

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
COUNTY EXECUTIVE OF MANDERA**

**FOR THE YEAR
ENDED 30 JUNE 2018**

Revised Template of [June 2018]



MANDERA COUNTY GOVERNMENT

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 is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

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

The Office of the Governor and his Deputy,
The County Secretary and
The County Executive Committee Members

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer for Finance	Alinoor Mohamed Ali
2.	CEC For Finance and Economic Planning	Ibrahim B. Hassan
3.	CEC For Public Service and Devolved Unit	Abdiaziz Sheikh Maad
4.	Chief Officer For Public Service and Devolved Unit	Hassannoor Adan Abdullahi
5.	CEC For Education and Social Services	Mohamud Omar Absiye
6.	Chief Officer For Education and Social Services	Abdi Mohamed Ali
7.	CEC For Lands, Housing and Physical Planning	Adan Hussein Hassan
8.	Chief Officer For Lands, Housing and Physical Planning	Shukri Osman Isaac
9.	CEC For Water and Sanitation	Ethila Mohamud Issack
10.	Chief Officer For Energy, Environment and Natural Resources	Matker Mohamed Noor
11.	Chief Officer For Trade and Investment	Hassan Ibrahim Bori
12.	CEC For Health Services	Ahmed Sheikh Mohamed

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No.	Designation	Name
13.	Chief Officer For Health Services	Maryan Dubow Dahir
14.	CEC For Roads, Transport and Public Works	Ahmed Ali Madey
15.	Chief Officer For Roads, Transport and Public Works	Adawa Haji Adawa
16.	CEC for Agriculture, Livestock and Fisheries	Johora Mohamed Abdi
17.	Chief Officer For Agriculture, Livestock and Fisheries	Mohamed Ahmed Dakane
18.	Chief Officer For Youth and De-Radicalization	Mohamed Adan Osman

d) Fiduciary Oversight Arrangements

The key fiduciary oversight of Mandera County Government was under the following organs;

- The Mandera County Assembly
- The office of the Auditor General
- The office of the Controller of Budget

e) Entity Headquarters

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

f) Entity Contacts

Telephone: (+254) 722466499/0725421888
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

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Mandera Branch.

3. Equity Bank 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

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2. FORWARD BY THE CEC

2017/2018 was the fifth full financial year under the devolved governance structure after the County government came into office in March 2013. In this financial year, the County government started with a budget estimate of Kshs 12,246,856,930. The county had a balanced budget funded by Kshs 9,739,500,000 being equitable share of the revenue allocated by Commission on Revenue Allocation (CRA), 1,646,195,726 being unspent funds brought forward for on-going projects from financial year 2016/2017, Kshs 141,000,000 being the local revenue collection in the county and Kshs 151,042,092 being Donor Grants. 40% of the budget was allocated to Recurrent Expenditure while 60% went to Development Expenditure. This compares well with 2016/2017 where 44% and 56% were allocated to Recurrent Expenditure and Development Expenditure respectively.

However, as the year progressed, we had challenges in meeting our local revenue collection target and only Kshs. 61,031,471 was raised while on Donor Grants, Kshs 40,078,375 was received from Danida, Kshs 50,000,000 from World Bank Transforming Healthcare Systems for Universal Care Project (Ministry of Health) and Kshs 60,963,717 was received from Kenya Devolution Support Program LEVEL I & II. Accordingly, by the end of the financial year, the budget had a deficit of Kshs 79,968,529. The reasons for the failure to meet our local revenue target includes insecurity, droughts, lowering of rates by the MCAs in the Finance Act 2016, Manual revenue collection, delays in the inflow of revenue from the devolved funds particularly in ministry of Roads and Public works and Ministry of Water, community conflict, several court case against Finance Act 2016 etc.

The budget implementation started in earnest as early as July 2017. This was particularly the case for the on-going projects whose contracts were awarded in 2016/2017 financial year. Accordingly we had a much better absorption rate of 83% during the year under review compared to 82% in previous financial year. In addition to many projects that were initiated in 2016/2017 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, more than 21 boreholes contracted for drilling, construction of more than 13 new dams of varying sizes at the cost of Kshs 250M and Rehabilitation of many water infrastructure across the county.

Others were Ministry of Health Services which had an allocation of Kshs 0.6 billion. The bulk of this money was used to operationalize all the health facilities in the county, recruitment of more medical personnel who have been deployed to all health facilities in the county and their presence are being felt in a positive way. The county continued to receive its drugs and medicine supplies from KEMSA to all the health facilities and have improved in a significant way. There is a marked improvement in supply of medical equipment and non-pharmaceuticals as well. The service delivery was however hampered by the o-going strikes by the Nurses. Every effort is

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being made to resolve this issue. The on-going construction of ultra-modern accident and emergency department at Mandera County referral Hospital and Elwak Sub-County referral Hospital at the cost of nearly Kshs 400M is expected to be completed in the next 6 months. This is expected to fundamentally change the range of services that will be offered at these two facilities in the coming years.

Similar progresses have been made in the Ministry of Agriculture and Livestock, Ministry of Roads and infrastructure, Ministry Education and Social services as well as Ministry of Public Services management and devolved units, Ministry of Trade, Co-operative Development and Investment. The on-going construction of the massive SME Park at Elwak at the cost of Kshs 330 M will be completed by March 2018 and this creates a lot of business opportunities for our youth and women folks.

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**

MANDERA COUNTY GOVERNMENT

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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, 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 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, 2018, 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. **Approval of the financial statements**

The County Government's financial statements were approved and signed by the CEC member for finance on _____ 2018.



County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE 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 Executive of Mandera set out on pages 1 to 45, 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 Executive 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 comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Fixed Assets Register

Summary of fixed assets register in Annex 5 to the financial statement reflects Kshs.19,644,794,907. However, the data captured in the provided assets register is not linked to the information disclosed on Annex 5 of summary of fixed assets register. Further, valuation for the assets reported was not done and the register lacked identification or serial numbers, acquisition date, description of asset, location, class and cost of acquisition and hence the asset register presented for audit review was not prepared in a format prescribed for a fixed assets register 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.19,644,794,907.

2. Pending Bills

Reflected in the financial statements under Annex 2 is Kshs.310,860,504 in respect of pending account payables as at 30 June 2018. However, the account payable ledger with crucial information such as supplier's name, purchase order number, date of invoicing, amount paid and amount outstanding for respective pending bills were not maintained.

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

Further, Annex 2 to the financial statements providing analysis of the pending bills in some cases lacked information on dates when goods and services were contracted making it difficult to confirm authenticity, existence and accuracy of pending bills.

