure at 30m and Completion of the Construction of the regional livestock Market at 100m.
Ministry of Trade, Industrialization, investment and Co-operatives development was allocated Kshs 332, 295, 295, of which 285,226,041 for development and 35,059,931.67 for recurrent. Major projects that were implemented in this F/Y included the launch of Mandera County Trade Development Fund at 50m and completion of Elwak SME market Park.
These successes however, are not without challenges. These include the frequent terrorist attacks, tedious procurement processes, poor energy supply, poor infrastructure, difficulties in retaining high caliber staff in some of the key sectors like health and works etc. Despite all these challenges, the county government will continue to build on the progresses that have already been made in the year under review in our effort to enhance service delivery and reverse the negative impact of marginalization over the last fifty years in our county.

Ibrahim B. Hassan
CEC MEMBER: FINANCE AND ECONOMIC PLANNING
MANDERA COUNTY GOVERNMENT

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2019. 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 County Government; (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 County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2019, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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.

The County Government's financial statements were approved and signed by the CEC member for finance on 16/12/ 2019.

County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MANDERA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Mandera set out on pages 1 to 37, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Mandera as at 30 June, 2019 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

1.1. Statement of Assets and Liabilities

As disclosed under Note 21 A to the financial statements, the statement of assets and liabilities reflects bank balances of Kshs.1,831,237,438. A review of the recurrent and developments accounts at the Central Bank of Kenya (CBK) indicated nil balances while the CBK revenue fund account has a balance of Kshs.1,608,234,894. However, the bank reconciliation statements and cash books for the above bank accounts reflected balances of Kshs.20,639,429, Kshs.16,476,796 and Kshs.1,607,902,997 under the recurrent, development and for revenue fund account respectively.

Further, under the current year, a nil balance is reflected as fund balance brought forward and not the closing balance of Kshs.2,477,666,724 reflected in the audited financial statements in 2017/2018.

In addition, the Management did not include in the financial statements a copy of the bank reconciliation statements reports (F.O 30) from IFMIS as required by the template issued by the Public Sector Accounting Standards Board.

1.2. Statement of Cash Flows

The statement of cashflows and Note 21A to the financial statements, reflects the cash and cash equivalents balance at the end of the financial year ending 30 June, 2018 as Kshs.2,512,768,513. However, the statement reflects nil cash balance at the beginning of the year under review, understating the cash and cash equivalents by Kshs.2,512,768,513.

Further, the statement reflects an amount of Kshs.109,495,859 as the movement of accounts payables and not the actual balance of Kshs.74,394,070 being the difference between the previous year's balance of Kshs.35,101,789 and the current year's balance of Kshs.109,495,859.

In addition, the balances reflected in the cash flows statement differs significantly with the balances in the IFMIS report as detailed below: -

Component	Financial Statement Kshs.	IFMIS Report Kshs.	Variance Kshs.
Total payments from operating expenses	13,666,793,162	11,456,116,731	2,210,676,431
Net cash flow from operating activities	7,731,655,605	5,344,844,295	2,386,812,309
Net cash flow from investing activities	5,900,418,167	5,523,080,158	377,338,009
Net increase in cash and cash equivalent	1,831,237,438	(178,235,863)	2,009,473,301
Cash and cash equivalents as at 1 July, 2018	0	(613,987,636)	613,987,636
Cash and cash equivalents as at 30 June, 2019	1,831,237,438	(792,223,499)	2,623,460,937

In absence of any reconciliation between the Integrated Finance Management Information System reports and the respective statements, the accuracy of the financial statements could not be confirmed.

1.3. Statement of Receipts and Payments

Review of the financial statements presented for audit revealed variances in receipts and payments and statement of cash flows and summary statement of appropriation and Integrated Finance Management Information System (IFMIS), report figures as detailed below:-

Component	Financial Statements Kshs.	IFMIS Report Kshs.	Variance Kshs.
Receipts			
Exchequer release	10,777,608,554	10,409,190,294	368,418,260
Returned CRF	2,477,666,724	0	2,477,666,724
Total Receipts	**13,255,275,278**	**10,409,190,294**	**2,846,185,984**
Payments			
Compensation of employees	2,368,014,846	2,751,878,724	(383,863,878)
Use of goods and services	2,340,068,061	2,793,860,121	(453,792,060)
Transfer to other government units	845,040,877	540,060,330	304,980,547
Other grants and transfers	427,846,538	189,315,000	238,531,538
Acquisition of assets	5,900,418,167	5,523,080,158	377,338,009
Other payments	63,663,094	108,038,944	(44,375,850)
Total Payments	**11,945,051,583**	**11,906,233,277**	**38,818,306**

1.4. Summary Statement of Appropriation

The summary statement of appropriation - recurrent reflects final expenditure budget and actual expenditure on comparable basis of Kshs.6,633,042,110 and Kshs.6,155,929,074 respectively resulting to an under expenditure of Kshs.477,113,036 or 7% of the budget. However, IFMIS vote book reflects total expenditure of Kshs.6,132,732,364 which differed with the statement balance by an unreconciled variance of Kshs.23,196,710.

Similarly, the development vote reflects final expenditure budget and actual expenditure on comparable basis of Kshs.7,076,915,298 and Kshs.5,789,122,509 respectively resulting to an under expenditure of Kshs.1,287,792,789 or 18% of the budget. However, IFMIS vote book reflects total expenditure of Kshs.5,790,346,483 which differed with the statement balance by unreconciled variance of Kshs.1,223,974.

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Other Grants and Transfers

As disclosed under Note 15 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.427,846,538. The figure includes

Kshs.251,424,394 incurred to procure various supplies for supply of food to Internally Displaced Persons and Early Childhood Development centers. However, Management did not provide supporting documents as evidence that 6% value added tax totalling Kshs.13,004,710 was deducted and submitted as per requirements of Kenya Revenue Authority.

Further, the Management had budgeted for Kshs.200,000,000 for relief food for the year under review but spent Kshs.251,424,394 resulting to an over expenditure of Kshs.51,424,394 that was not supported. Physical verification carried out during the month of December, 2019 revealed that food amounting to Kshs.16,671,000 was still in the stores and infested by weevils making it unsuitable for human consumption. No proper explanation was given for not distributing the food eight (8) months after procurement.

In addition, the amount includes Kshs.12,795,600 spent on drought mitigation through quotations. However, Management did not avail tax compliance certificate and prequalified list for all the suppliers while some payments were recorded and charged to erroneous accounts while others were not captured in the vote book contrary to Section 51 of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, the accuracy, completeness and validity of the other grants and transfers of Kshs.427,846,538 reflected in the statement of receipts and payments could not be ascertained.

3. Irregular Procurement of Vehicles

During the year under review, the Management paid Kshs.17,325,000 against the budgeted amount of Kshs.18,270,000 for the purchase of an armored vehicle for the Governor. However, the Management procured the vehicle with an engine capacity of 4500cc contravening Section 137(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires that official vehicles purchased for use by the Governor shall not exceed 2600cc for the saloon cars and 3000cc for 4x4 utility vehicles. Further, it was noted that full payment of Kshs,17,325,000 was made on 10 May, 2019 but audit verification on 4 December, 2019 revealed that the vehicle had not been delivered.

Further, the Management procured six (6) ambulances worth Kshs.63,070,000 using government negotiated Supplies Branch contract. However, although the vehicles were supplied and delivered, the Management did not avail, for audit review, tender documents, tender evaluation, inspection and acceptance report and a contractual agreement with the supplier, contrary to Section 135(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, it has not been possible to determine the value of the motor vehicles procured during the year under review.

