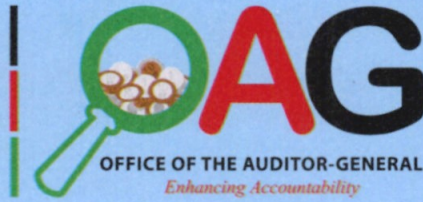
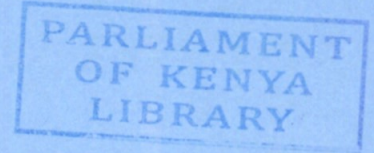


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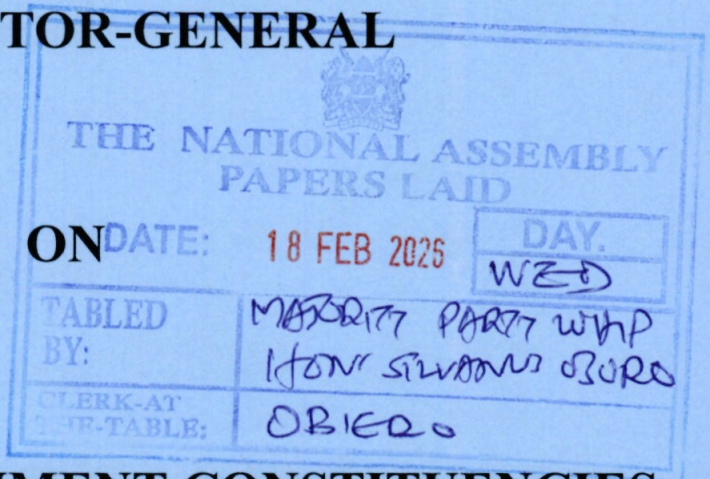


**REPORT**



**OF**

**THE AUDITOR-GENERAL**



**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – SAMBURU NORTH  
CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

SAMBURU NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025

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Transitional Financial Statements Prepared in accordance with the Accrual Basis of Accounting Method  
Under International Public Sector Accounting Standards (IPSAS)

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

|         |   |
|---------|---|
| AIE     | Authority to Incur Expenditure                              |
| AC      | Audit Committee   |
| DCC     | Deputy County Commissioner                                  |
| IPSAS   | International Public Sector Accounting Standards.           |
| FAM     | Fund Account Manager  |
| NG-CDFB | National Government Constituencies Development Fund Board   |
| NG-CDF  | National Government Constituencies Development Fund         |
| NG-CDFC | National Government Constituency Development Fund Committee |
| NSCA    | National Sub-County Accountant                              |
| PFM     | Public Finance Management                                   |
| PMCs    | Project Management Committees                               |
| PWD     | Persons with Disability                                     |
| FY      | Financial Year  |

### B. Definition of Key Terms

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the entity.

**Comparative Year-** Means the prior period.

## **2. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

### **Mandate**

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

## **Functions of NG-CDF Committee**

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

### **(b) Key Management**

The NGCDF SAMBURU NORTH Constituency's day-to-day management is under the following key organs:

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

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

| No | Designation                    | Name              |
|----|--------------------------------|-------------------|
| 1. | AIE holder                     | Simon kipaika     |
| 2. | National Sub-County Accountant | Stanley mutai     |
| 3. | Chairman NGCDFC                | Lawrence letitiya |
| 4. | Member NG CDFC                 | Benard lesurmat   |

### **(c) Fiduciary Oversight Arrangements**

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF SAMBURU NORTH Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

**(d) NGCDF Samburu North Constituency Headquarters**

P P.O. Box 47-20600

Baragoi kenya

**(e) NGCDF Samburu North Constituency Contacts**

Telephone: (254) 7213533349

E-mail: [cdfsamburunorth@cdf.go.ke](mailto:cdfsamburunorth@cdf.go.ke)

Website: [www.samburunorth.go.ke](http://www.samburunorth.go.ke)

