

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
COUNTY ASSEMBLY OF MANDERA**

**FOR THE YEAR ENDED
30 JUNE 2018**

, Revised template of June 2018



**MANDERA COUNTY ASSEMBLY
(MANDERA COUNTY)**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

**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 Assembly of Mandera is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 48 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The *Mandera County Assembly's* day-to-day management is under the following key organs:

1. County Assembly Service Board
2. County assembly Speaker
3. County Assembly Clerk
4. Board of Management

(c) Fiduciary Management

The key management personnel who held office during the year ended 30.06.2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Ahmed Hassan Surow
2.	Deputy Clerk	Hassan Abdullahi Abdikadir
3.	Principal Finance Officer	Mohamed Hussein Kahia

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit committee activities*
- *County Assembly committee activities*
- *County Assembly Service Board*
- *County Assembly Public Account and Investment Committee*

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

(e) Entity Headquarters

P.O. Box 408-70300
Mandera County Assembly
Mandera Bp1 Road
Mandera, KENYA

(f) Entity Contacts

Telephone: (254) 723 577 006
E-mail: manderaassembly.go.ke
Website: www.manderaassembly.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
P.O. Box 275 – 70300
Mandera Branch
Mandera, Kenya...

...

...

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2018. 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 Assembly; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly'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 Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2018, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly 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 Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the annual under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 21st September, 2018.



Clerk of the County Assembly

4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MANDERA FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Mandera set out on pages 1 to 31, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Mandera as at 30 June 2018, 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 complies with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Compensation of Employees

Included in the compensation of employees amount of Kshs.292,514,974 is personal allowances paid as part of salary of Kshs.118,111,973 which in turn includes Kshs.16,198,734 incurred in respect of Members of County Assembly (MCA) mileage claims. However, these claims were not supported with copies of the vehicle logbooks owned by the MCAs or where leased a binding lease agreement for the vehicles, work tickets and driver's license to ascertain the ownership of the vehicles and the kilometers covered to visit the wards.

In the circumstances, the probity of Kshs.16,198,734 could not be ascertained.

Report of the Auditor-General on the Financial Statements of County Assembly of Mandera for the year ended 30 June 2018

2. Use of Goods and Services

2.1. Unsupported Training Expenses

Included in the use of goods and services of Kshs.282,418,524 is an amount Kshs.21,861,730 in respect of training expenses which in turn includes Kshs.10,759,040 which was not properly supported with invitation letters, training programs, training need assessment, user request and mode of participants selection as well as how the training venues were identified and procured.

In view of the foregoing, the propriety of the expenditure of Kshs.10,759,040 could not be ascertained.

2.2. Domestic, Travel and Subsistence

Included in the use of goods and services figure of Kshs.282,418,524 is an amount Kshs.103,978,894 in respect of domestic, travel and subsistence expenses which in turn includes Kshs.10,676,914 incurred on domestic travel and subsistence allowances to MCAs and other staff attending workshops and other official duties outside the county. However, the payments were not supported with invitation letters and training programs. In some instances, the mode of transport used was not indicated since the payments were not supported with bus tickets, work tickets or air tickets.

Under the circumstances, it is not possible to ascertain the propriety of the expenditure of Kshs.10,676,914.

2.3. Foreign Travel and Subsistence

Included in the use of goods and services amount of Kshs.282,418,524 is foreign travel and subsistence expenses of Kshs.16,705,891 which in turn includes Kshs.9,989,325 spent on travel and subsistence allowances for foreign trips undertaken by Members of the County Assembly and other officials which did not have supporting documents such as invitation and admission letters to the said trainings, symposia and conferences. Further, there was no duly approved training programs, needs assessment report, clearance/approval letters from the County Assembly service board, the Ministry of Foreign Affairs and Ministry of Devolution, course timetable and fee structures for the tuition participation fees paid. In addition, air tickets, boarding passes, copies of passports and visas used to support the expenditure were also not availed for audit review.

Although the foreign trips by the MCAs and officials were reportedly for education and bench marking exercises, the payments were not supported with end user reports, hence there was no evidence to confirm that the officials travelled and attended the said functions. The benefits derived from these trips to the residents of Mandera County could also not be established.

Under the circumstances, it has not been possible to ascertain the probity of Kshs.9,989,325 incurred on foreign travel and subsistence.