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

Key Audit Matters

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

Other Matter

1. Pending Bills

Annex 2 to the financial statements reflects an amount of Kshs.310,860,504 which was a carried over liability from the year ending 30 June, 2018. The Management budgeted Kshs.103,438,421 for pending payables during the year under review. However, it was observed that the Management closed the financial year 2018/2019 with a positive cash flow balance of Kshs.1,831,237,438 and failed to pay-off the pending bills that dated as far back as 2014/2015 financial year. However, Management did not avail, for audit review, supporting documents by way of creditors' ledgers, payment voucher numbers, local purchase orders or service orders and invoices.

In view of the foregoing, the source, completeness, authenticity and existence of the pending bills balance of Kshs.310,860,504 as at 30 June, 2019 could not be confirmed.

2. Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate has yet to deliberate on the same.

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. Non-Implementation of Budgeted Projects

A review of the Executive's budgeted projects for the financial year 2018/2019 revealed that projects worth Kshs.1,130,486,177 for various departments were not implemented. No satisfactory explanations have been rendered contrary to the values and principles of public service as provided for under Article 232 (1– c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

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

2. Non Compliance with the Public Finance Management (County Governments) Regulations, 2015

2.1 Procurement of Construction of Roads

Included in the acquisition of assets balance of Kshs.5,900,418,167 reflected under Note 17 to the financial statements is an expenditure of Kshs.1,344,003,018 relating to construction of roads, which in turn includes Kshs.312,600,170 in respect of payments made to various contractors. However, a review of the procurement process of the expenditure revealed that the Management incurred Kshs.312,600,170 on construction of roads but the tender advert did not reflect details of the contracts such as tender numbers, description of the projects to be procured and eligibility requirements. Other contracts were not advertised contravening Section 74 and 96(2) of the Public Procurement and Asset Disposal Act, 2015. Further, the projects were not processed in the procure- to- pay module of IFMIS but these were treated as direct charges to IFMIS that are not in the budget and allow direct invoicing without procure- to -pay procedures.

2.2 Construction of Irrigation Projects

During the year, Management engaged in the construction of two (2) irrigation schemes with a total contract sum of Kshs.516,577,495. However, Management did not provide supporting documents such as evidence of pre-feasibility study, public participation and environmental impact assessment. This was contrary to the requirements of Section 115(1) of County Governments Act, 2012, and the Environmental Management and Coordination Regulations, 2003.

In addition, Koromey irrigation scheme project was advertised without specifying the tender number assigned to the project, description of the project being procured including time limit for completion and applicable preferences and reservations. The same was also

not reflected in the Government's tender portal or County Government's website contrary to the requirement of Section 74 of the Public Procurement and Asset Disposal Act, 2015.

2.3 Street Lights Tender

The Management incurred Kshs.94,324,689 on supply, delivery and installation of solar street lights in the Shafshafey and Bulla Barwaqo and Khalalio in Mandera East. However, Management did not avail, for audit review, copies of the logbooks or lease agreement for the equipment except for one copy of a logbook for one lorry. In addition, last three (3) years financial statements and six (6) months current bank statements and certified copy of incorporation for the winner were also not availed contrary to the tender requirements.

Further, for Khalalio solar lighting, Management did not avail the tender register and the tender did not specify the tender number assigned to the project, description of the project being procured including time limit for completion and applicable preferences and reservations. This is contrary to Section 74 of the Public Procurement and Asset Disposal Act, 2015.

2.4 Supply and Delivery of Motor Vehicles

The Management advertised a tender for the purchase of nine (9) motor vehicles in a newspaper on 24 December, 2018 and the closing date was indicated as 8 January, 2019. Audit review revealed that the tender was not opened on 8 January, 2019 as required but seven (7) days later on 15 January, 2019 contravening Clause 2.18 of the tender document. The tender advertisement did not describe the number of vehicles, the make and the model of vehicles to be procured contravening Section 74 of the Public Procurement and Asset Disposal Act, 2015. There were also variances between the tender opening minutes and the evaluation report. The bid document required that the tenderers must submit tender security of Kshs.1,500,000 valid for 120 days, however, the tender advertisement required a tender security of Kshs.1,200,000. The price schedule form in the bid document submitted by one firm had no description of the item the company was intending to supply but instead quoted the price of Kshs.99,236,760 while, the tender form which was filled and signed on 10 January, 2019 quoted tender amount as Kshs.99,536,760 resulting to a variance of Kshs.300,000 between the tender and the price schedule forms. Further, the bid document under the preliminary evaluation had several requirements but the evaluation committee did not include them in the evaluation criteria contrary to the Section 139 of the Public Procurement and Asset Disposal Act, 2015.

The Management is therefore in breach of the law.

2.5 Purchase of Vehicle for the Deputy Governor

During the period under the review, the Management procured a motor vehicle at a cost of Kshs.12,000,000 for use by the Office of the Deputy Governor. The tender was to be closed on 8 January, 2019 at 10.00am and was supposed to be opened immediately on

the same day. However, the tender was opened on 15 January, 2019. Further, the engine capacity of the vehicle was 5600cc contrary to Section 137(2) of the Public Finance Management County Government Regulations, 2015 which limits the capacity to 2400cc for saloon cars and 3000cc for 4x4 utility vehicles.

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

3 Lack of County Budget and Economic Forum (CBEF)

The Executive had not constituted the County Budget and Economic Forum (CBEF) as at 30 June, 2019 in line with Section 137 of the Public Finance Management (County Governments) Regulations, 2015. In the circumstances, it was not clear how consultation by the Executive on Preparation of County Plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the county, and matters relating to budgeting, the economy and financial Management at the county level as required by Section 137 of the Public Finance Management Act, 2012 were conducted without a County Budget and Economic Forum (CBEF) during the year under review.

Consequently, the Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Financial Manuals

The Management did not provided evidence that it had published financial manuals as required by Section 91(1) of the Public Finance Management (County Governments)

Regulations, 2015. It may not be easy to control revenue and expenditure Management within the County Executive.

Consequently, I am unable to confirm whether, controls work effectively as intended.

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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive'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 dissolve the County Executive 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 financial reporting process, reviewing the effectiveness of how the County Executive 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive 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 County Executive 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 County Executive to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

25 February, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Notes	2018-2019 KShs	2017-2018 KShs
RECEIPTS			
Exchequer releases	1	10,777,608,554	9,739,500,000
Proceeds from Domestic and Foreign Grants	2	-	151,042,092
Transfers from Other Government Entities	3	316,096,413	426,928,139
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8		
County Own Generated Receipts	9	95,421,471	61,031,471
Returned CRF issues	10	2,477,666,724	
TOTAL RECEIPTS		**13,666,793,162**	**10,378,501,702**
PAYMENTS			
Compensation of Employees	11	2,368,014,846	2,114,496,497
Use of goods and services	12	2,340,068,061	1,628,542,341
Subsidies	13	-	-
Transfers to Other Government Units	14	845,040,877	586,236,537
Other grants and transfers	15	427,846,538	459,782,807
Social Security Benefits	16	-	-
Acquisition of Assets	17	5,900,418,167	3,162,488,167
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	63,663,094	1,595,484,355
TOTAL PAYMENTS		**11,945,051,583**	**9,547,030,705**
SURPLUS/DEFICIT		**1,721,741,579**	**831,470,998**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive financial statements were approved on 16/12 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: 9001

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.2. STATEMENT OF ASSETS AND LIABILITIES

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	1,831,237,438	2,512,768,513
Cash Balances	21B	-	-
Total Cash and cash equivalent		**1,831,237,438**	**2,512,768,513**
Accounts receivables – Outstanding Imprests	22	-	-
TOTAL FINANCIAL ASSETS		**1,831,237,438**	**2,512,768,513**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	**109,495,859**	**35,101,789**
NET FINANCIAL ASSETS		**1,721,741,579**	**2,477,666,724**
REPRESENTED BY			
Fund balance b/fwd.	24	-	1,646,195,726
Prior year adjustments	25		
Surplus/Deficit for the year		1,721,741,579	831,470,998
NET FINANCIAL POSITION		**1,721,741,579**	**2,477,666,724**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive financial statements were approved on 16/12 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: 9001