**(f) NGCDF Samburu North Constituency Bankers**

1. Bank A. (Operations Account).

KCB bank ltd

A/C 1143133196

Maralal branch

2. Bank B. (Deposit account).

KCB bank ltd

A/C 1330621816

Maralal branch

3. Equity Bank. (PMC Accounts)

Maralal Branch

P.O. Box 47-20600

Maralal

3. KCB . (PMC Accounts)

Maralal Branch

P.O. Box 47-20600

Maralal

**(g) Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084






GPO 00100

Nairobi, Kenya





(h) Principal Legal Adviser

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

**3. NG-CDF Committee**

| Name   | Details   |
|--|---|
| <br>Lawrence letitiya<br>Chairman                 | The Chairman is a Male adult representative from ndoto Ward born on 8 <sup>th</sup> August 1978.He has served as Chairman from 2023. He has a certificate in social works and hospitality |
| <br>Yasmin lokiit<br>Member                      | yasmin is a Female Youth representative from elbarta Ward. Born on 31 <sup>st</sup> January 1994.She has served as a member from 2023.She has a form four certificate                     |
| <br>Ann njenga(female adult representative)     | Ann is a Female adult representative from elbarta Ward. Born on 30-10-1964She served as a member from 2023 to date and now as a member to date.She has a form four certificate            |
| <br>Benard lesumat<br>Male adult representative | Benard is a Male adult representative from angata nanyukie Ward born on 1 <sup>st</sup> January 1985.He has served as Member from 2023. He has a degree in urban planning                 |
| <br>Estina leriano<br>PWD representative        | Estina is a representative of PLWDs from nyiro Ward born on 28 <sup>th</sup> January 1994.she has served as a member from 2023.she has a form four certificate .                          |

**National Government Constituencies Development Fund (NGCDF)**  
**Samburu North Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

|   |   |
|---|---|
| <br>Nkireu marko<br>Male youth representative      | nkireu is a youth representative from nachola Ward born 17 <sup>th</sup> December 1994. He has served as a member from 2023. He has a degree in education             |
| <br>Rebecaa leleruk<br>Female adult representative | Leleruk is a Female adult representative from ndoto Ward. Born on 1 <sup>st</sup> January 1995. She has served as a member from 2023. She has a form four certificate |
| <br>Joseph lenasaloon<br>Co opted member          | William is NG-CDF Board Coopted Member from Mosiro Ward born on 11 <sup>th</sup> January 1976. He has served as a member from 2023. He has a diploma in education.    |
| <br>Simon kipaika<br>Fund Account Manager        | Simon is the Fund Account Manager serving SAMBURU NORTHNG-CDF from june 2019  |
| <br>Samuel mwangi<br>Deputy County Commisioner   | Samuel mwangi is the Deputy County Commissioner serving Sub-county from August 2023   |

#### 4. NG-CDFC Chairman's Report



**Lawrence Letitiya**  
Chairperson, Samburu Northng-Cdfc

Samburu Constituency is one of the 3 constituencies of Samburu County.

There are six wards in the constituency namely anagata, baawa, ndoto, nachola & elbarta. The Constituency's population stands at 60,000 according to Kenya Population and Housing Census 2019. The constituency covers 5000 square kilometer's.