2.4. Unsupported Hospitality Supplies and Services

Included in the use of goods and services of Kshs.282,418,524 is hospitality supplies and services of Kshs.13,517,262 which in turn includes Kshs.7,960,000 on hospitality supplies and services expenses. However, the expenditure was not appropriately supported with requisite documents and approvals by the accounting officer of the County Assembly or the County Assembly Service Board for the services rendered.

Under the circumstances, it has not been possible to ascertain the probity of the expenditure of Kshs.7,960,000.

2.5. Rental of Produced Assets

Included in the use of goods and services of Kshs.282,418,524 is rentals of produced assets expenses of Kshs.10,545,000 which in turn includes Kshs.5,324,740 relating to ward office rents and hire of motor vehicles. However, Section 3 and 4 of the County Assembly of Mandera Service Board Regulations 2013, requires that the county department of health, public works and lands to inspect the offices identified by members to ascertain whether they are fit for human habitation and meets basic public health standards while department of public works was to confirm whether office buildings are structurally sound and the department of lands and housing was supposed to assess value of the offices in order to confirm the market renting price.

However, the inspection reports of these multi-departmental assessments were not availed for audit review. Further, there were no lease agreements between the MCAs and the owners of various premises. Similarly, the logbooks and work tickets for the vehicles that were alleged to have been hired were not maintained.

In view of the foregoing, it has not been possible to confirm the probity of the expenditure of Kshs.5,324,740 for the year ended 30 June 2018.

3. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects the net cash flows from operating activities at Kshs.573,122,950 and a net increase in cash and cash equivalents at Kshs.585,664,859 both of which are inaccurate and do not show the correct position. In addition, the cash and cash equivalents at the beginning of the year has not been captured in the statement.

Consequently, the accuracy of the financial statements for the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of Mandera in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are were no key audit matters to communicate in my report.

Other Matter

1. Fixed Assets Register

A summary of the fixed assets register under Annex 4 to the financial statements discloses the value of fixed assets for the year under review as Kshs.45,225,751. However, the data captured in the document provided as assets register is not linked to the information disclosed on Annex 4 of summary of fixed assets register. Further, the alleged assets register lacked identification or serial numbers, acquisition date, description of asset, location, class, and cost of acquisition, accumulated depreciation, and net book value of the assets. Therefore, the information used to support the fixed assets was not in line with the prescribed format as per IPSAS 17.

In view of the foregoing, it was not possible to ascertain the validity, completeness and accuracy of the assets balance of Kshs.45,225,751.

2. Variances between IFMIS Reports and Financial Statements

A Comparison between financial statements presented for audit and IFMIS generated reports for County Assembly of Mandera between 1 July 2017 and 30 June 2018 in relation to total payment details for both recurrent and development budgets revealed a variance of Kshs.2,428,582.55 and Kshs.31,910,320.00 respectively as analyzed below:-

Budget Vote	Financial Statements Kshs.	IFMIS Report Kshs.	Variance Kshs.
Recurrent	585,664,859.25	588,093,441.80	2,428,582.55
Development	0	31,910,320.00	31,910,320.00
Total	585,664,859.25	620,003,762.80	34,338.902.55

There was a variance of undisclosed expenditure of Kshs.34,338,902 reported in IFMIS but not in financial statements. However, no proper explanation was given for the variance.

Consequently, the accuracy of balances in the financial statements and the IFMIS report as at 30 June 2018 could not be confirmed.

3. Budget Performance Analysis

During the year under review, the Assembly had a recurrent budget of Kshs.802,350,157 with no development budget. The County Assembly of Mandera incurred an actual recurrent expenditure of Kshs.585,523,407.50 thus attaining an absorption rate of 73% with a balance of 27% of the budget not utilized. Failure to implement budgeted for programs denies the residents of the much needed services.

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 Report on Basis for Qualified Opinion 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit so as to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls section of my report, I confirm that, nothing has come to my attention

to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Committee

A review of the overall internal control environment of the Assembly as at the time of audit revealed that the internal audit department was not functional as required by law and the Assembly had not constituted an audit committee.

When internal audit committee is not in existence then the management can easily override controls in such instances, cases of fraud and errors may not be detected and corrected in a timely manner. Further the Assembly was in breach of Public Finance Management Act, 2012 and Section 167(1) of Public Finance Management County Government Regulations, 2015 which requires county governments to establish an audit committee.