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.3. STATEMENT OF CASH FLOWS

	Notes	2018-2019 KShs	2017 – 2018 KShs
Receipts from operating income			
Exchequer Releases	1	10,777,608,554	9,739,500,000
Proceeds from Domestic and Foreign Grants	2	-	151,042,092
Transfers from Other Government Entities	3	316,096,413	426,928,139
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	95,421,470.65	61,031,471.00
Returned CRF issues	10	2,477,666,724	
Payments for operating expenses		**13,666,793,162**	**10,378,501,702**
Compensation of Employees	11	(2,368,014,846)	(2,114,496,497.00)
Use of goods and services	12	(2,340,068,061)	(1,628,542,341.00)
Subsidies	13	-	-
Transfers to Other Government Units	14	(845,040,877)	(586,236,537.20)
Other grants and transfers	15	(427,846,537)	(459,782,807.41)
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	(63,663,094)	(1,595,484,354.82)
Adjusted for:			
Adjustments during the year		109,495,859	(34,528,527)
Total Adjustments		109,495,859	(34,528,527)
Net cash flow from operating activities		**7,731,655,605**	**3,959,430,638**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(5,900,418,167)	(3,162,488,167)
Net cash flows from Investing Activities		**(5,900,418,167)**	**(3,162,488,167)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,831,237,438**	**796,942,471**
Cash and cash equivalents at BEGINNING of the year	21		**1,715,826,042**
Cash and cash equivalents at END of the year	24	**1,831,237,438**	**2,512,768,513**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mandera County Executive financial statements were approved on 16/12 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: **9001**

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	10,753,061,033	39,965,439	10,793,026,472	10,777,608,554	15,417,918	100%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Transfers from Other Government Entities	316,096,413	-	316,096,413	316,096,413	-	100%
Reimbursements and Refunds						
Returns of Equity Holdings						
County Own Generated receipts	169,287,568	10,000,000	179,287,568	95,421,471	83,866,098	53%
Return issues to CRF	2,188,861,500	232,685,456	2,421,546,956	2,477,666,724	-56,119,769	102%
TOTAL	**13,427,306,514**	**282,650,895**	**13,709,957,409**	**13,666,793,162**	**43,164,247**	**100%**
PAYMENTS						
Compensation of Employees	2,749,633,925	-172,987,801	2,576,646,124	2,368,014,846	208,631,278	92%
Use of goods and services	3,490,851,840	-1,083,612,730	2,407,239,110	2,340,068,061	67,171,049	97%
Subsidies						
Transfers to Other Government Units	909,703,101	163,118,143	1,072,821,243	845,040,877	227,780,366	79%
Other grants and transfers	126,315,000	301,531,538	427,846,538	427,846,538	-	100%
Social Security Benefits						
Acquisition of Assets	5,985,802,649	1,175,202,227	7,161,004,876	5,900,418,167	1,260,586,709	82%
Repayment of principal on borrowings						
Other Payments	165,000,000	-100,600,483	64,399,517	63,663,094	736,423	99%
TOTAL	**13,427,306,515**	**282,650,894**	**13,709,957,408**	**11,945,051,583**	**1,764,905,825**	**87%**

The Mandera County Executive financial statements were approved on 16/12/ 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: **9001**

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	6,423,742,516	62,142,277	6,485,884,793	6,485,884,793	-	100%
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
County Own Generated receipts						
Return CRF issues	-	147,157,317	147,157,317	55,671,074	91,486,243	38%
TOTAL	**6,423,742,516**	**209,299,594**	**6,633,042,110**	**6,541,555,867**	**91,486,243**	**99%**
PAYMENTS						
Compensation of Employees	2,749,633,925	-172,987,801	2,576,646,124	2,368,014,846	208,631,278	92%
Use of goods and services	2,237,961,938	-193,788,931	2,044,173,007	1,977,001,958	67,171,049	97%
Subsidies						
Transfers to Other Government Units	690,163,101	213,658,143	903,821,243	775,051,905	128,769,338	86%
Other grants and transfers	126,315,000	301,531,538	427,846,538	427,846,538	-	100%
Social Security Benefits						
Acquisition of Assets	619,668,553	60,886,645	680,555,198	608,013,827	72,541,371	89%
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments						
TOTAL	**6,423,742,517**	**209,299,594**	**6,633,042,110**	**6,155,929,074**	**477,113,036**	**93%**
SURPLUS/(DEFICIT)						

The Mandera County Executive financial statements were approved on 16/12 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: **9001**

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,329,318,517	-22,176,838	4,307,141,679	4,291,723,761	15,417,918	100%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Transfers from Other Government Entities	316,096,413	-	316,096,413	316,096,413	-	100%
Proceeds from Domestic Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
County Own Generated receipts	169,287,568	10,000,000	179,287,568	95,421,471	83,866,098	53%
Returned CRF issues	2,188,861,500	85,528,139	2,274,389,639	2,421,995,650	-147,606,012	106%
TOTAL	**7,003,563,998**	**73,351,301**	**7,076,915,299**	**7,125,237,295**	**-48,321,996**	**101%**
PAYMENTS						
Compensation of Employees						
Use of goods and services	1,252,889,902	-889,823,799	363,066,103	363,066,103	0	100%
Subsidies			-	-	-	
Transfers to Other Government Units	219,540,000	-50,540,000	169,000,000	69,988,972	99,011,028	41%
Other grants and transfers			-	-	-	
Social Security Benefits						
Acquisition of Assets	5,366,134,096	1,114,315,583	6,480,449,678	5,292,404,340	1,188,045,338	82%
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	d	e=c-d	f=d/c %
borrowings						
Other Payments	165,000,000	-100,600,483	64,399,517	63,663,094	736,423	99%
TOTALS	7,003,563,998	73,351,301	7,076,915,298	5,789,122,509	1,287,792,789	82%
SURPLUS/(DEFICIT)						

The local revenues target was not met due to the following reasons;

a. Insecurity due to terror attacks and inter clan fights affected revenue collection

b. drought adversely affected livestock and agricultural related revenues

c. Boarder closure due to security issues

d. closure of quarry mining site by the national government.

The Mandera County Executive financial statements were approved on 16/12 2019 and signed by:

Chief Officer Finance
Name: **Alinoor Mohamed Ali**
ICPAK Member Number: **9001**

Chief Finance Officer
Name: **Ahmedsalim Ali Osman**
ICPAK Member Number: **21986**

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
P1: Food security Initiatives	**612,060,030.00**	**- 173,918,301.00**	**438,141,729.00**	**168,234,978.75**	**269,906,750.25**
SP1: Agricultural Infrastructure, Conservation and Research	612,060,030.00	- 173,918,301.00	438,141,729.00	168,234,978.75	269,906,750.25
P2: Livestock Production	**92,872,227.00**	**161,804,454.00**	**254,676,681.00**	**241,230,526.35**	**13,446,154.65**
SP1: Livestock Agricultural Sector Support	92,872,227.00	161,804,454.00	254,676,681.00	241,230,526.35	13,446,154.65
P3: Administration & Support Services	**292,045,400.00**	**26,200,925.00**	**318,246,325.00**	**316,321,951.20**	**1,924,373.80**
SP1: General Administration & Support Services	292,045,400.00	26,200,925.00	318,246,325.00	316,321,951.20	1,924,373.80
P4: Land Survey	**273,533,085.00**	**- 116,830,000.00**	**156,703,085.00**	**45,433,967.40**	**111,269,117.60**
SP1: Infrastructure & Equipment	273,533,085.00	- 116,830,000.00	156,703,085.00	45,433,967.40	111,269,117.60
P5: Co-operative Development	**-**	**6,519,163.00**	**6,519,163.00**	**6,519,163.00**	**0.00**
SP1: Cooperatives Agricultural Support	-	6,519,163.00	6,519,163.00	6,519,163.00	0.00
P6: Trade Development and Promotion	**233,488,972.00**	**92,287,160.00**	**325,776,132.00**	**304,329,514.80**	**21,446,617.20**
SP1: Trade development &Promotion	233,488,972.00	92,287,160.00	325,776,132.00	304,329,514.80	21,446,617.20
P7: Health care Infrastructure	**761,356,000.00**	**29,585,000.00**	**790,941,000.00**	**594,048,124.30**	**196,892,875.70**