#### Constituency Allocations & Current Year Budget

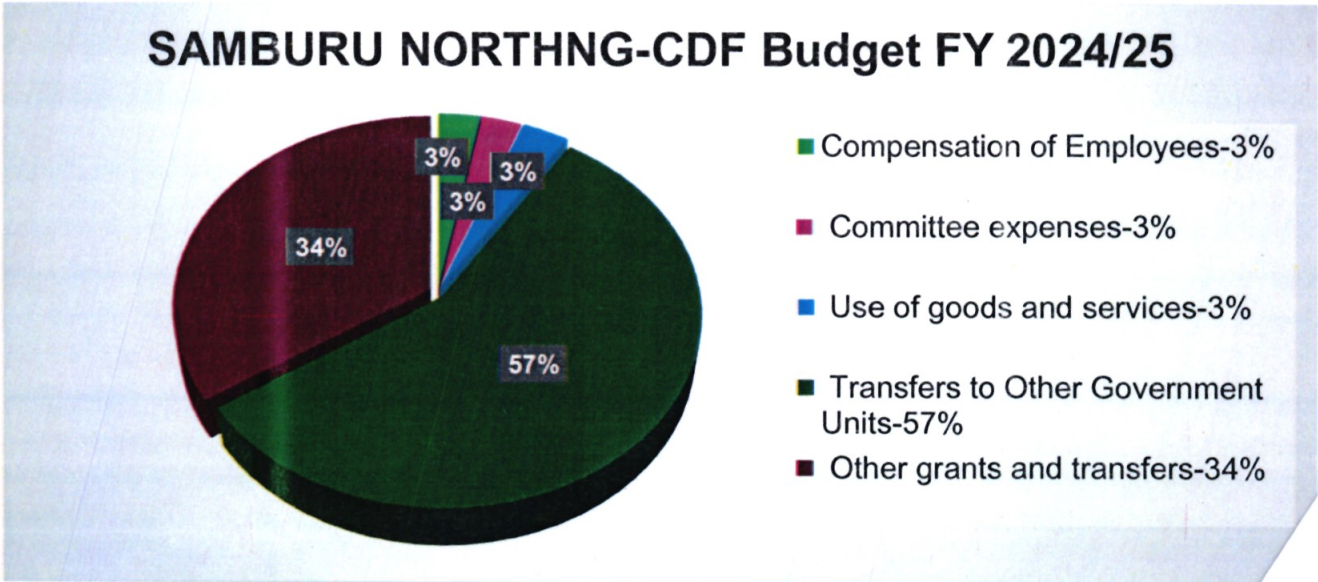
SAMBURU NORTHNG-CDF over the last three years is as follows:

| Financial year | 2024/2025      | 2023/2024   | 2022/2023   |
|----------------|----------------|-------------|-------------|
| Allocation     | 184,414,052.19 | 184,129,901 | 151,960,174 |

#### Original Budget

The budget for the current financial year stood at Kshs. 184,414,052.19. The budget was itemized as follows:

| Item                                | Budget                |
|-------------------------------------|-----------------------|
| Compensation of Employees           | 5,793,742             |
| Committee expenses                  | 2,584,270.19          |
| Use of goods and services           | 8,555,522             |
| Transfers to Other Government Units | 88,740,259            |
| Other grants and transfers          | 78,740,259            |
| <b>TOTAL</b>                        | <b>184,414,052.19</b> |



**Funds Utilization by Sector**

As depicted from the appropriation Statement, the original budget of ksh 184,414,052.10 was adjusted upwards with opening balances from the previous year and funds that were received in the current year. This pushed the final budget to Kshs. 255,894,262 of which Kshs. 57,120,934 was not received from the NG-CDF Board at the close of the financial year. The Constituency was able to absorb Kshs. 206,480,000 which represents 81% of the budget. The main component in transfer to other government units is composed of secondary schools and primary schools, utilized (44%). Other transfers included bursary, emergency and environmental allocation took 95%. Others are use of goods services that utilized 93%, committee expenses 93%, compensation of employees 58%. The detailed report is found on budget statement.

**Key achievements during the year**

The Constituency, during the year, implemented a few projects that were funded by the flow from the NG-CDF Board. The projects included issuance of cheques for the implementation, transfer to other government entities and completion of the following during the year:

1. Baragoi police post : office complex

The project was allocated Kshs. 9,000,000 for the construction of the office complex. During the year under review, the project was completed using the entire funding. The project is now complete as it has been handed over to the relevant authority.





Dormitory

## **2. ICT Huduma Jitume Digital Centre**

This project was planned and budgeted for in FY 2024/25 following the presidential directive regarding ICT digital centres. The project was funded to a tune of khs 2,800,000 first phase being standard hub. The project was implemented in financial year under review. Once completed, the project will bring Huduma services and ICT related opportunities under one roof. The project is designed to provide Samburu north constituents with access to government services offered through Huduma center's. It will also provide the much needed access to internet hence enhancing job opportunities through digital platforms. The project requires additional funding in order to finish the Huduma centre wing.