Consequently, the Assembly was in contravention of the law.

2. Risk Management Policy Framework

During the financial year under review, the Assembly operated without a documented risk management policy framework contrary to the requirements of Treasury Circular No.3/2009 of 23rd February 2009 which require all heads of public institutions to develop and implement a risk management framework as a fundamental step towards establishing an accountable and innovative public service. In addition, there was no effective reporting system that includes hotlines, report centers and whistle blower policy.

In view of the foregoing, it was not possible to confirm how the accountability was guided.

3. IT Internal Controls

A review of the Assembly's ICT environment revealed that there was no formal approved ICT Policy in place as at 30 June 2018 which includes data security policy and disaster recovery plans. Further, formally documented and approved processes to manage upgrades made to all financial/performance information systems were not provided for audit.

Under the circumstances, the organization may fail to undertake adequate measures to safeguard its resources in the event of unforeseen disasters.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Assembly or to cease operations, or have no realistic alternative but to do so.

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 money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

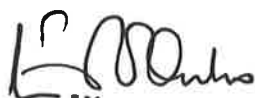
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Assembly 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 Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

18 February 2019


MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018


5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2017/18	2016/17
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	586,236,537.20	572,845,037.35
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		586,236,537.20	572,845,037.35
PAYMENTS			
Compensation of Employees	4	292,514,974.85	256,714,147.15
Use of goods and services	5	282,418,523.65	304,171,048.25
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	10,589,909.00	11,889,466.20
Finance Costs	11	141,451.75	55,778.50
Other Payments	12	-	-
TOTAL PAYMENTS		585,664,859.25	572,830,440.10
SURPLUS/DEFICIT		571,677.95	14,597.25

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21st September, 2018 and signed by:


 Clerk of the Assembly
 Name: Ahmed H. Surow



 Principal Finance Office – County Assembly
 Name: Mohamed H. Kahia
 ICPAK Member Number: 20956

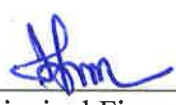
MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2017/2018	2016/17
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	13A	571,677.95	14,597.25
Cash Balances	13B	-	-
Total Cash and cash equivalents		571,677.95	14,597.25
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		571,677.95	14,597.25
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		571,677.95	14,597.25
REPRESENTED BY			
Fund balance b/fwd	16	-	-
Surplus/Deficit for the year		571,677.95	14,597.25
NET FINANCIAL POSITION		571,677.95	14,597.25

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21st September, 2018 and signed by:


 Clerk of the Assembly
 Name: Ahmed H. Surow


 Principal Finance Officer –County Assembly
 Name: Mohamed H. Kahia
 ICPAK Member Number: 20956

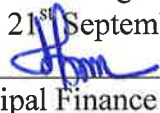
MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

5.3. STATEMENT OF CASH FLOWS

		2017/18	2016/17
	Note	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	586,236,537.20	572,845,037.35
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	292,514,974.85	256,714,147.15
Use of goods and services	5	282,418,523.65	304,171,048.25
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	141,451.75	55,778.50
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		573,122,950.25	560,940,973.90
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	10,589,909.00	11,889,466.20
Net cash flows from investing activities		10,589,909.00	11,889,466.20
NET INCREASE IN CASH AND CASH EQUIVALENTS		585,664,859.25	572,830,440.10
Cash and cash equivalent at BEGINNING of the year	13	0.00	-
Cash and cash equivalent at END of the year		571,677.95	14,597.25

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21st September, 2018


 Clerk of the Assembly
 Name: Ahmed H. Surow


 Principal Finance Office – County Assembly
 Name: Mohamed H. Kahia
 ICPAK Member Number: 20956

Reports and Financial Statements

For the year ended June 30, 2018

**5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	853,295,684.00	-50,945,527	802,350,157	586,236,537.20	73%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	853,295,684.00	-50,945,527	802,350,157	586,236,537.20	73%
PAYMENTS					
Compensation of Employees	382,530,934.00	-28,807,968.00	353,722,966.00	292,514,974.85	83%
Use of goods and services	280,376,638.00	29,807,968.00	310,184,606.00	282,418,523.65	91%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	17,900,000.00	19,000,000.00	36,900,000.00	10,589,909.00	29%
Finance Costs	-	-	-	141,451.75	0%
Other Payments	172,488,112.00	-70,945,527.00	101,542,585.00		0%
TOTAL	853,295,684.00	-50,945,527.00	802,350,157.00	585,664,859.25	73%
SURPLUS/ DEFICIT				571,677.95	

(NB: the total under actual on comparable basis should be the same as the totals under the statement of receipts and payments, where the two statements are not in agreement, a reconciliation of these two statements should be prepared as required under IPSAS and presented hereunder).