SP1: Infrastructure Construction, Expansion and Maintenance	761,356,000.00	29,585,000.00	790,941,000.00	594,048,124.30	196,892,875.70
P8: Youth Affairs	**99,350,000.00**	**29,700,000.00**	**129,050,000.00**	**31,449,020.00**	**97,600,980.00**
SP1: Youth Development Programmes and Policy	99,350,000.00	29,700,000.00	129,050,000.00	31,449,020.00	97,600,980.00
P9: Physical Infrastructure	**358,791,000.00**	**- 160,792,141.00**	**197,998,859.00**	**197,998,859.00**	**0.00**
SP1: Infrastructure Development and Expansion	358,791,000.00	- 160,792,141.00	197,998,859.00	197,998,859.00	0.00
P10: Administration & Support Services	**2,220,522,287.00**	**149,566,797.00**	**2,370,089,084.00**	**2,295,153,259.00**	**74,935,825.00**
SP1: General Administration & Support Services	2,220,522,287.00	149,566,797.00	2,370,089,084.00	2,295,153,259.00	74,935,825.00
P11: Early Childhood Development Education (ECDE)	**457,063,200.00**	**23,199,354.00**	**480,262,554.00**	**411,583,502.00**	**68,679,052.00**
SP1: ECDE Infrastructure.	457,063,200.00	23,199,354.00	480,262,554.00	411,583,502.00	68,679,052.00
P12: Physical Infrastructure	**2,606,614,456.00**	**- 204,914,506.00**	**2,401,699,950.00**	**2,036,341,472.30**	**365,358,477.70**
SP1: County Assembly Administration offices	221,263,510.00	-10,000,000.00	211,263,510.00	55,180,870.50	156,082,639.50
SP2: Infrastructure Development and Expansion	2,257,427,109.00	- 226,914,506.00	2,030,512,603.00	1,845,699,601.80	184,813,001.20
SP3: Procurement Services	127,923,837.00	32,000,000.00	159,923,837.00	135,461,000.00	24,462,837.00
P13: Administration, planning and support services	**3,325,112,107.00**	**-20,910,972.00**	**3,304,201,135.00**	**2,879,234,395.85**	**424,966,739.15**
SP1: Finance information systems	38,991,325.00	-	38,991,325.00	35,202,456.00	3,788,869.00
SP2: Administration Services	3,286,120,782.00	-20,910,972.00	3,265,209,810.00	2,844,031,939.85	421,177,870.15
P14: Public Financial and Accounting	**5,536,608.00**	**-1,000,000.00**	**4,536,608.00**	**1,506,656.00**	**3,029,952.00**

SP1: Accounting management servicers	5,536,608.00	-1,000,000.00	4,536,608.00	1,506,656.00	3,029,952.00
P15: Budget Formulation, Coordination and Management	**4,630,618.00**	**-1,643,724.00**	**2,986,894.00**	**1,327,496.00**	**1,659,398.00**
SP1: Budget Formulation, Coordination and Management	4,630,618.00	-1,643,724.00	2,986,894.00	1,327,496.00	1,659,398.00
P16: Internal Audit	**4,026,624.00**	**-500,000.00**	**3,526,624.00**	**2,643,555.00**	**883,069.00**
SP1: Internal Audit	4,026,624.00	-500,000.00	3,526,624.00	2,643,555.00	883,069.00
P17: Disaster Risk Reduction and Management	**-**	**255,001,141**	**255,001,141**	**248,758,159.00**	**6,242,982.00**
SP1: Disaster Preparedness and Mitigation Measures	-	255,001,141	255,001,141	248,758,159.00	6,242,982.00
P18: Water Supply	**1,822,808,778.00**	**166,857,993.00**	**1,989,666,771.00**	**1,890,502,080.90**	**99,164,690.10**
SP1: Water Storage Structures	1,587,806,067.00	103,679,756.00	1,691,485,823.00	1,592,321,132.90	99,164,690.10
SP2: Water provision services	235,002,711.00	63,178,237.00	298,180,948.00	298,180,948.00	0.00
P19: Environment and Natural Resources	**117,233,950.00**	**-4,674,020.00**	**112,559,930.00**	**110,431,770.85**	**2,128,159.15**
SP1: Environmental Protection	117,233,950.00	-4,674,020.00	112,559,930.00	110,431,770.85	2,128,159.15
P20: Administration and Support Services	**140,261,173.00**	**27,112,571.00**	**167,373,744.00**	**162,003,131.30**	**5,370,612.70**
SP1: Administration and Support Services	140,261,173.00	27,112,571.00	167,373,744.00	162,003,131.30	5,370,612.70
Grand Total	**13,427,306,515**	**282,650,894**	**13,709,957,409**	**11,945,051,583**	**1,764,905,826**

5.8. 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 IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Mandera County Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

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

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

The entity recognises all expenses 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 consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

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 Mandera County Government and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2019, this amounted to KShs 109,495,859 compared to KShs 35,101,789 in prior period as indicated on note 23.

There were no other restrictions on cash during the year

6. 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.

7. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

8. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these 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 Mandera County Government at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Mandera county Government's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30th June 2018 for the period 1st July 2019 to 30 June 2019 as required by law. There was one supplementary budget passed in the year. A high-level assessment of the Mandera county Government's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

13. Errors

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

14. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2018 - 2019	2017 – 2018
	KShs	KShs
Exchequer Releases	10,777,608,554	9,739,500,000
-	-	-
-	-	-
-	-	-
Total	**10,777,608,554**	**9,739,500,000**

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows: (The totals of A,B and C below should equal the total exchequer releases).

1A. Equitable Share

Description	2018/2019	2017/2018
	KShs	KShs
Total Equitable Share for quarter 1	507,110,000	-
Total Equitable Share for quarter 2	2,636,972,000	1,363,530,000
Total Equitable Share for quarter 3	2,789,105,000	3,554,917,500
Total Equitable Share for quarter 4	4,209,013,000	4,821,052,500
Total	**10,142,200,000**	**9,739,500,000**

1B: Level 5 Hospitals Allocation

Description	2018/2019	2017/2018
	KShs	KShs
Transfers for level 5 hospitals	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2018/2019	2017/2018
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	32,653,126	-
World Bank – THUSCP	85,173,208	-
Kenya Urban Support Project (Kusp) -Urban Institutional Grants (Uig)	41,200,000	-
Kenya Devolution Support Programme	235,542,828	-
Kenya Urban Support Programme	175,819,500	-
Agriculture Sector Development Support Project (ASDSP)	10,161,036	-
Kenya Climate Smart Agriculture Project (KCSAP)	54,858,856	-
Total	**635,408,554**	

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	2018/2019	2017/2018
	Kshs	Kshs
DANIDA - Universal Healthcare in Devolved Units Programme	-	40,078,375
World Bank – THUSCP	-	50,000,000
Kenya Devolution Support Programme	-	60,963,717
	-	
	-	**151,042,092**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	KShs	KShs
Transfers from Central government entities		
Fuel Levy Fund (State Department of Infrastructure)	267,035,293	381,574,994
User Fees foregone (Ministry of Health)	25,474,920	15,521,730
Development of Youth Polytechnics	23,586,200	29,831,415
Transfers from Counties		
(insert name of budget agency)	-	-
(insert name of budget agency)	-	-
TOTAL	**316,096,413**	**426,928,139**