### **Emerging issues and challenges**

One of the major challenges is that the Constituency is vast and some of the roads are impassable especially when it rains. This makes monitoring of projects a difficulty exercise in some of the areas. The NG-CDF management is seeking partnership with other government entities responsible for establishment of access roads so that they help make all places accessible. Such government entities include Kerra.

Finally, SAMBURU NORTH NG-CDF management expresses gratitude towards the NG-CDF Board for their efficiency in handling issues in regards to projects approval, disbursement of fund and monitoring.

The other special thanks also go to the Office of the Auditor General for their every year input, especially advisory in our processes that have continuously improved our service delivery to the constituents.



.....  
Name: Lawrence Letitiya  
Chairman NG-CDF Committee

## 5. Statement Of Performance Against Predetermined Objectives for FY 2024/2025

### Introduction

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

The key development objectives of the *NGCDF-Samburu North Constituency 2022-2027* plan are to:

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youth

### Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

| Constituency Program | Objective   | Outcome   | Indicator  | Performance   |
|----------------------|---|---|--|---|
| Education            | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | - number of usable physical infrastructure build in primary, secondary, and tertiary institutions<br>- number of bursary beneficiaries at all levels | <ul style="list-style-type: none"> <li>✓ We constructed 20 Classrooms in primary schools</li> <li>✓ We constructed 3 Staff houses in Primary Schools</li> <li>✓ We constructed 10 Classrooms in secondary schools</li> <li>✓ We constructed 1 Laboratories in secondary schools</li> <li>✓ We constructed 4 Dormitories in secondary schools</li> </ul> |

*National Government Constituencies Development Fund (NGCDF)  
Samburu North Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

| Constituency Program                         | Objective  | Outcome   | Indicator                        | Performance  |
|--|--|---|----------------------------------|--|
|  |  |   |                                  | <ul style="list-style-type: none"> <li>✓ 6000 students were issued with secondary school bursaries</li> <li>✓ 3000 students were issued with tertiary bursaries</li> <li>✓ We constructed 1 Dining Hall in Secondary schools</li> <li>✓ We completed 3 classrooms in secondary schools</li> <li>✓ We constructed 1 pit latrine with 8 doors in secondary schools</li> <li>✓ We renovated 12 classrooms in primary schools</li> </ul> |
| Security                                     | To have conducive working environment for security agencies          | Increased construction of chief's office                      | Number of usable infrastructures | In FY 2024/25 We did 3 security infrastructures constructions  |
| Environment                                  | To improve environment by carrying out environmental activities      | Increased planting of trees both indigenous and fruit trees   | Improved environment             | In the FY 2024/25, we did not implement environmental projects due to delays of disbursement from NG-CDF Board but ksh 300,000 planting of trees various schools.  |
| Other projects- Huduma Jitume Digital centre | To provide access to government services and creation of online jobs | Increased access to government services and job opportunities | Improved job access and services | The Huduma Jitume Digital Centre was budgeted for in FY 2024/25 but has been not been implemented in FY 2024/25 given delay of fund from cdf board   |
| Disaster Management                          | To mitigate disasters through disaster management                    | Increased capacity building on disaster management            | Improved awareness               | Management has carried out PMC & NG-CDF staff capacity building to improve in the management of NG-CDF funds   |

## **6. Governance Statement**

### **a) Appointment NG-CDF Committee members**

The NGCDF Act 2015 and NG-CDF regulations 2020 on appointment of NGCDFC members states; (1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee.

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

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

(4) The selection panel referred to in paragraph (1) shall consist of ;—

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

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

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

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

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

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

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

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

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

The current members were vetted into office in the month of March 2023.

The criteria that was used in the advertisement was as follows:

1. Applicants must be Kenyan citizens
2. Be residents voters in Samburu North Constituency
3. Applicants must be able to read and write, be able to communicate in English and Kiswahili.
4. Applicants must meet the requirement of chapter six of the Constitution
5. Applicants should be available to participate in the activities of the committee
6. For youth nominee, must have attained the age of 18 years and below the age of 35 years.