In addition, out of the pending bills amounting to Kshs.310,860,504 is an amount of Kshs.176,383,395 which relates to the financial year 2014/2015 and 2015/2016. Failure to pay bills in the year they relate to, distorts the financial statements for the year and adversely affects the provisions for the subsequent years they have to be charged to.

The financial statements reflect a surplus of Kshs.831,470,998 and net balance of cash and cash equivalents of Kshs.2,512,768,513 and yet debts dating back to 2014/2015 and 2015/2016 were not settled.

Consequently, the legality, authenticity and validity of the pending bills balance of Kshs.310,860,504 could not be ascertained.

3. Compensation of Employees

3.1 Pension and Other Social Contribution Variance

Note 11 to the financial statements reflects an amount of Kshs.2,114,496,497 as compensation of employees out of which an amount of Kshs.152,094,157 relates to pension and other social security contribution. However, a comparison between actual figures reported in the financial statements for the financial year under review and the comparative figure for the payroll data showed an unexplained variance as indicated below:-

Item	Financial Statements Kshs	Payroll Ledger Kshs	Variance Kshs
Pension & other social security contributions	152,094,157	142,628,464	9,465,693

In view of the anomaly, the accuracy, completeness and reliability of the pension and social security balance of Kshs.152,094,157 as at 30 June 2018 could not be confirmed.

3.2 Variances Between Current Year and Prior Year Actuals for Pension and Other Social Contribution

A comparison between actual figures reported in the financial statements for the year under review and the comparative figure for the previous year for pension and social contribution reflected an unexplained variance as indicated below;

Item	Current Year	Prior Year	Variance
Pension & other social security contributions	152,094,157	38,933,170	113,160,987

It would have been expected that variance would have been in tandem with increase with basic salaries to permanent employees.

In view of the foregoing, it has not been possible to confirm authenticity of the variance of Kshs.113,160,987.

4. County Own Generated Receipts

The Executive had budgeted to collect local revenue of Kshs.141,000,000 during the year under review. However, the statement of receipts and payments reflects Kshs.61,031,471 as collected resulting in an under collection of Kshs.79,968,529 or 56.7% the budgeted collections.

In view of the under collection of revenue, the development votes for the County Executive were adversely affected and crucial goals as well as service delivery may not have been achieved.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive 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 of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1 Recurrent Expenditure

Audit review of Executive's vote book shows that during the year under review, a sum of Kshs.5,361,008,746 was allocated to various departments of the County Government for recurrent expenditure against the recurrent budget of Kshs.6,471,919,189 as analyzed below:

Departments/Sectors	2017/2018 Budget/ (a) Kshs.	2017/2018 Actual /(b) Kshs.	Under Absorption (Budget-Actual) c=a-b Kshs.	%Under Absorption D=c/a
County Assembly	802,350,157	490,710,756	311,639,401	38.8%
Agriculture and Fisheries	251,184,914	231,906,826	19,278,087	7.7%

Education, Culture and Sports	578,870,804	448,658,709	130,212,094	24.5%
Public Service	1,060,059,069	960,624,603	99,434,466	9.4%
Finance, Economic Planning, ICT and Special Programme	608,625,704	427,657,305	180,968,399	29.7%
Health Services	1,774,421,189	1,539,964,303	234,456,886	13.2%
ICT, Trade, Investments Industrializations and Cooperative Development	51,924,032	47,326,611	4,597,421	8.9%
Lands, Housing and Physical Planning	83,278,302	78,231,973	5,046,331	6.1%
Office of the Governor and Deputy Governor	389,801,167	340,642,718	49,158,449	12.6%
County Public Service Board	57,161,652	48,276,048	8,885,604	15.5%
Roads	118,411,141	107,406,176	11,004,965	9.3%
Livestock	98,590,712	40,978,685	57,612,027	58.4%
Water, Environment and Natural Resources	597,240,346	598,624,033	(1,383,687)	(0.23%)
Total	6,471,919,189	5,361,008,74	1,110,910,443	17.17%

However, the actual recurrent expenditure of Kshs.5,361,008,746 reflected in the vote book differed with the corresponding balance in the summary statement of appropriation recurrent which was Kshs.4,489,930,164 resulting in an unexplained and unreconciled difference of Kshs.871,078,582.

In the circumstances, it has not been possible to confirm the accuracy of the recurrent expenditure balance.

1.2 Development Expenditure

A review of Executive's IFMIS vote book revealed that a sum of Kshs.4,091,751,250 was allocated to various departments for development expenditure against the development budget of Kshs.5,774,937,741 as detailed below: -

Departments/ Sectors	2017/2018 Budget (a) Kshs	2017/2018 Actual (b) Kshs	Under Absorption (Budget-Actual) c=a-b Kshs	% Under Absorption D=c/a
County Assembly	123,174,818	15,256,863	107,917,955	87.6%
Finance, Economic Planning, ICT and Special Program	355,916,847	365,985,861	(10,069,014)	-2.8%

Agriculture	265,225,439	170,425,303	94,800,136	35.7%
Water, Environment and Natural Resources	1,287,772,280	830,677,853	457,094,427	35.4%
Education	302,351,202	232,050,066	70,301,136	23.2%
Health Services	788,459,774	393,287,233	395,172,541	50%
Lands, Housing and Physical Planning	258,003,094	131,268,485	126,734,609	49%
Public Works Roads and Transport	1,824,180,858	1,698,349,437	125,831,421	6.9%
Office of the Governor and Deputy Governor	-	-	0	0%
Livestock	55,500,000	-	55,500,000	100%
Public Service, Management and Devolved Unit	255,217,393	109,659,042	145,558,351	57%
ICT	259,136,031	144,791,107	114,344,924	44%
Grand Total	5,774,937,741	4,091,751,250	1,683,186,486	29.15%

The actual development expenditure of Kshs.4,091,751,250 reflected in the vote book differed with the reported expenditure of Kshs.5,057,100,541 in the summary statement of appropriation-development by Kshs.965,349,291.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Conclusion on Report 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 money has not been applied lawfully and in an effective way.