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2018 - 2019	2017 - 2018
	KShs	KShs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits		
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

	2018- 2019	2017 – 2018
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2018 – 2019	2017 – 2018
	KShs	KShs
Receipts from the Sale of Buildings		
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2018 - 2019	2017 – 2018
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals& Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2018 - 2019	2017 – 2018
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

9. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 – 2018
	KShs	KShs
Hospital Collection	20,314,460	-
Land Rents	17,885,270	4,426,760
Single Business Permit	9,776,850	11,881,407
Miraa Movements	7,892,200	
Barriers	7,495,200	-
Land Transfers	5,707,000	-
Slaughter Fees And Charges	4,415,290	-
Livestock Markets	3,048,300	-
Markets Stalls	2,997,030	4,590,210
Tender And Quantity Surveying Fees	2,712,000	-
Livestock Movement	2,548,700	-
Income From Water Management	2,136,950	-
Agriculture Mechanization Services	1,976,000	-
Others	1,850,600	6,749,799
Public Health	1,026,300	2,091,894
Stores	926,720	
Buspark/Taxis	756,450	1,031,700
Building Plan	741,400	-
Rental Income	556,300	-
Produce Cess and other Cesses	367,400	15,426,086
Income From Quaries	291,050	-
Public Health Facilities Operations		11,200,575
Hire Of Public Works Equipments	-	-
Administrative Services Fees	-	1,169,150
Environment & Conservancy Administration	-	-
Slaughter Houses Administration	-	2,463,890
Sewerage Administration	-	-

Other Health & Sanitation Revenues	-	-
Technical Services Fees	-	-
External Services Fees	-	-
TOTAL	**95,421,471**	**61,031,471**

There is high improvement in local revenue collection in the current financial year compared to the previous year. The collection increased by 56% and the good results are attributed to the following reasons:

i. Autonomy of revenue department services with a separate chief officer from the accounting services.
ii. Change of personnel (Director) that injected new power into the department.
iii. Decentralization of collection and administration of revenue up to the ward levels.
iv. Automation of revenue collection by use of Mpesa pay bill number.

This performance is highly satisfactory and requires major efforts to maintain due to the numerous challenges (as listed below) the County is facing to meet and attain its required revenue targets.

a) Insecurity due terror attacks and inter clan fights affected revenue collection
b) Drought adversely affected livestock and agricultural related revenues
c) Boarder closure due to security issues
d) Lack of enough human capacity and resource

10. RETURNED CRF ISSUES

	2018 - 2019	2017 – 2018
	KShs	KShs
CRF returns	2,477,666,724	
Development account		
Deposit account		
Total	**2,477,666,724**	

These relate to unspent balances in the development, recurrent and other accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 – 2018
	KShs	KShs
Basic salaries of permanent employees	818,976,451	726,967,480
Basic wages of temporary employees	139,551,626	208,114,678
Personal allowances paid as part of salary	1,170,608,568	747,030,332
Government pension and retirement benefits (Gratuity)	37,432,567	15,025,458
Pension and other social security contributions	92,099,382	152,094,157
Compulsory national social security schemes	3,510,900	4,145,400
Compulsory national health insurance schemes	37,092,600	32,481,050
Other personnel payments	68,742,753	228,637,942
Total	**2,368,014,846**	**2,114,496,497**

The changes in Compensation of Employees are due to;
Recruitment of new staffs
Better Classification of the items of compensation from the IPPD data
Recruitments of new payroll manager and clean-up of the IPPD system data

12. USE OF GOODS AND SERVICES

	2018 - 2019	2017 – 2018
	KShs	KShs
Utilities, supplies and services	9,301,000	13,431,251
Communication, supplies and services	3,675,805	-
Domestic travel and subsistence	14,925,330	16,396,515
Foreign travel and subsistence	19,924,330	7,975,938
Printing, advertising and information supplies & services	8,436,524	5,363,375
Rentals of produced assets	22,249,697	129,231,349
Training expenses	28,204,710	33,762,982
Hospitality supplies and services	27,755,065	37,905,081
Insurance costs	205,498,340	154,466,226
Specialized materials and services	599,361,702	479,440,082
Office and general supplies and services	24,591,161	20,872,294
Other operating expenses	1,243,240,088	648,831,776
Routine maintenance – vehicles and other transport equipment	35,650,531	34,881,233
Fuel Oil and Lubricants	20,157,738	18,456,810
Routine maintenance – other assets	77,096,040	27,527,429
Total	**2,340,068,061**	**1,628,542,341**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Subsidies to Public Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Transfers to County Government entities		
Mandera County Assembly	733,921,877	586,236,537
MANDAWASCO	90,000,000	-
Mandera Municipality	21,119,000	
Transfers to Other Counties		
Transfers to National Government entities		
Transfer to the Council of Governors	-	-
TOTAL	**845,040,877**	**586,236,537**

Transfer to other government entities relate to the funds submitted to the respective autonomous department to enable them undertake their operation.

15. OTHER GRANTS AND PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Scholarships and other educational benefits	126,315,000	40,500,000
Emergency relief and refugee assistance	280,731,969	332,785,944
Drought Contingency	20,799,568	86,496,863
Total	**427,846,538**	**459,782,807**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

	2018 – 2019	2017 – 2018
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

17. ACQUISITION OF ASSETS

Non- Financial Assets	2018 – 2019	2017 – 2018
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	1,548,159,424	931,641,376
Refurbishment of Buildings	43,419,446	-
Construction of Roads	1,344,003,018	1,231,085,799
Construction and Civil Works	1,897,471,482	749,535,014
Overhaul and Refurbishment of Construction and Civil Works	230,616,718	87,946,418
Purchase of Vehicles and Other Transport Equipment	176,878,900	30,012,700
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Office Furniture and General Equipment	124,527,062	12,756,290
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	282,790,579	20,880,450
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	43,036,256	98,630,121
Rehabilitation of Civil Works	209,515,281	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets	**5,900,418,167**	**3,162,488,167**
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total acquisition of financial assets		
Total acquisition of assets	**5,900,418,167**	**3,162,488,167**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2018 – 2019	2017 – 2018
	KShs	KShs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total	-	-

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2018 – 2019	2017 – 2018
	KShs	KShs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

20. OTHER PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	63,663,093.	1,595,484,355
	63,663,094	**1,595,484,355**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account No. & currency	Indicate type	Ex. rate (if in foreign currency)	2018 – 2019	2017 – 2018
			KShs	KShs
MANDERA COUNTY RECURRENT- Central Bank of Kenya, 1000170913, KES		-	-	13,714,121
MANDERA COUNTY DEVELOPMENT- Central Bank of Kenya, 1000170848, KES			-	
MANDERA COUNTY ROAD MAINT. LEVY- Central Bank of Kenya, 1000297964, KES			-	34,195,144
Mandera County Village Polytechnic Project- Central Bank of Kenya, 1000369515 kes			-	23,373,561
MANDERA COUNTY SPECIAL PURPOSE ACC- Central Bank of Kenya, 1000275316, KES			14,570,058	99,693
Mandera County - Revenue Fund Central Bank of Kenya, 1000171472 Kshs.			1,608,234,894	2,406,284,206
Mandera County Retention Account National Bank of Kenya, 01001100414500 Kshs.			109,495,859	35,101,789
MANDERA COUNTY KE CLM SMAT AGR PRJ- Central Bank of Kenya KES 1000368535			13,283	
MANDERA COUNTY URBAN INSTITUTIONAL - Central Bank of Kenya KES 1000392819			98,923,344	
Mandera County - Revenue ACC EQUITY		-	-	-
Mandera County - Revenue Acc National Bank		-	-	-
Mandera County - Revenue Acc Kcb		-	-	-
Total			**1,831,237,438**	**2,512,768,513**

21B. CASH IN HAND

	2018 – 2019	2017 – 2018
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

There was no cash in hand as at 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Government Imprests	-	-
Clearance accounts	-	-
Total	-	-

There were no outstanding imprests as at 30 June 2019

23. ACCOUNTS PAYABLE

	2018 – 2019	2017 – 2018
	KShs	KShs
Deposits	109,495,859	35,101,789
Retention monies	-	-
Total	**109,495,859**	**35,101,789**

24. FUND BALANCE BROUGHT FORWARD

	2018 – 2019	2017 – 2018
	KShs	KShs
Bank accounts	2,512,768,513	1,715,826,042
Cash in hand	-	
Accounts Receivables	-	-
Accounts Payables	-35,101,789	-69,630,315
Returned to Crf Issues	-2,477,666,724	
Total	**0**	**1,646,195,726**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

Description of the error	2018 – 2019	2017 – 2018
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
	-	-

There were no prior adjustments related to Preparation of this year's Financial Statements.