The Selection panel had three meetings which resulted into submission of proposed committee members to NG-CDF Board for approval by the National assembly. The appointed committee members were gazetted through Gazette volume number CXXV—No. 86 on 14<sup>th</sup> April 2023.

The following are the current members of SAMBURU NORTH NG-CDF:

| <b>Name</b>        | <b>Category</b>                | <b>Designation</b> |
|--------------------|--------------------------------|--------------------|
| Lawrence letitiya  | Male Adult                     | Chairman           |
| Benard lesurmat    | Male youth                     | Member             |
| Yasmin lokit       | Female adult                   | Member             |
| Rebecca leleruk    | Female youth                   | Member             |
| Estina leriano     | PWD REP                        | Member             |
| Joseph lenasalon   | CO-opted Member                | Member             |
| Nkireu choki marko | Nominee of constituency Office | Secretary          |
| Anne wanjiru       | Nominee of constituency Office | Member             |

#### **b) Removal of NG-CDF Member**

A member may be removed from the NG-CDFC on grounds laid down on section 43 (13) of NG-CDF act 2015, amended 2022 that include:

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

At least five members can make a written resolution citing the ground for removal then accords that member a fair hearing before submitting their resolution to the NG-CDF Board. There is no member in SAMBURU NORTHNG-CDF who has been removed from the committee on the above grounds.

#### **c) Functions of the NG-CDFC**

The functions of the NG-CDFC are drawn from NG-CDF act 2015, amended 2022 and they include the following:

- a) Build capacity of PMCs and sensitize community on the operations of the Fund;

- b) Consider projects from all wards and any other projects that the committee considers beneficial;
- c) Ensure that projects proposals submitted to the Board include detailed budget proposals, procurement plans and work plans
- d) Consult relevant Government department to ensure that projects cost estimates are realistic;
- e) Rank projects proposals in order of priority while ensuring that ongoing projects take precedence;
- f) Ensure that projects receive adequate funding and are completed within three years;
- g) Monitor the implementation of projects;
- h) Ensure that projects report are prepared and submitted to the Board;
- i) Ensure formation of PMCs, opening of projects accounts, project implementation and closure of projects;
- j) Submit financial statements to the Board within sixty days of end of financial year;
- k) Recommend to the Board removal of a committee member;
- l) Enter into performance contract with the Board annually;
- m) Receive returns from PMCs;
- n) Receive and address all complaints concerning implementation of projects;
- o) Ensure that the Committee does not enter into commitments for which funds have not been allocated

**d) NG-CDFC meetings**

Section 43(11): The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. NG-CDFC holds monthly meetings, deliberating all issues for the FAM to act on. Equally the subcommittees are active handling issues as mandated by the main committee.

**National Government Constituencies Development Fund (NGCDF)**  
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During the financial year 2024/2025 the NG-CDFC SAMBURU NORTH held 15 main meetings as illustrated below;

|   | MEMBERS            | 05/07/24 | 15/07/24 | 04/09/24 | 17/10/24 | 13/11/24 | 04/12/24 | 15/01/25 | 18/01/25 | 05/02/25 | 21/02/25 | 12/03/25 | 11/04/25 | 20/05/25 | 04/06/25 | 20/06/25 |
|---|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1 | Lawrence Letitiya  | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 2 | Benard Lesurmat    | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 3 | Yasmin Lokit       | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 4 | Rebecca leleruk    | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 5 | Estina leriano     | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 6 | Joseph lenasalon   | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 7 | Nkireu chokimarko  | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 8 | Anne wanjiru       | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |
| 9 | Samuel mwangi -DCC | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        | ✓        |

**e) Capacity building of NG-CDFC Members**

In the financial year 2024/2025 NG-CDFC attended training organised by NG-CDF Board in Mombasa.

**f) Ethics & conduct**

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

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NGCDFC SAMBURU NORTH adhered to the above ethical issues.