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Car loan and mortgage for MCA's and staff – Lack of necessary legal frame work.

(b) Xxx

(c) Xxx

(d) Xxx

(e) Xxx

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23) .Where the result of the statement of receipts and payments is a deficit, the Assembly should explain how the deficit was funded.

The entity financial statements were approved on 21st September, 2018 and signed by:



Clerk of the Assembly
Name: Ahmed H. Surow



Principal Finance Officer – County Assembly
Name: Mohamed Hussein Kahia
ICPAK Member Number: 20956

5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	d=c-e	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	853,295,684.00	-50,945,527	802,350,157	586,236,537.20	73%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	853,295,684.00	-50,945,527	802,350,157	586,236,537.20	73%
PAYMENTS					
Compensation of Employees	382,530,934.00	-28,807,968.00	353,722,966.00	292,514,974.85	83%
Use of goods and services	280,376,638.00	29,807,968.00	310,184,606.00	282,418,523.65	91%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	17,900,000.00	19,000,000.00	36,900,000.00	10,589,909.00	29%
Finance Costs	-	-	-	141,451.75	0%
Other Payments	172,488,112.00	-70,945,527.00	101,542,585.00		0%
TOTAL	853,295,684.00	-50,945,527.00	802,350,157.00	585,664,859.25	73%
Surplus/ Deficit				571,677.95	

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Car loan and mortgage for MCA's and staff – Lack of necessary legal frame work.

(b) Xxx

(c) Xxx

Reports and Financial Statements

For the year ended June 30, 2018

(d) Xxx

(e) Xxx

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23)

The entity financial statements were approved on 21st September, 2018 and signed by:



Clerk of the Assembly
Name: Ahmed H. Surow



Principal Finance Officer – County Assembly
Name: Mohamed Hussein Kahia
ICPAK Member Number: 20956

Reports and Financial Statements

For the year ended June 30, 2018

5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	-	-	-	-	-
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	-	-	-	-	-
SURPLUS/ DEFICIT					

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

- (a) Xxx
- (b) Xxx
- (c) Xxx
- (d) Xxx

Reports and Financial Statements

For the year ended June 30, 2018

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23)

The entity financial statements were approved on 21st September, 2018 and signed by:



Clerk of the Assembly

Name: Ahmed H. Surow



Chief Finance Office – County Assembly

Name: Mohamed Hussein Kahia

ICPAK Member Number: 20956

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					
Programme 2					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Ensure this document is accurately presented to enable consolidation with other County Entities).

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 statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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 Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

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/ County Treasury

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)

Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

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.

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.

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as 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 2018, this amounted to KShs xxx compared to KShs xxx in prior period as indicated on note xxxx. 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 is 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 the *entity* 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 prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law .The original budget was approved by the County Assembly on xxx for the period 1st July 2017 to 30 June 2018 as required by law. There was xxx number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in 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 County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County 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.

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)**Reports and Financial Statements****For the year ended June 30, 2018****5.9. NOTES TO THE FINANCIAL STATEMENTS****1. Transfers from the County Treasury/Exchequer Releases**

	2017/18	2016/17
	KShs	KShs
Transfers from the County Treasury for Q1	73,679,924.00	112,845,037.35
Transfers from the County Treasury for Q2	118,479,754.00	150,000,000.00
Transfers from the County Treasury for Q3	120,079,764.00	100,000,000.00
Transfers from the County Treasury for Q4	273,997,095.20	210,000,000.00
Cumulative Amount	586,236,537.20	572,845,037.35

(Where money is transferred to the County Assembly on a monthly basis, include the months instead of quarters. A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in note XXXX of this report.)