5.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	39,707,112	-	-	39,707,112
Construction of civil works	45,286,561	-	-	45,286,561
Supply of goods	114,344,278	-	-	114,344,278
Supply of services	111,522,553	-	-	111,522,553
Total	**310,860,504**	**-**	**-**	**310,860,504**

2. PENDING STAFF PAYABLES

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others				-
Total	-	-	-	-

No pending staff payables as at 30 June 2019

3. OTHER PENDING PAYABLES

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Total	-	-	-	-

There was no other pending payables as at 30 June 2019

4. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	2018- 2019	2017- 2018
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
Transfers to related parties		
Transfer to the County Assembly	733,921,877	586,236,537
Transfers to MANDAWASCO	90,000,000.00	-
Transfers MANDERA MUNICIPALITY	21,119,000.00	-
Transfers to non reporting entities e.g. schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Total Transfers to related parties	**845,040,877**	**586,236,537**
Transfers from related parties		
Transfers from the Exchequer	10,142,200,000.00	9,663,318,677.00
Transfers from MDAs	-	
Transfers from SCs and SAGAs- National Government	316,096,413.00	275,764,558.00
Grants Received from Bilateral Donors (Foreign Governments)	635,408,553.80	49,787,798.00
Total Transfers from related parties	**11,093,704,967**	**9,988,871,033**

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
MANDAWASCO	August 2018	Mandera Town	ABDIKADIR.M.TACHE
Mandera Municipality	June 2018	Mandera Town	HASSAN NOOR ADAN
Mandera Bursary Fund	July 2014	Mandera Town	ABDULLAHI M. ABDI

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.	Accident and emergency centre	Recommendation Effected	Cco Health	Resolved	2nd August 2019
1.	Accident and emergency centre	Recommendation Effected	Cco Health	Resolved	2nd August 2019
2.	Sub Standard Construction Works	Contractor was not fully paid and was directed to re-do the work as per the BQ	Cco Health	Resolved	2nd August 2019
3.	Supply, Delivery And Transportation Of Emergency Relief Food	Mandera County entered into a contract agreement with the supplier for the Supply and Delivery of Emergency relief on" As and when needed basis".	Cco Finance	Resolved	2nd August2019
4.	Unsupported Medical Insurance Cover	the contract agreement, Policy documents and list of beneficiaries is ready	Cco Public Service	Resolved	2nd August 2019
5.	Unaccounted For Furniture And General Equipment	The items were dully received, entered into the store ledger and were issued out with S11		Resolved	2nd August 2019
6.	Unaccounted For Specialized Materials	The Clinical Officers And Nurses Received The Items At The point of delivery.	Cco Health	Resolved	2nd August 2019
7.	Constructions Of Civil Work	The Missing Documents From payment voucher were available during audit period in the departmental project file	Cco Roads	Resolved	2nd August 2019
8.	Drought Contigency	The contract agreement, log books, work tickets, driver's license, invoices and delivery were available in the departmental project files	Cco Water	Resolved	2nd August 2019
9.	Irregular And Unaccounted For Bush Clearing	The Contract Agreement, Inspection and acceptance Certificate were available in	Cco Roads	Resolved	2nd August 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	Services	the departmental project file			
10.	Compensation Of Employees	Recommendation Effected	Cco Public Service	Resolved	2nd August 2019
11.	Unaccounted For Fuel	The fuel was procured for borehole generators to mitigate the local citizen from harsh drought	Cco Water	Resolved	2nd August 2019
12.	Training Expenses	The missing documents from payment voucher were available		Resolved	2nd August 2019
13.	Renovation & Rehabilitation Works/Services	The certificate was available in the departmental project file but was not presented during audit	Cco Roads	Resolved	2nd August 2019
14.	Unaccounted For Specialized Plant, Other Machineries	Recommendation Effected	Cco Health	Resolved	2nd August 2019

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Other transfers- Donor funds transferred through exchequer	Total Transfers from the National Treasury/ Exchequer
Exchequer Releases for quarter 1	507,110,000	-	-	507,110,000	507,110,000
Exchequer Releases for quarter 2	2,636,972,000	16,326,563.0	-	2,653,298,563	2,636,972,000
Exchequer Releases for quarter 3	2,789,105,000	16,326,563	-	2,805,431,563	2,789,105,000
Exchequer Releases for quarter 4	4,209,013,000	-	-	4,209,013,000	4,209,013,000
Total	**10,142,200,000**	**32,653,126**	-	**10,174,853,126**	**10,142,200,000**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/1018	Comments
	a	b	c	d=a-c	
Construction of buildings					
Qaswar tech ltd	6,974,766	15/5/2015	6,974,766	6,974,766	
Zeymo investment limited	3,550,000	30/6/2015	3,550,000	3,550,000	
Ahmed A Mahat and sons ltd	3,550,000		3,550,000	3,550,000	
Nonetime general suppliers and contructors ltd	3,000,108	30/6/2015	3,000,108	3,000,108	
Takbir general trading	2,800,000	30/6/2015	2,800,000	2,800,000	
Taxan investment ltd	713,029		713,029	713,029	
Egu general construction & suppliers	3,877,961	23/2/2016	3,877,961	3,877,961	
Habbi construction Co.	1,500,000	27/01/2015	1,500,000	1,500,000	
Takaba eska suppliers	4,000,000	27/02/2015	4,000,000	4,000,000	
Takbir general trading co.	1,249,784	20/5/2014	1,249,784	1,249,784	
Takbir general trading co.	949,808	20/5/2014	949,808	949,808	
Zeytal company	800,000	3/2/2015	800,000	800,000	
Bukut pioneer Const.	728,000	22/1/2015	728,000	728,000	
Puma international trading	1,863,656	3/2/2015	1,863,656	1,863,656	
Masho Hill co. ltd	2,800,000	27/9/2014	2,800,000	2,800,000	
Takbir general trading co.	1,350,000	21/3/2014	1,350,000	1,350,000	
Sub-Total	**39,707,112**		**39,707,112**	**39,707,112**	
Construction of civil works					
Hardimtu Enterprises co.	437,500	20/2/2015	437,500	437,500	
Kriss cross trading co.	425,000		425,000	425,000	