**g) Members' remuneration**

NG-CDFC members are not entitled to payment of salary but sitting allowances as guided by the NG-CDF circulars. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh. 5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

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

**h) Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC SAMBURU NORTH contravened conflict of interest policy.

**i) Risk management**

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

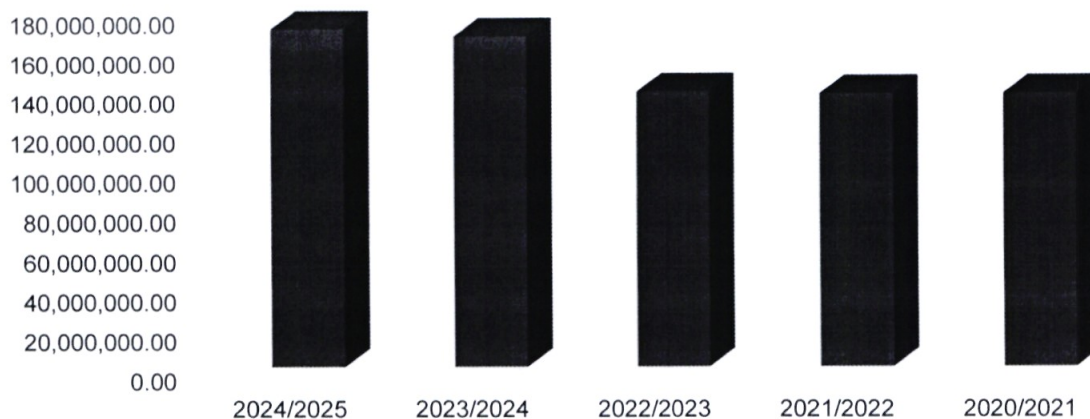
Some of the risk mitigation strategies that NGCDFC SAMBURU NORTH has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 amended 2022 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

## 7. Management Discussion and Analysis

NG-CDF SAMBURU NORTH received a total allocation of ksh 798,681,885.50 in the financial years 2020/2021 to 2024/2025 out of which 57% was allocated to education projects in primary schools and secondary schools while average of 23% was allocated to bursary. On the other hand other sectors received 11% while administration and employee compensation took 9%. The table below shows annual allocation to the constituency in the past five years of operation.

| S/NO | FINANCIAL YEAR | AMOUNT                |
|------|----------------|-----------------------|
| 1    | 2024/2025      | 188,414,052.19        |
| 2    | 2023/2024      | 184,129,901.00        |
| 3    | 2022/2023      | 151,960,174.00        |
| 4    | 2021/2022      | 137,088,879.00        |
| 5    | 2020/2021      | 137,088,879.31        |
|      |                | <b>749,456,368.05</b> |

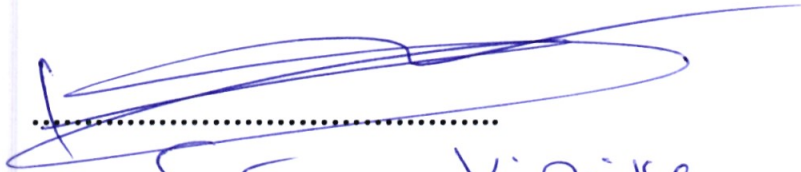
Samburu North Allocation Over Time



Samburu North NG-CDF has prioritised education. As a result it has increased the number of secondary schools from 2 in FY 2013/2014 to 20 in FY 2024/25.

Samburu North NG-CDF has also financed construction of Huduma Digital centre to be started soon The project is designed to provide Samburu North constituents with access to government services offered through Huduma centres. It will also provide the much needed access to internet hence enhancing job opportunities through digital platforms The Huduma Digital centres is now at finishing stage:

Samburu North NG-CDF has also planned implementation of tree planting in a secured area within institutions alongside water harvesting. This will help sensitize the community concerning afforestation which is very much needed in the area as it is also a government priority.