Basis for Conclusion

1. Acquisition of Assets

1.1 Delayed Construction of Mandera Roads to Bitumen Standard

1.1.1 Lot I Contract

The Executive entered into an agreement on 1 July 2014 with M/s Frontier Engineering Company Limited, for construction of Mandera roads to bitumen standards (Lot I) at a contract cost of Kshs.1,218,599 534 with an expiry date of 30 June 2016. After the expiry of the contract period, the contractor requested for extension which was granted from 1 June 2017 to 30 April 2018. The contract was then extended again from 1 May 2018 to 30 April 2019. However, scrutiny of records availed for audit review and physical verification carried out on 2 November 2018 revealed that the following sections of the roads had not been completed as detailed below: -

No	Road Name and Location	Pending Activities
1	Road 1 - Km 1+230 to Km 1 +1500	Pavement layer works pending
2	Road 2 -Km 1+350 to Km 1+500	Pavement layer works pending
3	Road 2 - Km 1+350	Box Culvert Pending
4	Road 1-Km 0+000 to Km 7 + 800 Road 2 -Km 0+000 to Km 3+ 300	Road Furniture pending
5	Road 1 Km 3+260 to Km 3+450 & Km 5+ 360 to Km 5+870	Repairs required to remedy bleeding of bitumen noticed at the section of the road indicated
6	Bridge	Fixing of accessories for expansion joints pending and finishing to make good.
7	Road 2	The section of rough road from Laga to Takbir petrol station showed that initial project activities like site clearance and top soil removal had not started.

As at the time of the audit, Kshs.938,720,491 had already been spent on the project. The project was behind schedule by over two years thus casting doubt on its actual completion time.

In the circumstances, the propriety of Kshs.1,218 599 534 could not be confirmed.

1.1.2 Lot II Contract

The Executive entered into an agreement with M/s Lafey Construction Co. Ltd for the construction of Mandera roads to bitumen standards at a cost of Kshs.1,218,599,534 on 1 July 2014. The contract expired on 30 June 2016 and later the contractor requested for extension which was granted from 1 June 2017 to 30 April 2019. However, scrutiny of the project progress report availed for audit review and physical verification carried out on 2 November 2018 revealed that the following sections of the road have not been completed;

No	Road Name and Location	Pending Activities
1	Road 5: Km 0+000 to Km 2+120	Cleaning of drains
2	Annan Roads: Km+000 to 0+220	Cleaning of drains
3	Mwalimu Garage Road: Km 0+000 to Km 0+220	Cleaning of drains
4	Road Extension Km 0+000 to Km 1+580	Cleaning of drains

5	Road 13: Km 0+000 to Km 0+280	Cleaning of drains and repair of kerbs
6	Old Town Road: Km 0+000 to Km 0+340	Foot paths and cleaning of drains
7	Road 8: Km 0+000 to Km 0+240	Cleaning of drains.
8	Road 11: Km 0+0000 to Km 2+480	Repair of pot holes
9	Khadija Girls Road	Cleaning of drains

By the time of the audit, Kshs.962,780,861 had already been spent on the project which was equivalent to 79% of the contract sum. The project was also (2) years behind scheduled and its prolonged contract extensions was a clear indication of its slow implementation casting doubt on its actual completion.

Consequently, the probity of Kshs.1,218 599 534 could not be confirmed.

1.2 Completion of County Headquarters

The County Executive awarded the contract to M/s Green County Construction Company Limited on 2 April 2014 at a contract sum of Kshs.290,230,790. According to the contract agreement signed between the contractor and the Executive, the contract commenced on 1 May 2014 and was expected to be completed on 30 October 2015.

On 10 November 2017 the Chief Officer, Public Works and Roads terminated the initial contract citing non-performance by the contractor. However, valuation of works carried out on 18 December 2017 by M/S Odese International Limited, the consultant manning the project revealed the following:-

Valuation	Amount (Kshs.)
1. Preliminaries	8,115,000
2. Demolitions	994,000
3. Value of work done	
a) Substructure	47,520,873
b) Superstructures concrete frames	63,713,430
c) Walling	10,954,530
d) Builders in connection to services	165,300
4. (a) Services installations (electrical works)	7,600,000

(b Services installations (plumbing works)	3,400,000
5. Materials on site	23,729,274
Total	166,192,408
Previous payments	(166,000,000)
Amount due for payments	192,408

It was noted that the Department of Roads and Public Works did not engage Government registered valuer to carry out valuation of the project but instead engaged M/s Odessey International Ltd whose mandate was to man and act as a project management consultant. Further, valuation for the outstanding works to completion of the project was not carried out hence the value of the outstanding works was not determined in monetary terms.

The contract was subsequently re-advertised and was awarded to M/s Bima Investment Limited on 5 March 2018 at a contract sum of Kshs.455,354,521 for completion of the project. However, tender documents for the new contract were not availed for audit review although physical verification of the project on 24 October 2018 established that the contractor was on site and the project was ongoing.

In view of the anomalies, the authenticity of the total contract sum of Kshs.621,546,929 could not be confirmed.

1.3 Completion of County Rest House

The Executive awarded the contract to M/s Diwafa Investment Company Limited on 2 April 2014 at a contract sum of Kshs.293,717,521 for completion of County rest house. According to the contract agreement, the project commencement date was on 1 May 2014 and was expected to be completed on 30 October 2015. However, on 10 November 2017 the Chief Officer Public Works and Roads terminated the contract citing non-performance by the contractor. The contract was subsequently re-advertised and was awarded to M/s Mohamed Mohamud & Sons Construction Co. Ltd on 12 March 2018 at a contract sum of Kshs.308,671,300 in respect of completion of the project.

The project progress report and the breakdown of the amount paid up to the final certificate for the previous contractor M/s Diwafa Investment Limited was not availed for audit review. Further, comprehensive valuation of the project detailing amount of works that had been done and the outstanding works before the contract was terminated was not carried out.

In the circumstances, the probity of the total contract sum amounting to Kshs.602,388,821 could not be confirmed.

1.4 Water Supply in Shafshafey and Kamor

During the financial year 2014/2015, the Executive initiated a project for rehabilitation of water supply in Shafshafey and Kamor in Mandera East Sub-County at a total contract price of Kshs.39,600,000 payable in two instalments the first payment of 40% after completion of 50% of the work and the remaining balance when the project is 100% complete. However, scrutiny of the project status report dated 30 January 2018 revealed that the Executive had made payments totalling Kshs.33,195,550 representing 83% of the contract price to M/s Gingo Construction Co. Ltd while physical verification revealed that the project was not in operation. Similarly, verification of the project also revealed the following:

- i. The contractor elevated three (3) 50 m³ steel tanks costing Kshs.26,315,100 and not 100 m³ as stated in the contract documents.
- ii. Only 3 water kiosks had been constructed which were incomplete. However, the contract stated 6 standard water kiosks with an estimated cost of Kshs.1,800,000.
- iii. Works on the construction and equipping of infiltration gallery & sump well estimated to cost Kshs.3,060,000 had not been done.
- iv. The project had been abandoned for long and the contractor was not on site as at the time of verification on 2 November 2018.

It was further observed that the management did not avail any plan initiated to address the wastage.

In view of the foregoing, it has not been possible to confirm the probity of Kshs.39,600,000.