Ibse construction	2,000,000	11/5/2015	2,000,000	2,000,000	
Arges Awara	3,417,500	26/1/2014	3,417,500	3,417,500	
Nomad (K) ltd	4,000,000	23/3/2015	4,000,000	4,000,000	
Adale investment co. ltd	3,873,240	9/6/2015	3,873,240	3,873,240	
Amin construction co. ltd	1,500,000	30/4/2015	1,500,000	1,500,000	
Ereb kuki community self-help group	3,489,900	15/2/2015	3,489,900	3,489,900	
Frontline Co. ltd	3,420,000	20/1/2015	3,420,000	3,420,000	
Zeyma Trading co. ltd	2,400,000	14/7/2015	2,400,000	2,400,000	
Habathey and sons co.	3,375,600	2/4/2015	3,375,600	3,375,600	
Abshi and sons co.	4,568,550	6/2/2015	4,568,550	4,568,550	
hullow enterprises	3,989,000	11/11/2014	3,989,000	3,989,000	
Modan constructors and general supplies	99,488	23/5/2014	99,488	99,488	
Ismahan General supplies	800,000		800,000	800,000	
Sharus construction and suppliers co.	4,140,950	9/3/2015	4,140,950	4,140,950	
Anisa agencies ltd	413,758		413,758	413,758	
Mandera clay product	71,300	18/3/2016	71,300	71,300	
Daye investment ltd	627,000	23/03/2015	627,000	627,000	
Guba investment	729,855		729,855	729,855	
Horyaal construction co.	759,920	26/6/2015	759,920	759,920	
Shukran enterprise ltd	48,000	30/4/2014	48,000	48,000	
Mosham building and construction	700,000	2/2/2015	700,000	700,000	
	-	-	-	-	
Sub-Total	**45,286,561**		**45,286,561**	**45,286,561**	
Supply of goods					
kaltuma catering services	270,000		270,000	270,000	
Marille service station	495,000		495,000	495,000	
Marille service station	660,000	26/5/2015	660,000	660,000	
Elwak service	1,998,296		1,998,296	1,998,296	
Takrim express	3,000,000	9/2/2015	3,000,000	3,000,000	
Daryeel suppliers ltd	3,950,000	20/3/2015	3,950,000	3,950,000	
Alnaim Const. and general supplies	2,270,000	15/12/2014	2,270,000	2,270,000	

Sarma const. company ltd	3,860,000	5/1/2015	3,860,000	3,860,000	
Samia Energy	460,000	18/5/2015	460,000	460,000	
Rhamu service station	672,000	20/10/2014	672,000	672,000	
Nurrow enterprises ltd	340,200		340,200	340,200	
Darur brigways construction ltd	2,824,000	26/01/2015	2,824,000	2,824,000	
Bissa construction and supplies	2,675,169	18/12/2014	2,675,169	2,675,169	
Nurrow enterprises ltd	660,000		660,000	660,000	
Nurrow enterprises ltd	168,000	1/7/2015	168,000	168,000	
Masamu general trading co.	2,800,000	5/1/2015	2,800,000	2,800,000	
Masamu general trading co.	2,495,000	12/4/2015	2,495,000	2,495,000	
Khadija Ibrahim -cold drinks	636,000		636,000	636,000	
Qaswar tech ltd	4,000,000	23/5/2015	4,000,000	4,000,000	
Marille service station	840,000	27/5/2015	840,000	840,000	
Microbit system ltd	1,594,200	26/1/2015	1,594,200	1,594,200	
Sensuile technologies	1,995,838		1,995,838	1,995,838	
Garsele construction co.	1,850,000	21/08/2014	1,850,000	1,850,000	
Highland energy ltd	1,500,000	20/2/2015	1,500,000	1,500,000	
Abuyasir investment Co.	1,000,000		1,000,000	1,000,000	
Adan Abdi Ali	87,000		87,000	87,000	
Abuyasir investment Co.	999,920		999,920	999,920	
Libin logistics ltd	2,500,000	10/4/2015	2,500,000	2,500,000	
Northlink general suppliers	716,225	30/9/2014	716,225	716,225	
Yusra engeering ltd	1,500,000		1,500,000	1,500,000	
Emni investment ltd	2,400,000	23/12/2014	2,400,000	2,400,000	
Kenman contractors ltd	2,510,000		2,510,000	2,510,000	
Essa suupliers	420,000	20/9/2014	420,000	420,000	
Deymo construction	1,000,000	12/6/2015	1,000,000	1,000,000	
Elwak service	93,470	2/11/2015	93,470	93,470	
Didows trading co.	1,016,990	11/3/2015	1,016,990	1,016,990	
Irebuki community self help group	997,000	20/03/2015	997,000	997,000	
Hamsa investment	995,000	16/1/2015	995,000	995,000	

Samburs suppliers	3,000,000		3,000,000	3,000,000	
Alhamdu hardware	1,072,565	11/3/2015	1,072,565	1,072,565	
Daye investment ltd	1,999,875	18/8/2014	1,999,875	1,999,875	
Hardimtu enterprises co.	2,000,000	22/7/2015	2,000,000	2,000,000	
Milletech engeering investment	715,000	7/10/2015	715,000	715,000	
saroiland co. ltd	1,428,000		1,428,000	1,428,000	
Takaba auto service	390,000	11/3/2015	390,000	390,000	
East pole co.	98,320	31/3/2017	98,320	98,320	
Norman investment ltd	2,250,000	29/9/2017	2,250,000	2,250,000	
Exact general suppliers Contractors ltd	1,900,000	24/7/2015	1,900,000	1,900,000	
Caano Construction co. ltd	1,500,000	16/8/2015	1,500,000	1,500,000	
Ekaya Construction co. ltd	1,500,000	16/9/2015	1,500,000	1,500,000	
Garse Agrovet Cnstr. Co ltd	1,700,000	18/6/2015	1,700,000	1,700,000	
Aswan Dam co.	1,740,000	16/11/2017	1,740,000	1,740,000	
Ibramo general supplies	1,134,050	19/2/2016	1,134,050	1,134,050	
Namis auto services	1,860,000		1,860,000	1,860,000	
Namis auto services	1,483,000		1,483,000	1,483,000	
Macalim garage enterprises	1,860,000		1,860,000	1,860,000	
Bikola system and engineering solution	815,200	28/4/2014	815,200	815,200	
DUNTOW BOOKSHOP	2,467,000	24/10/2014	2,467,000	2,467,000	
NORTH LINK TECHNOLOGIES	808,000	12/5/2016	808,000	808,000	
DARYEEL SUPPLIES LTD	2,750,000	10/4/2014	2,750,000	2,750,000	
AMANAH LIMITED	2,498,000	13/01/2014	2,498,000	2,498,000	
Alnaim Construction	2,000,000		2,000,000	2,000,000	
Zesta Investment Limited	2,800,000		2,800,000	2,800,000	
Boqot Oro Investment	1,400,000		1,400,000	1,400,000	
Adroits Commodities	1,199,960		1,199,960	1,199,960	
Banyoley Construction	1,200,000		1,200,000	1,200,000	
Amanah Limited	1,920,000		1,920,000	1,920,000	
Maysa Solution	2,800,000		2,800,000	2,800,000	
Maysa Solution	1,850,000		1,850,000	1,850,000	

Zafar Cleaning Services	1,956,000		1,956,000	1,956,000	
fowz enterprises limited	2,000,000		2,000,000	2,000,000	
Sub-Total	**114,344,278**		**114,344,278**	**114,344,278**	
Supply of services					
Risa limited	3,000,000	13/11/2015	3,000,000	3,000,000	
Macalim garage enterprises	167,620	3/8/2015	167,620	167,620	
Saarma general contractors	2,000,000		2,000,000	2,000,000	
Macalim garage enterprises	280,952	18/6/2015	280,952	280,952	
Macalim garage enterprises	246,036	9/7/2015	246,036	246,036	
Macalim garage enterprises	253,200	14/01/2015	253,200	253,200	
Khalankhalesa investment ltd	1,200,000	22/1/2015	1,200,000	1,200,000	
Amanta construction Co.	1,200,000	2/2/2015	1,200,000	1,200,000	
Macalim garage enterprises	147,436	29/7/2015	147,436	147,436	
Macalim garage enterprises	75,000	5/4/2105	75,000	75,000	
Macalim garage enterprises	581,000	18/12/2014	581,000	581,000	
Macalim garage enterprises	325,830	2/8/2015	325,830	325,830	
Macalim garage enterprises	252,184	9/8/2015	252,184	252,184	
Macalim garage enterprises	104,400	8/6/2015	104,400	104,400	
Macalim garage enterprises	160,544	5/6/2015	160,544	160,544	
Macalim garage enterprises	64,960	20/8/2018	64,960	64,960	
Macalim garage enterprises	3,596	20/8/2018	3,596	3,596	
Macalim garage enterprises	141,520	16/4/2015	141,520	141,520	
Macalim garage enterprises	167,910	3/8/2015	167,910	167,910	
Macalim garage enterprises	32,480	8/8/2015	32,480	32,480	
Macalim garage enterprises	152,192	4/6/2015	152,192	152,192	
Macalim garage enterprises	81,200	16/6/2015	81,200	81,200	
Macalim garage enterprises	58,000	30/7/2015	58,000	58,000	
Macalim garage enterprises	192,560	11/4/2015	192,560	192,560	
Macalim garage enterprises	36,308	8/7/2015	36,308	36,308	
Macalim garage enterprises	32,480	13/7/2015	32,480	32,480	
Macalim garage enterprises	230,260	28/7/2015	230,260	230,260	