2. PROCEEDS FROM SALE OF ASSETS

	2017/18	2016/17
	KShs	KShs
Receipts from the Sale of Buildings	Xxx	Xxx
Receipts from the Sale of Vehicles and Transport Equipment	Xxx	Xxx
Receipts from the Sale Plant Machinery and Equipment	Xxx	Xxx
Receipts from Sale of Certified Seeds and Breeding Stock	Xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	Xxx	Xxx
Receipts from the Sale of Inventories, Stocks and Commodities	Xxx	Xxx
Disposal and Sales of Non-Produced Assets	Xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	Xxx	Xxx
Total	Xxx	Xxx

3. OTHER RECEIPTS

	2017/18	2016/17
	KShs	KShs
Tender fees received	Xxx	Xxx
Other Receipts II	Xxx	Xxx
Other Receipts III	Xxx	Xxx
Other Receipts IV	Xxx	Xxx
Total	Xxx	Xxx

(Provide a detailed explanation of what other receipts relate to, who they were received from and whether they had been budgeted for)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18	2016/17
	KShs	KShs
Basic salaries of permanent employees	45,514,704.65	133,938,664.45
Basic wages of temporary employees	95,406,035.05	Xxx
Personal allowances paid as part of salary	118,111,973.15	98,231,373.65
Personal allowances paid as reimbursements	1,032,000.00	Xxx
Personal allowances provided in kind	Xxx	Xxx
Pension and other social security contributions	Xxx	Xxx
Compulsory national social security schemes	31,851,062.00	24,544,109.05
Compulsory national health insurance schemes	Xxx	Xxx
Social benefit schemes outside government	Xxx	Xxx
Other personnel payments	599,200.00	Xxx
Total	292,514,974.85	256,714,147.15

(Provide detailed explanation with regard to the number of employees recruited by the Assembly, new employees and resignations. Explain what other personnel costs relate to)

5. USE OF GOODS AND SERVICES

	2017/18	2016/17
	KShs	KShs
Utilities, supplies and services	3,763,576.00	1,107,100.00
Communication, supplies and services	3,816,805.00	0.00
Domestic travel and subsistence	103,978,894.00	75,760,498.00
Foreign travel and subsistence	16,705,891.20	19,106,864.40
Printing, advertising and information supplies & services	8,747,365.00	35,182,372.30
Rentals of produced assets	10,545,000.00	3,201,440.00
Training expenses	21,861,730.00	26,067,273.00
Hospitality supplies and services	13,517,262.00	5,377,195.90
Insurance costs	34,248,290.00	19,698,595.00
Specialized materials and services	850,000.00	500,000.00
Office and general supplies and services	11,721,293.10	7,681,651.75
Other operating expenses	42,002,314.35	96,603,675.00
Routine maintenance – vehicles and other transport equipment	7,552,103.00	10,570,429.00
Routine maintenance – other assets	3,108,000.00	3,313,953.90
Total	282,418,523.65	304,171,048.25

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)**Reports and Financial Statements****For the year ended June 30, 2018****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. SUBSIDIES**

Description	2017/18	2016/17
	KShs	KShs
Subsidies to County Corporations		
<i>See list attached</i>	xxx	Xxx
(insert name)	xxx	Xxx
Subsidies to Private Enterprises		
<i>See list attached</i>	xxx	xxx
(insert name)	xxx	xxx
TOTAL	xxx	xxx

(Provide explanations as to what subsidies relate to)

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18	2016/17
	KShs	KShs
Transfers to National Government entities		
Transfers to other County Assembly entities		
(insert name of budget agency)	xxx	xxx
TOTAL	xxx	xxx

(Explain what the transfers relate to and whether they are to be refunded by the institution referred to)

8. OTHER GRANTS AND TRANSFERS

	2017/18	2016/17
	KShs	KShs
Scholarships and other educational benefits	xxx	xxx
Emergency relief and refugee assistance	xxx	xxx
Subsidies to small businesses, cooperatives, and self employed	xxx	xxx
Total	xxx	xxx

(Give explanations on what other grants and transfers relate to and who the beneficiaries are)

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)**Reports and Financial Statements****For the year ended June 30, 2018****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****9. SOCIAL SECURITY BENEFITS**

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	Xxx	xxx
Social security benefits in cash and in kind	Xxx	xxx
Employer Social Benefits in cash and in kind	Xxx	xxx
Total	xxx	xxx

(Give explanations and distinguish between NSSF benefits and contributions made to other entities on behalf of staff.)