1.5 Elwak SME Market

The Executive awarded contract for the construction of Elwak SME Market at a contract sum of Kshs.326,581,496 The tender opening minutes and the tender opening register were not made available for audit review. However, a provisional sum of Kshs.31,450,000 was made in the bills of quantity as follows:-

	Item	Amount (Kshs.)
1.	Security for Works and Workers	1,000,000
2.	Project Manager's vehicle (Toyota Land Cruiser)	6,000,000
3.	Clerks of Works	2,400,000
4.	Stationery & Equipment	1,200,000
5.	Staff Training	500,000
6.	Airtime for project team	2,250,000
7.	Hotel accommodation & expenses	2,250,000
8.	Cost for Profit (15%) and Attendance (15%)	5,850,000
9.	Contingencies	10,000,000
	Total	31,450,000

The total provisional and contingencies amounting to Kshs.31,450,000 was not recommended by the evaluation committee and subsequently no approval was granted by the accounting officer as required by Section 139(2) of the Public Procurement and Assets Disposal Act, 2015. Further, there was no documentary evidence to show how provisional amounts were utilized and accounted for.

Although physical verification carried out on 24 October 2018 established that the contractor was on site, electrical installation, land escaping and final coat for paint work were still pending.

In view of the foregoing, the propriety and validity of the provisional sums and contingencies of Kshs.31,450,000 as at 30 June 2018 could not be ascertained.

1.6 Construction of Rhamu IDP Housing Units Phase II

During the year under review, the management awarded contracts amounting to Kshs.92,685,954 to various contractors for construction of Rhamu IDP housing units Phase II. However, the following anomalies were noted: -

- i) The bid documents required that bidders submit a minimum bid security of Kshs.400,000 whereas the tender advertisement in a local daily of 18 January 2018 prescribed a minimum bid security of Kshs.200,000. Further, the bidders were also required to submit 3 original recommendation letters from 3 different reputable clients not older than one month from the date of submission of the tender. However, these were not reflected in the evaluation report.
- ii) One of the bid requirements in the preliminary stage was that all entries must be typed or written in ink. Additionally, another condition was that mistakes must not be erased but should be crossed and corrections made must be counter signed by the person signing the tender document. Contrary to this, some winning bidders bills of quantities had figures erased and some altered but were not counter signed by the person who signed the tender document. Further, under the same bid requirements, contractors were required to submit serialized bid documents but this was not done by some contractors.
- iii) The bid documents required that the tenderers to disclose principal place of business, total monetary value of construction works performed for the last five (5) years, proof of ownership of major items of construction, reports of financial statements and auditor's report of the financial performance of the company for the last five (5) years and submit three (3) original recommendation letters from three (3) different reputable clients not older than one month from the date of submission of the tender. However, the same were not reflected in the evaluation reports.
- iv) Tender documents such as tender opening register, tender opening minutes and tender evaluation minutes and report were noted to be copies rather than originals. Further, copy of the tender opening register availed for audit scrutiny

lacked vital important information such as date when the tenders were opened and postal addresses of the companies whose bids were opened.

In the circumstances, the propriety of the expenditure of Kshs.92,685,954 could not be confirmed.

1.7 Construction of Cattle Troughs for Various Boreholes

The Executive awarded contract for the construction of cattle troughs for various boreholes at a contract sum of Kshs.41,669,997. However, departmental requisition and tender opening register was not made available for audit review. Further, the bidders were required to submit certified copy of certificate of incorporation and 5% performance bond. On the contrary, the successful contractor did not submit the certified copy of certificate of incorporation as well as the 5% performance bond.

In the circumstances, the authenticity of the expenditure for Kshs.41,669,997 could not be confirmed.

1.8 Construction of County Dry Cereals Central Stores

An amount of Kshs.13,610,424 was paid to M/s Haigurach Construction Co. Ltd in respect of construction of County dry cereals central stores for a contract worth Kshs.36,090,900. However, there was no tender purchase register maintained to ascertain the number of bidders which purchased the tender. Further, the project file was not availed for audit review hence it was not possible to ascertain whether the tender was fairly awarded. Physical verification carried out on 26 October 2018 revealed that the project was still ongoing but floor works and paintings were still pending.

Under the circumstances, it was not possible to ascertain the propriety of the expenditure of Kshs.13,610,424.

2. Stalled Projects

As reported in previous year, the Executive initiated various projects for the financial year 2013/2014 and 2014/2015, as tabulated below:-

	Project Title/ Location/Site	Contractor	Contract Sum Kshs.	Amount Certified Kshs.	Start Date	Status
1	Construction of the Governor's Residence, Mandera. MCG/134/13-14	M/s Seo & Sons Ltd.	107,481,060	119,481,060	09/06/14	Works had stalled since October 2016. Overall status: - 70% complete.
	Project Title/ Location/Site	Contractor	Contract Sum Kshs.	Amount Certified Kshs.	Start Date	Status

2	Construction of County Assembly, Mandera. MCG/137/13-14	M/s Bayan Construction Co. Box 45107 - 00100 Nbi.	185,438,634	183,396,773	09/06/14	Works had stalled as at time of audit. Overall status: - 70% complete.
3	Construction of Regional Livestock Market, Mandera.	M/s Lakole Bld. Constr.	169,922,255	83,633,305	Nov/14	Works have stalled since October 2016. Overall status: - 40% complete.
4	Rhamu Water Supply MCG/314/2014/2015	M/s Dabarbale construction	21,581,752	16,112,436	1/03/15	Works have stalled since October, 2016. Overall status:- 65% complete.
		Total	484,423,701	402,623,574		

Physical verification of these projects carried out on 24 October 2018 revealed that the projects with contract sums amounting to Kshs.484,423,701 that were initiated in prior years had stalled and contractors were not on site and the work was not in progress.

According to the projects progress reports, total payments for the projects was Kshs.402,623,574 representing 83.1% of the contract sum. The Executive did not take any initiatives to save the project from further depletion nor to add value on the investments of the public funds.

In view of the foregoing, the residents of Mandera County may not have obtained value for money on Kshs.402,623,574 spent on these projects.

3. Award of Water Projects

The Executive initiated piping, improvement and interconnection of Falama water supply within Mandera South during the financial years 2016/2017 and 2017/2018 at a cost of Kshs.211,940,665. However, the tender purchase register for the projects was not availed for audit review. It was therefore not possible to ascertain the total number of tenderers who applied in each category of projects procured. Similarly, the Executive did not maintain tender opening register as required by Section 78(6) of the Public Procurement and Assets Disposal Act, 2015. It was also observed that the contract agreement for some of the projects had long expired and there were no extensions availed for audit review. In addition, no claims for liquidated damages on these projects were made at the expiry of the contract period.