Macalim garage enterprises	496,500	2/4/2015	496,500	496,500	
Macalim garage enterprises	1,568,700	8/12/2014	1,568,700	1,568,700	
Isnina Osman Aden	900,000		900,000	900,000	
Macalim garage enterprises	207,408	12/8/20115	207,408	207,408	
Zakir suppliers ltd	2,500,000	6/2/2015	2,500,000	2,500,000	
pinnie construction co.	3,950,000	25/2/2015	3,950,000	3,950,000	
Khalafow construction co	3,000,000		3,000,000	3,000,000	
Maykorebi enterprise	1,200,000	8/5/2015	1,200,000	1,200,000	
Derow construction co.	3,839,600		3,839,600	3,839,600	
Super mandera	3,294,400	8/5/2015	3,294,400	3,294,400	
Abdirahim sheikh Issack	450,000		450,000	450,000	
Samia energy	571,600	25/11/2014	571,600	571,600	
Libiin logistic ltd	1,872,000		1,872,000	1,872,000	
kenya institute of highway and building technology	22,400		22,400	22,400	
Manelta garage	80,000	28/10/2014	80,000	80,000	
Sadeti logistic engineering co.	100,000		100,000	100,000	
Tawakal motors garage	452,400	2/2/2015	452,400	452,400	
Mwalimu toyota mandera	503,672		503,672	503,672	
fairoz construction	1,920,000		1,920,000	1,920,000	
Bissa construction and supplies	1,920,000		1,920,000	1,920,000	
Kenya red cross society	90,000		90,000	90,000	
Mwalimu toyota mandera	490,796		490,796	490,796	
Sarma construction	100,000	30/10/2014	100,000	100,000	
Darur brigways construction ltd	4,000,000	26/3/2015	4,000,000	4,000,000	
Isnina Osman Aden	900,000		900,000	900,000	
Guba investment co.	780,000		780,000	780,000	
Jabaane africa ltd	124,500	17/4/2014	124,500	124,500	
Hassan ibrahim Bori	174,345		174,345	174,345	
Super star general	1,350,000	1/12/2014	1,350,000	1,350,000	
Continental Investment	2,400,000	10/8/2014	2,400,000	2,400,000	

Tanas Contractors ltd	2,200,000	18/5/2015	2,200,000	2,200,000	
Alinoor Abdullahi	210,000		210,000	210,000	
mohamed mohamud and sons	3,526,400		3,526,400	3,526,400	
Elite construction	1,486,422	7/3/2015	1,486,422	1,486,422	
mohamed mohamud and sons	1,264,500	30/9/2015	1,264,500	1,264,500	
Alio Mohamed Ibrahim	45,000		45,000	45,000	
Garat Adan Mohamed	380,000		380,000	380,000	
G and M garage	800,000	14/4/2015	800,000	800,000	
Hamsa Haji Omar	300,000		300,000	300,000	
Ahmed Hassan tifow	420,000		420,000	420,000	
Ali shina spare parts	999,900		999,900	999,900	
Rural consern	450,000		450,000	450,000	
Isnina Osman Aden	900,000		900,000	900,000	
Rural consern	450,000		450,000	450,000	
Azhar general suppliers	3,495,750	13/2/2015	3,495,750	3,495,750	
Tawakal motors garage	163,440	17/12/2015	163,440	163,440	
s	225,000		225,000	225,000	
Rural consern	450,000		450,000	450,000	
Hussein construction and supplies	1,275,404		1,275,404	1,275,404	
Burati construction co.	1,000,000		1,000,000	1,000,000	
Ukuros Trading ltd	1,848,500	24/2/2015	1,848,500	1,848,500	
Mwalimu toyota mandera	284,741	8/3/2016	284,741	284,741	
Mwalimu toyota mandera	203,135	8/3/2016	203,135	203,135	
Elmarat ltd	1,280,640		1,280,640	1,280,640	
Guba investment	857,500		857,500	857,500	
Takaba construction co.	2,100,000	23/01/2015	2,100,000	2,100,000	
Elmarat ltd	489,520		489,520	489,520	
Multilevel consultants ltd	4,500,000		4,500,000	4,500,000	
MASTER ROCK CONSTRUCTION	1,220,000		1,220,000	1,220,000	
ELMARAT LIMITED	800,000		800,000	800,000	
CORDOBA RESTAURANT	856,000		856,000	856,000	

CORDOBA RESTAURANT	324,000		324,000	324,000	
SAMIA ENERGY	88,000		88,000	88,000	
VINTIJ INTERNATIONAL	2,565,000		2,565,000	2,565,000	
ELMARAT LIMITED	1,050,000	10/1/2016	1,050,000	1,050,000	
Miina Construction	2,998,000		2,998,000	2,998,000	
Jirena Construction	2,500,000		2,500,000	2,500,000	
yato enterprises limited	1,597,712		1,597,712	1,597,712	
Dadachtune Investment	2,090,000		2,090,000	2,090,000	
Alnaim Construction	2,680,000		2,680,000	2,680,000	
Amanah Limited	2,400,000		2,400,000	2,400,000	
Dadachtune Investment	2,880,000		2,880,000	2,880,000	
gagabti agency limited	2,850,000		2,850,000	2,850,000	
Havillah Construction co. Ltd	2,572,000		2,572,000	2,572,000	
	-	-	-	-	
Sub-Total	**111,522,553**		**111,522,553**	**111,522,553**	
Grand Total	**310,860,504**		**310,860,504**	**310,860,504**	-

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land	24,141,291	-	-	-	24,141,291
Buildings and structures	5,630,161,217	1,591,578,871	-	-	7,178,320,642
Transport equipment	579,458,335	176,878,900	-	-	756,337,235
Roads, Other Infrastructures, Constructions and civil works	11,689,358,741	3,681,606,499	-	-	15,436,118,822
Office equipment, furniture fittings and ICT Equipment, Software and Other ICT Assets	191,024,033	124,527,062	-	-	293,816,960
Specialised Plants, Other Machinery and Equipment	590,982,334	282,790,579	-	-	873,772,912
Heritage and cultural assets	-	-	-	-	-
Intangible assets	939,668,956	43,036,256	-	-	982,705,212
Total	**19,644,794,907**	**5,900,418,167**	-	-	**25,545,213,074**

ANNEX 4– INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	County Assembly	120,402,330	255,496,858	199,162,914	158,859,776	**733,921,877**	**733,921,877**	-	
2	Mandera Bursary fund	-	-	122,675,000	3,640,000	**126,315,000**	**126,315,000**	-	
3	MANDAW ASCO	-	16,000,000	71,000,000	3,000,000	**90,000,000**	**90,000,000**	-	
4	Mandera Municipality	-	7,263,000.00	10,752,000	3,104,000	**21,119,000**	**21,119,000**	-	
9	**Total**	**120,402,330**	**278,759,858**	**403,589,914**	**168,603,776**	**971,355,877**	**971,355,877**	-	

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

ANNEX 5 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)