Name  
Fund Account Manager

*Sonwan Kipaike*

## **8. Environmental and Sustainability Reporting**

Samburu North has valued environmental issues and their sustainability. The NG-CDFC has strived to ensure good working environment that enables effective service to constituents. The following have been tackled:

### **1. Sustainability strategy and profile -**

To ensure the sustainability of Samburu North Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

## **2. Environmental performance**

The management of the fund at the constituency being cognizant of environmental conservation and protection through supporting community environmental initiatives has strengthened environment conservation and protection by ensuring increased tree cover and green spaces in our environment. Environmental conservation is now fully integrated in the NG-CDF activities where schools have been given tree seedlings to plant in their compounds, water harvesting in institutions, soil conservation activities, sewerage systems which includes septic tanks, toilets in schools and public spaces.

## **3. Employee welfare**

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

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

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Market place practices-**

Samburu North Constituency is committed to fair and ethical market practices. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Samburu North Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

#### **Public Participation in Project Identification, Implementation, and Monitoring**

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


**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

### **Public Awareness**

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

Samburu North Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....  
**Name: Simon kipaika**  
**Fund Account Manager**

## **9. Statement Of Management Responsibilities**

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

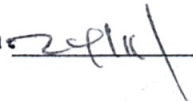
The Accounting Officer in charge of the NGCDF- Samburu North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Samburu North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Samburu North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

#### Approval of the financial statements

The NGCDF-Samburu North Constituency financial statements were approved and signed by the Accounting Officer on  2025.



Name: Lawrence Ititiya  
Chairman – NGCDF Committee



Name: Simon Kipaika  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SAMBURU NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Samburu North Constituency set out on

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*Report of the Auditor-General on National Government Constituencies Development Fund - Samburu North Constituency for the year ended 30 June, 2025*

pages 1 to 62, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Samburu North Constituency As at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Unsupported Project Management Committee Bank Balances**

The statement of financial position and as disclosed in Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.43,721,455. The balance includes Project Management Committee's (PMC) bank balances of Kshs.1,683,232. However, the relevant certificates of bank balances, cash books and bank reconciliations supporting the PMC bank balances were not provided for audit review.

Further, Project Management Committees bank balances includes Kshs.300,624 held in dormant accounts and had not been returned to the Fund's main bank account as at 30 June, 2025, contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015, which requires that all unutilized funds of the Project Management Committee shall be returned to the Constituency main account.

In the circumstances, the accuracy and completeness of the Project Management Committees bank balances of Kshs.1,683,232 as at 30 June, 2025 could not be confirmed.

#### **2. Unreconciled Third-Party Deposits**

The statement of financial position and Note 27 to the financial statements reflect third party deposits balance of Kshs.1,453,407. However, Note 19 to the financial statements reflects deposit bank account balance of Kshs.356,208, resulting to unexplained variance of Kshs.1,097,199.

In the circumstances, the accuracy and completeness of the third-party deposits balance of Kshs.1,453,407 could not be confirmed.

### **3. Non-Disclosure of Trade and Other Payables**

The statement of financial position and Note 26 to the financial statements reflect a nil balance in respect of trade and other payables. However, review of available records revealed that the Fund had outstanding tax arrears amounting to Kshs.886,832, as indicated in the Kenya Revenue Authority (KRA) Enforcement Letter Ref: KRA/5/1002/26(12508) dated 17 June, 2025. The liability was not disclosed in the financial statements as required.

In the circumstances, the accuracy and completeness of the nil balance on trade and other payables could not be confirmed.

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

#### **Emphasis of Matter**

##### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.255,894,262 and Kshs.206,480,209 respectively, resulting to a shortfall of Kshs.49,414,052, or 19% of the budget. Similarly, the Fund spent Kshs.162,758,755 against the actual receipts of Kshs.206,480,209, resulting to under absorption of Kshs.43,721,454, or 21% of the actual receipts.

The shortfall in receipts and under absorption may have adversely affected the implementation of planned activities and negatively impacting on service delivery to the residents of Samburu North Constituency.

##### **2. Late Transfers from the NG-CDF Board**

The statement of financial performance and Note 6 to the financial statements reflect total transfers from the NG-CDF Board of Kshs.188,414,052. However, transfers totalling Kshs.49,414,052, or 26% of the total transfers, had not been received by the closure of the financial year on 30 June, 2025.