10. ACQUISITION OF ASSETS

Non Financial Assets	2017/18	2016/17
	KShs	KShs
Purchase of Buildings	xxx	xxx
Construction of Buildings	xxx	xxx
Refurbishment of Buildings	4,100,365.00	1,989,400.00
Construction of Roads	xxx	xxx
Construction and Civil Works	xxx	xxx
Overhaul and Refurbishment of Construction and Civil Works	xxx	xxx
Purchase of Vehicles and Other Transport Equipment	xxx	xxx
Overhaul of Vehicles and Other Transport Equipment	xxx	xxx
Purchase of Household Furniture and Institutional Equipment	xxx	xxx
Purchase of Office Furniture and General Equipment	6,489,544.00	5,388,066.20
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	2,540,000.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	1,972,000.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	xxx	xxx
Purchase of Certified Seeds, Breeding Stock and Live Animals	xxx	xxx
Research, Studies, Project Preparation, Design & Supervision	xxx	xxx
Rehabilitation of Civil Works	xxx	xxx
Acquisition of Strategic Stocks and commodities	xxx	xxx
Acquisition of Land	xxx	xxx
Acquisition of Intangible Assets	xxx	xxx
Financial Assets	xxx	xxx
Domestic Public Non-Financial Enterprises	xxx	xxx

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

Non Financial Assets	2017/18	2016/17
Domestic Public Financial Institutions	xxx	xxx
Total	10,589,909.00	11,889,466.20

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18	2016/17
	KShs	KShs
Bank Charges	141,451.75	55,778.50
Exchange Rate Losses	Xxx	Xxx
Other Finance costs	Xxx	Xxx
Interest on borrowings	Xxx	Xxx
Total	141,451.75	55,778.50

(Provide detailed explanation on finance costs and whether they relate to borrowings on bank overdraft).

12. OTHER PAYMENTS

	2017/18	2016/17
	KShs	KShs
Budget Reserves	Xxx	Xxx
Civil Contingency Reserves	Xxx	Xxx
Capital Transfers to Non-Financial Public Enterprises	Xxx	Xxx
Capital Transfer to Public Financial Institutions and Enterprises	Xxx	Xxx
Capital Transfer to Private Non-Financial Enterprises	Xxx	Xxx
Other expenses		0.00
Domestic Accounts	Xxx	Xxx
Total		Xxx

(Provide detailed explanations for other payments)

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017/18	2016/17
		KShs	KShs
<i>Name of Bank, Acc. No. & currency</i>	CRF Acc	Xxx	xxx
<i>Name of Bank, Acc. No. & currency</i>	Development Acc	Xxx	xxx
<i>mandera County Assembly Reccurent Account, Central bank of Kenya.1000240897, KSHs</i>	Recurrent Acc	571,677.95	14,597.25
<i>Name of Bank, Acc. No. & currency</i>	Deposits Acc	Xxx	xxx
<i>Name of Bank, Acc. No. & currency</i>	Commercial Bank Accs.	Xxx	xxx
Total		571,677.95	14,597.25

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

(NB: all bank accounts operated by the County Assembly should be included in this note.)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2017/18	2016/17
	KShs	KShs
Cash in Hand – Held in domestic currency	xxx	Xxx
Cash in Hand – Held in foreign currency	xxx	Xxx
Total	xxx	Xxx

Cash in hand should be analysed as follows:

	2017/18	2016/17
	KShs	KShs
Location 1	xxx	Xxx
Location 2	xxx	Xxx
Location 3	xxx	Xxx
Total	xxx	Xxx

(Provide locations where cash in hand is held e.g head office, cashier's office, cash office etc)

14. ACCOUNTS RECEIVABLE

	2017/18	2016/17
	KShs	KShs
Government Imprests	Xxx	Xxx
Clearance Accounts	Xxx	Xxx
Staff Advances	Xxx	Xxx
Other Advances	Xxx	Xxx
Total	Xxx	Xxx

**See Annex 6 for a detailed analysis of the outstanding imprests.*

15. ACCOUNTS PAYABLE

	2017/18	2016/17
	KShs	KShs
Deposits and Retentions	Xxx	Xxx
Total	Xxx	Xxx

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18	2016/17
	KShs	KShs
Bank accounts	571,677.95	14,597.25
Cash in hand	Xxx	Xxx
Accounts Receivables	Xxx	xxx
Accounts Payables	Xxx	xxx
Total	571,677.95	14,597.25