Further, one of the bid requirements for some of the contracts was that the bidder should be registered with water regulatory body in Kenya for the current year and copy of the current license be submitted. However, the same was not included in the either preliminary or technical evaluation criteria.

A total provisional sum of 10% of the contract sum amounting to Kshs.26,346,356 were provided as contingencies in the bills of quantities. However, no evidence was availed to show how contingencies were utilized. Further there was no documentary evidence to prove that the contingencies were recommended by the tender evaluation committee and

were subsequently approved by the accounting officer as required by section 139(2) of Public Procurement and Assets Disposal Act, 2015.

Under the circumstances the propriety of Kshs.26,346,356 could not be confirmed

4. Skip Loader Trucks

During the financial year 2017/2018, the Executive had budgeted and procured 2 skip loader trucks and 14 garbage bins amounting to Kshs.29,905,600 to help in collection and management of garbage in Mandera town. However, physical verification carried out on 3 November 2018, revealed that the trucks had not been put into use and no work tickets for the two trucks were availed for audit review. The garbage collection bins were still lying at the store and thus the residents of Mandera County had not benefitted from the intended garbage collection project.

In view of the foregoing, value for money for the expenditure of Kshs.29,905,600 could not be confirmed.

5. Use of Goods and Services

Included in the use of goods and services of Kshs.1,628,542,341 under Note 12 to the financial statements is Kshs.479,440,082 in respect of specialized materials and services which in turn includes medical equipment and other specialized materials worth Kshs.172,059,142 from various suppliers. However, there was no evidence to confirm that the items were requested from the user departments hence it was not clear how the procurement of the equipment was initiated without the involvement of the end users. Further, some of the purchase orders lacked specifications for the items requested. Similarly, the payments lacked supporting documents such as tender evaluation minutes and inspection and acceptance committee report for the goods delivered contrary to the requirement of Section 48(3) of Public Procurement and Assets Disposal Act, 2015.

Under the circumstances, it has not been possible to ascertain the probity of the expenditure of Kshs.172,059,142 as at 30 June 2018.

6.0 Anomalies in Newly Recruited Staff Personal Files

Audit review of 10 randomly selected personal files of employees recruited in the year under review revealed some anomalies in the documentation as analyzed below:

Designation	Observations
Watchman	No academic certificate filled and there was no certificate of good conduct filled
Revenue Collector	No academic certificate filled
Orthopedic Trauma Technician	Academic certificates not certified, No Health Certificate

Dental Technologist	Academic certificates not certified
Senior Support Staff	Academic certificates not certified, certificate of good conduct and secrecy act form not filled
Assistant Office Administrator	Academic certificates not certified
Registered Clinical Officer	Academic certificate not certified

The above observations is a clear indication that due diligence was not carried on the recruitment of the staff and there was no evidence indicating that hiring of employees was competitively done.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1) (a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Report 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

1. Non Establishment of Internal Audit Committee

A review of the overall Internal control environment of the Executive as at the time of Audit revealed that the internal audit department was not functional as required by law and it has not yet constituted audit committee as required by Section 167(1) of Public Finance Management (County Governments) Regulations, 2015, which requires County Governments to establish an audit committee.

In the absence of a functional internal audit department, the management can easily override controls in such instances, cases of fraud and errors may not be detected and corrected in a timely manner.

2. Risk Management Policy Framework

The Executive operated without a documented risk management policy framework contrary to the requirements of Treasury Circular No.3/2009 of 23 February 2009 which requires all heads of public institutions to develop and implement a risk management frame work as a

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

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.

3. IT Internal Controls

Review of the County Executive's ICT environment revealed that there was no formal approved ICT Policy in place as at 30 June 2018 which could include 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. This would result to lack of a consistent approach towards addressing of and handling ICT issues due to lack of ICT policy.

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 County Executive's ability to continue 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 Executive 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 Executive'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 Executive's 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 Executive's ability to continue as a going concern or 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.



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

Nairobi

18 February 2019

MANDERA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2018****5. FINANCIAL STATEMENTS****5.1. STATEMENT OF RECEIPTS AND PAYMENTS**

		2017-2018	2016-2017
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	9,739,500,000	9,663,318,677
Proceeds from Domestic and Foreign Grants	2	151,042,092	49,787,798
Transfers from Other Government Entities	3	426,928,139	275,764,558
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	61,031,471	55,843,625
Returned CRF issues	10	-	-
TOTAL RECEIPTS		10,378,501,702	10,044,714,658
PAYMENTS			
Compensation of Employees	11	2,114,496,497	1,514,045,660
Use of goods and services	12	1,628,542,341	1,882,088,341
Subsidies	13	-	-
Transfers to Other Government Units	14	586,236,537	572,844,685
Other grants and transfers	15	459,782,807	657,403,836
Social Security Benefits	16	-	-
Acquisition of Assets	17	3,162,488,167	5,670,753,198
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	1,595,484,355	-
TOTAL PAYMENTS		9,547,030,705	10,297,135,720
SURPLUS/DEFICIT		831,470,998	- 252,421,062

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:

Chief Officer

Name: **Alinoor Mohamed Ali
Mohamed**ICPAK Member Number: **9001**

Head of Treasury

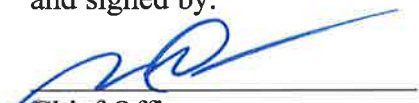
Name: **Ismail Abdulla**

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2018

5.2. STATEMENT OF ASSETS AND LIABILITIES

		2017-2018	2016-2017
	Notes	KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	2,512,768,513	1,715,826,042
Cash Balances	21B	-	-
Total Cash and cash equivalents		2,512,768,513	1,715,826,042
Accounts receivables – Outstanding Imprests	22		
TOTAL FINANCIAL ASSETS		2,512,768,513	1,715,826,042
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	35,101,789	69,630,315
NET FINANCIAL ASSETS		2,477,666,724	1,646,195,726
REPRESENTED BY			
Fund balance b/fwd.	24	1,646,195,726	1,898,616,789
Prior year adjustments	25	-	-
Surplus/Deficit for the year		831,470,998	-252,421,062
NET FINANCIAL POSITION		2,477,666,724	1,646,195,726

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:


 Chief Officer

Name: **Alinoor Mohamed Ali**
 ICPAK Member Number: **9001**


 Head of Treasury

Name: **Ismail Abdulla Mohamed**

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2018

5.3. STATEMENT OF CASH FLOWS

		2017-2018	2016 - 2017
	Notes	KShs	KShs
Receipts from operating income			
Exchequer Releases	1	9,739,500,000	9,663,318,677
Proceeds from Domestic and Foreign Grants	2	151,042,092	49,787,798
Transfers from Other Government Entities	3	426,928,139	275,764,558
Reimbursements and Refunds	7		
Returns of Equity Holdings	8		
County Own Generated Receipts	9	61,031,471	55,843,625.00
Returned CRF issues	10		
Payments for operating expenses			
Compensation of Employees	11	-2,114,496,497	-1,514,045,660
Use of goods and services	12	-1,628,542,340	-1,882,088,340
Subsidies	13	-	-
Transfers to Other Government Units	14	-586,236,537	-572,844,685
Other grants and transfers	15	-459,782,807	-657,403,835
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	-1,595,484,354	-
Adjusted for:			
Changes in payables		-34,528,527	29,710,420
Net cash flow from operating activities		3,959,430,638	5,448,042,556
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6		
Acquisition of Assets	17	-3,162,488,167	-5,670,753,198
Net cash flows from Investing Activities		-3,162,488,167	-5,670,753,198
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 EQUIVALENT			
		796,942,471	-222,710,642
Cash and cash equivalent at BEGINNING of the year	21	1,715,826,042	1,938,536,683
Cash and cash equivalent at END of the year	24	2,512,768,513	1,715,826,041

MANDERA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2018

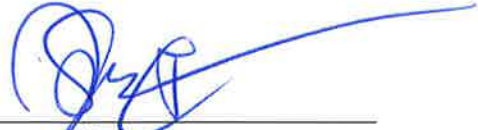
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:



Chief Officer

Name: **Alinoor Mohamed Ali**

ICPAK Member Number: **9001**



Head of Treasury

Name: **Ismail Abdulla Mohamed**

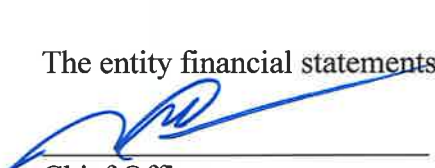
5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	11,454,286,973	(155,397,688)	11,298,889,285	9,739,500,000	1,559,389,285	86%
Proceeds from Domestic and Foreign Grants	275,641,798	57,325,311	332,967,109	151,042,092	181,925,017	
Transfers from Other Government Entities	362,698,962	111,301,574	474,000,536	426,928,139	47,072,397	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts	231,000,000	(90,000,000)	141,000,000	61,031,471	79,968,529	43%
Returned CRF issues	-	-	-	-	-	
TOTAL	12,323,627,733	(76,770,804)	12,246,856,930	10,378,501,702	1,868,355,227	85%
PAYMENTS						
Compensation of Employees	2,396,015,602	184,873,922	2,580,889,524	2,114,496,497	466,393,027	82%
Use of goods and services	2,090,918,718	143,307,933	2,234,226,651	1,628,542,341	-	73%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	853,295,684	(50,945,527)	802,350,157	586,236,537	216,113,620	73%
Other grants and transfers	541,058,807	(81,276,000)	459,782,807	459,782,807	-	100%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	4,603,370,888	(272,731,131)	4,330,639,757	3,162,488,167	1,168,151,590	73%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	1,838,968,034	-	1,838,968,034	1,595,484,355	243,483,679	
TOTAL	12,323,627,733	(76,770,803)	12,246,856,930	9,547,030,705	2,094,141,915	78%

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

- (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.

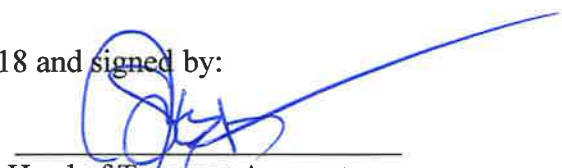
The entity financial statements were approved on _____ 2018 and signed by:



Chief Officer

Name: **Alinoor Mohamed Ali**

ICPAK Member Number: **9001**



Head of Treasury Accounts

Name: **Ismail Abdulla Mohamed**

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	5,753,223,170	360,253,990	6,113,477,160	5,476,227,605	637,249,555	90%
Proceeds from Domestic and Foreign Grants	275,641,798	57,325,311	332,967,109	151,042,092	181,925,017	45%
Transfers from Other Government Entities	91,209,005	(65,734,085)	25,474,920	15,521,730	9,953,190	61%
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts						
Returned CRF issues	-	-	-	-	-	
TOTAL	6,120,073,973	351,845,216	6,471,919,189	5,642,791,427	829,127,762	87%
PAYMENTS						
Compensation of Employees	2,396,015,602	184,873,922	2,580,889,524	2,114,496,497	466,393,027	82%
Use of goods and services	1,739,067,699	196,030,933	1,935,098,632	1,329,414,322	605,684,310	69%
Subsidies	0	0	0		0	
Transfers to Other Government Units	853,295,684	-50,945,527	802,350,157	586,236,537	216,113,620	73%
Other grants and transfers	459,782,807	0	459,782,807	459,782,807	0	100%
Social Security Benefits						
Acquisition of Assets	671,912,181	21,885,888	693,798,069		693,798,069	0%
Finance Costs, including Loan Interest						
Repayment of principal on Domestic and Foreign borrowing						
Other Payments						
TOTAL	6,120,073,973	351,845,216	6,471,919,189	4,489,930,164	1,981,989,025	69%

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

- (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.

The entity financial statements were approved on _____ 2018 and signed by:



Chief Officer

Name: **Alinoor Mohamed Ali**

ICPAK Member Number: **9001**



Head of Treasury Accounts

Name: **Ismail Abdulla Mohamed**

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	5,701,063,803	(515,651,678)	5,185,412,125	4,263,272,395	922,139,730	82%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Transfers from Other Government Entities	271,489,957	177,035,659	448,525,616	411,406,409	37,119,207	92%
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts	231,000,000	(90,000,000)	141,000,000	61,031,471	79,968,529	
Returned CRF issues	-	-	-	-	-	
TOTAL	6,203,553,760	(428,616,019)	5,774,937,741	4,735,710,275	1,039,227,466	82%
PAYMENTS						
Compensation of Employees	-	-	-	-	-	
Use of goods and services	351,851,019	(52,723,000)	299,128,019	299,128,019	-	100%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	-	-	-	-	-	
Other grants and transfers	81,276,000	(81,276,000)	-	-	-	
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	3,931,458,707	(294,617,019)	3,636,841,688	3,162,488,167	474,353,521	87%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	1,838,968,034	-	1,838,968,034	1,595,484,355	243,483,679	87%
TOTAL	6,203,553,760	(428,616,019)	5,774,937,741	5,057,100,541	717,837,200	88%

The entity financial statements were approved on _____ 2018 and signed by:



Chief Officer

Name **Alinoor Mohamed Ali**
ICPAK Member Number: **9001**



Head of Treasury Accounts

Name: **Ismail Abdullah Mohamed**

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	20xx		20xx	Date, 20xx	
	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)

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 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 on-going satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, 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 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 Mander 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, the Mander 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 2018, this amounted to Kshs 35,101,789 compared to Kshs 69,630,315 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 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 Mander 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 Mander 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 25th of June for the period 1st July 2017 to 30 June 2018 as required by law. There was one supplementary budgets passed in the year. A high-level assessment of Mander 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

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	-	1,642,764,175
Total Exchequer Releases for quarter 2	1,363,530,000	1,594,447,582
Total Exchequer Releases for quarter 3	3,554,917,500	2,415,829,669
Total Exchequer Releases for quarter 4	4,821,052,500	4,010,277,251
Total	9,739,500,000	9,663,318,677

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	2017 - 2018	2016 - 2017
	Kshs	Kshs
Grants Received from Donors		
DANIDA UHDSP	40,078,375	7,310,000
WORLD BANK- THUSCP	50,000,000	42,477,798
Kenya Devolution Support Program	60,963,717	
Total	151,042,092	49,787,798

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
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OTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017 – 2018	2016 – 2017
	Kshs	Kshs
Fuel Levy Fund (State Department of Infrastructure)	381,574,994	148,476,828
Maternal Health Care (Ministry of Health)		56,905,000
User Fees foregone (Ministry of Health)	15,521,730	15,521,730
MOH-ALLOWANCES -Doctors, Nurses, Clinical Officers and Other Health Officers Allowances (Ministry of Health)	-	54,861,000
YOUTH POLYTECHNICS SUPPORT GRANT	29,831,415	-
Total	426,928,139	275,764,558

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2017 - 2018	2016 - 2017
	KShs	KShs
Borrowing within General Government		
Borrowing from Monetary Authorities		
Other Domestic Depository Corporations		
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

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer		
Foreign Borrowing - Direct Payments		
Foreign Currency and Foreign Deposits		
Total		

6. PROCEEDS FROM SALE OF ASSETS

	2017 – 2018	2016 – 2017
	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		
Receipts from the Sale of Strategic Reserves Stocks		
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2017 - 2018	2016 – 2017
	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 Organizations		
Reimbursement from Local Government Authorities		
Reimbursement from Statutory Organizations		
Reimbursement within Central Government		
Reimbursement Using Bonds		
Total	-	-

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations		
Total	--	-

9. COUNTY OWN GENERATED RECEIPTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
RECEIPTS		
Rents	4,426,760	9,342,550
Receipts from Administrative Fees and Charges		15,054,925
Business permits	11,881,407	6,229,600
Cesses	15,426,086	4,116,185
Poll rates	-	-
Plot rents	-	-
Administrative services fees	-	1,104,630
Other miscellaneous revenues	6,749,799	12,273,288
Market/trade Centre fee	4,590,210	-
Vehicle parking fees	1,031,700	-
Public health services	-	207,792
Public health facilities operations	-	7,514,655
Slaughter houses administration	2,463,890	-
Cess	-	-
Public Health Services	2,091,894	-
Public Health Facilities Operations	11,200,575	-
Other Local Levies	-	-
Administrative Services Fees	1,169,150	-
Various Fees	-	-
Other Education-Related Fees	-	-
Other Education Receipts	-	-
Public Health Services		-
Public Health Facilities Operations		-
Environment & Conservancy Administration	-	-
Slaughter Houses Administration	-	-
Water Supply Administration	-	-
Sewerage Administration	-	-
Other Health & Sanitation Revenues	-	-
Technical Services Fees	-	-
TOTAL	61,031,471	55,843,625

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic salaries of permanent employees	726,967,480	526,182,316
Basic wages of temporary employees	208,114,678	253,251,681
Personal allowances paid as part of salary	747,030,332	635,171,895
Personal allowances paid as reimbursements		
Personal allowances provided in kind		
Pension and other social security contributions	152,094,157	38,933,170
Compulsory national social security schemes	4,145,400	31,460,200
Compulsory national health insurance schemes	32,481,050	
Government pension and retirement benefits(gratuity)	15,025,458	29,046,398
Other personnel payments	228,637,942	
Total	2,114,496,497	1,514,045,660

12. USE OF GOODS AND SERVICES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	13,431,251	10,341,912
Communication, supplies and services	-	5,126,000
Domestic travel and subsistence	16,396,515	13,666,098
Foreign travel and subsistence	7,975,938	5,274,045
Printing, advertising and information supplies & services	5,363,375	12,074,861
Rentals of produced assets	129,231,349	118,132,024
Training expenses	33,762,982	29,002,773
Hospitality supplies and services	37,905,081	24,837,210
Insurance costs	154,466,226	125,611,981
Specialised materials and services	479,440,082	556,782,843
Office and general supplies and services	20,872,294	14,170,672
Other operating expenses	648,831,775	771,597,790
Routine maintenance – vehicles and other transport equipment	34,881,233	15,106,520
Routine maintenance – other assets	27,527,429	163,375,135
Fuel Oil and Lubricants	18,456,810	16,988,477
Total	1,628,542,341	1,882,088,341

MANDERA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Subsidies to Public Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises		
<i>See list attached</i>		
(insert name)	-	-
TOTAL	-	-

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Mandera County Assembly	586,236,537	572,844,685
See attached list		
Transfers to Other Counties		
(insert name of budget agency)		
(insert name of budget agency)		
TOTAL	586,236,537	572,844,685

15. OTHER GRANTS AND OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Scholarships and other educational benefits	40,500,000	53,000,000
Emergency relief and refugee assistance	332,785,944	545,995,665
Drought Contingency	86,496,863	58,408,171
	459,782,807	657,403,836

MANDERA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

	2017 - 2018	2016 - 2017
	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	2017 - 2018	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	931,641,376	1,693,896,951
Refurbishment of Buildings	-	-
Construction of Roads	1,231,085,799	1,461,247,133
Construction and Civil Works	749,535,014	1,996,169,175
Overhaul and Refurbishment of Construction and Civil Works	87,946,418	186,346,407
Purchase of Vehicles and Other Transport Equipment	30,012,700	16,595,698
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	12,756,290	41,770,161
Purchase of ICT Equipment		
Purchase of Specialized Plant, Equipment and Machinery	20,880,450	60,312,881
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	98,630,121	214,414,794
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total	3,162,488,167	5,670,753,198

MANDERA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2017 - 2018	2016 - 2017
	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

	2017 - 2018	2016 - 2017
	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

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	1,595,484,355	-
	1,595,484,355	-