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18	2016/17
	KShs	KShs
Adjustments on bank account balances	Xxx	Xxx
Adjustments on cash in hand	Xxx	Xxx
Adjustments on payables	Xxx	Xxx
Adjustments on receivables	Xxx	xxx
Others (<i>specify</i>)	Xxx	xxx
Total	Xxx	xxx

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	Xxx	xxx
Construction of civil works	Xxx	xxx
Supply of goods	26,634,820	2,567,200.00
Supply of services	29,036,254	32,601,234.20
Total	55,671,074	35,168,434.20

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
Xxx	Xxx	xxx
Xxx	Xxx	xxx
Total	Xxx	xxx

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18	2016/17
	KShs	KShs
Amounts due to National Government entities	Xxx	xxx
Amounts due to County Government entities	Xxx	xxx
Amounts due to third parties	Xxx	xxx
Total	Xxx	xxx

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 Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)**Reports and Financial Statements****For the year ended June 30, 2018****OTHER DISCLOSURES (CONTINUED)****Related party transactions:**

	2017- 2018	20xx- 20xx
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	128,075,742.30	xxx
Key Management Compensation(Clerk and Heads of departments)	15,622,135.00	xxx
Total Compensation to Key Management	143,697,877.30	xxx
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	xxx	xxx
Transfers to County Corporations	xxx	xxx
Transfers to non reporting entities e.g ECD centres, welfare centres etc	xxx	xxx
Total Transfers to related parties	xxx	xxx
Transfers from related parties		
Transfers from the County Executive- Exchequer	586,236,537.20	572,845,037.35
Payments made on behalf of the County Assembly by other Government Agencies	31,910,321.00	xxx
(Insert any other transfers received)	xxx	xxx
Total Transfers from related parties	618,146,858.20	xxx

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)**Reports and Financial Statements****For the year ended June 30, 2018****5. 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)
FINANIAL STATEMENT OF COUNTY ASSEMBLY OF MANDERA FOR THE YEAR ENDED 30 JUNE 2017	<ul style="list-style-type: none">• Fixed assets register• Unaccounted for ward fund expenses• Unaccounted for travel and subsistence allowance• Unsupported training expenses• Unaccounted for mileage allowance• Unsupported expenditure on foreign travel• Irregular payment of medical insurance cover• Lack of internal audit department and committee• Pending bills	The management has responded to all the queries on the management letter report for the FY 2016/2017 on issues/observation from the auditor and waiting for the Auditor General's comment	Mohamed Hussein Kahia Principal Finance officer	Not Resolved	24 TH December, 2018

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

Guidance Notes:

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

Clerk of the County Assembly

Sign.....

Date.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. General Office supplies	2,295,000			2,295,000		
8.purchase of m/vehicle	13,000,000			13,000,000		
9.Public Participation Stationary	499,500			499,500		
10.Purchase of office furniture	4,995,100			4,995,100		
11.Purchase of Computers and printers	4,850,000			4,850,000		
12.Purchase of Acs	995,220			995,220		
Sub-Total	26,634,820			26,634,820		
Supply of services						
13.contracted guards	1,185,000			1,185,000		
14.Legal fees	406,000			406,000		
15.Customized chambers proceeding	1,979, 999			1,979, 999		

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
16.Maintaince of office furniture	450,000			450,000		
17. Water and sewerages	40,000			40,000		
18.Training	6,600,000			6,600,000		
19.Catering Services	1,950,000			1,950,000		
20.Maintaince of Air conditioners	498,850			498,850		
Sub-Total	11,129,850			11,129,850		
Compensation of Employees						
21.Fixed Mileage	2,540,000			2,540,000		
22.Gratuity	15,366,404			15,366,404		
Sub-Total	17,906,404			17,906,404		
Grand Total	55,671,074			55,671,074		

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended 30 June 2018

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended 30 June 2018

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

MANDERA COUNTY ASSEMBLY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land				
Buildings and structures	6,616,190.00	4,100,365.00		10,716,555.00
Transport equipment	6,700,653			6,700,653
Office equipment, furniture and fittings	12,365,364.20	6,489,544.00		18,854,908.20
ICT Equipment, Software and Other ICT Assets	6,981,635.00			6,981,635.00
Other Machinery and Equipment	1,972,000.00			1,972,000.00
Heritage and cultural assets				
Intangible assets				
Total	34,635,842.20	10,589,909.00		45,225,751.20

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 10 on acquisition of assets during the year and subsequently the statement of receipts and payments