MANDERA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2017 – 2018	2016 – 2017
				KShs	KShs
MANDERA COUNTY RECURRENT- Central Bank of Kenya, 1000170913, KES			-	13,714,121	-
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				99,693.10	-
Mandera County - Revenue Fund Central Bank of Kenya, 1000171472 KES			-	2,406,284,206	1,646,195,726
Mandera County Retention Account National Bank of Kenya, 01001100414500 KES				35,101,789	69,630,315
Total				2,512,768,513	1,715,826,042

21B. CASH IN HAND

	2017 – 2018	2016 – 2017
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

	2017 – 2018	2016 – 2017
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

MANDERA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2017 – 2018	2016 – 2017
	KShs	KShs
Government Imprests	-	-
Clearance accounts	-	-
Total	-	-

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		KShs	KShs	KShs
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

23. ACCOUNTS PAYABLE

	2017 – 2018	2016 – 2017
	KShs	KShs
Deposits	35,101,789	69,630,315
Total	35,101,789	69,630,315

24. FUND BALANCE BROUGHT FORWARD

	2017 – 2018	2016 – 2017
	KShs	KShs
Bank accounts	1,715,826,042	1,938,536,683
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	- 69,630,315	-39,919,895
Total	1,646,195,726	1,898,616,789

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

Description of the error	2017 – 2018	2016 – 2017
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (<i>specify</i>)	-	-

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5.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017 – 2018	2016 – 2017
	KShs	KShs
Construction of buildings	39,707,112	115,482,908
Construction of civil works	45,286,561	930,522,400
Supply of goods	114,344,278	553,141,418
Supply of services	111,522,553	239,821,308
TOTAL	310,860,504	1,838,968,034

2. PENDING STAFF PAYABLES (See Annex 2)

	2017 – 2018	2016 – 2017
	KShs	KShs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
TOTAL	-	-

3. OTHER PENDING PAYABLES (See Annex 3)

	2017 – 2018	2016 – 2017
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (<i>specify</i>)	-	-
TOTAL	-	-

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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

	2017- 2018	2016- 2017
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)		
Transfers to related parties		
Transfer to the County Assembly	586,236,537	572,844,685
Transfers to other County Government Entities		
Transfers to Development Projects		
Transfers to non-reporting entities e.g schools and welfare		
Transfers to County Water Service Providers		
Expenses paid on behalf of County Water Service Providers		
Total Transfers to related parties	586,236,537	572,844,685
Transfers from related parties		
Transfers from the Exchequer	9,739,500,000	9,663,318,677
Transfers from National Government Entities-MDAs, SAGAs, SCs	426,928,139	275,764,558
Proceeds from Domestic and Foreign Grants	151,042,092	49,787,798
Total Transfers from related parties	10,317,470,231	9,988,871,033

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5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and resolve 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	Location	Accounting Officer responsible
MADAWASCO	N/A	N/A	N/A
MANDERA COUNTY BURSARY FUND	N/A	N/A	N/A

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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	Not Resolved	30 th December 2018
2.	Sub Standard Construction Works	Contractor was not fully paid and was directed to re-do the work as per the BQ	Cco Health	Not Resolved	30 th December 2018
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	Not Resolved	30 th December 2018
4.	Unsupported Medical Insurance Cover	the contract agreement, Policy documents and list of beneficiaries is ready	Cco Public Service	Not Resolved	30 th December 2018
5.	Unaccounted For Furniture And General Equipment	The items were dully received, entered into the store ledger and were issued out with S11		Not Resolved	30 th December 2018
6.	Unaccounted For Specialized Materials	The Clinical Officers And Nurses Received The Items At The point of delivery.	Cco Health	Not Resolved	30 th December 2018
7.	Constructions Of Civil Work	The Missing Documents From payment voucher were available during audit period in the departmental project file	Cco Roads	Not Resolved	30 th December 2018
8.	Drought Contingency	The contract agreement, log books, work tickets, driver’s license, invoices and	Cco Water	Not Resolved	30 th December 2018

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		delivery were available in the departmental project files			
9.	Irregular And Unaccounted For Bush Clearing Services	The Contract Agreement, Inspection and acceptance Certificate were available in the departmental project file	Cco Roads	Not Resolved	30 th December 2018
10.	Compensation Of Employees	Recommendation Effected	Cco Public Service	Not Resolved	30 th December 2018
11.	Unaccounted For Fuel	The fuel was procured for borehole generators to mitigate the local citizen from harsh drought	Cco Water	Not Resolved	30 th December 2018
12.	Training Expenses	The missing documents from payment voucher were available		Not Resolved	30 th December 2018
13.	Renovation & Rehabilitation Works/Services	The certificate was available in the departmental project file but was not presented during audit	Cco Roads	Not Resolved	30 th December 2018
14.	Unaccounted For Specialized Plant, Other Machineries	Recommendation Effected	Cco Health	Not Resolved	30 th December 2018

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ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	-	-	-	-
Exchequer Releases for quarter 1	1,363,530,000	25,857,016	-	1,389,387,016
Exchequer Releases for quarter 1	3,554,917,500	-	-	3,554,917,500
Exchequer Releases for quarter 1	4,821,052,500	14,221,359	-	4,835,273,859
Total	9,739,500,000	40,078,375	-	9,779,578,375

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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 contractors 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					

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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	

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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	

MANDERA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2018**

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 Agrovct 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	

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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	

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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	

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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	

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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	
Sadeti logistics	2,225,000		2,225,000	2,225,000	
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	

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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	

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ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	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 GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2018****ANNEX 5 – 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	24,141,291	-	-	24,141,291
Buildings and structures	4,698,519,842	931,641,376	-	5,630,161,217
Transport equipment	549,445,636	30,012,700	-	579,458,335
Other Infrastructures and civil works	9,620,791,510	2,068,567,231	-	11,689,358,741
Office equipment, furniture and fittings	178,267,743	12,756,290	-	191,024,033
ICT Equipment, Software and Other ICT Assets	-			
Other Assets, Machinery and Equipment	570,101,884	20,880,450	-	590,982,334
Heritage and cultural assets	-	-	-	-
Intangible assets	841,038,835	98,630,121	-	939,668,956
Total	16,482,306,740	3,162,488,167	-	19,644,794,907

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.

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ANNEX 6 – 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	73,679,924	118,479,754	120,079,764	273,997,095	586,236,537	73,679,924	118,479,754	120,079,764
2	Mandera County Bursary Fund	-	-	40,500,000	-	40,500,000	-	-	40,500,000
3	Mandawasco		6,000,000	6,000,000	7000,000				19,000,000
4									
5									
6									
7									
8									
9	Total	73,679,924	124,479,754	166,579,764	280,997,095	626,736,537	73,679,924	118,479,754	179,579,764

Head of Treasury
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

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ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)