The late disbursement of funds by the NG-CDF Board disrupted the execution of planned projects and activities, thereby negatively impacting service delivery to the residents of Samburu North Constituency.

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year's Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements and, Lawfulness and Effectiveness in Use of Public Resources. Review of the status during the audit of the NGCDF - Samburu North Constituency in financial year 2024/2025 revealed that the following matters remained unresolved:

1. Inaccuracies in Cash and Cash Equivalents
2. Unsupported Project Management Committee (PMC) Bank Accounts Balances
3. Unsupported Expenditure on Fuel, Oil and Lubricants
4. Incomplete Projects

## **Other Information**

Management is responsible for the other information set out on page ii to xxx which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that if there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

*Report of the Auditor-General on National Government Constituencies Development Fund - Samburu North Constituency for the year ended 30 June, 2025*

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Irregularities in Procurement of Primary Schools Projects**

The statement of financial position and Note 13 to the financial statements reflect other government units' actual expenditure of Kshs.61,240,733, out of which Kshs.49,608,664 was transferred to Project Management Committees for implementation of projects in various primary schools. The amount includes Kshs.6,191,033 disbursed to, Lpusi Primary School (Kshs.1,700,000) for construction of a two-roomed teacher's house, and to Seleyian, Kasipo, and Lesirikan Primary Schools (Kshs.1,500,000, Kshs.1,495,517 and Kshs.1,495,516 respectively) for construction of classrooms.

However, the procurement records for these projects including signed tender opening and evaluation minutes, bid documents, professional opinions, letters of award and regret were not availed for audit review. This is contrary to Section 68(1) of the Public Procurement and Asset Disposal Act, 2015, which requires Accounting Officers to maintain complete procurement records for at least six years after completion of the contract or termination of procurement proceedings.

In the circumstances, the regularity and fairness of the procurement process could not be confirmed.

### **2. Irregular Branding of NGCDF Projects**

Audit verification of projects funded by the Fund revealed that eight completed projects on construction of classrooms, administration block and pit latrine in Kirimon, Seketet, Lare Oibor, Lmisigiyo, Loikusutan primary schools and Loikas, Lodokejek and Kirimon secondary schools are branded with the name of the area Member of Parliament (MP). This was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which requires that fund provided shall not be used for purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

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

### **3. Failure to Report Emergency Expenditure**

The statement of financial performance and Note 14 to the financial statements reflect Kshs.83,718,435 in respect to other grants and transfers actual expenditure, which includes Kshs.9,516,326 in respect of emergency projects actual expenditure. In the year under review, the Fund approved and disbursed funds amounting to Kshs.4,759,000 to Lulu Primary School for replacement of five (5) classroom roofing and renovation works blown off by the wind. However, no evidence was provided to confirm that the utilization of the emergency funds was reported to the Board within thirty days of the occurrence as

required by Regulation 20(2) of the National Government Constituencies Development Committee Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

#### Unacknowledged Bursary Transfers

The statement of financial performance and Note 14 to the financial statements reflect other grants and transfers actual expenditure balance of Kshs.83,718,435. Included in the balance is bursaries to secondary schools of Kshs.46,000,000 and tertiary institutions of Kshs.20,000,000, all totalling Kshs.66,000,000. However, review of the acknowledgement receipts revealed that only Kshs.57,399,100 of the bursaries had been acknowledged, leaving an un-acknowledged balance of Kshs.8,600,900.

In the circumstances, it was not possible to confirm whether the unacknowledged bursary funds of Kshs.8,600,900 were received and benefitted the intended beneficiaries.

### 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 (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

01 December, 2025

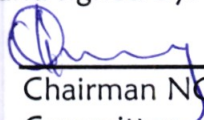
*National Government Constituencies Development Fund (NGCDF)  
Samburu North Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*


**11. Statement of Financial Performance for the Year Ended 30th June 2025**


|   | Note | Period ended June 2025 |
|---|------|------------------------|
|   |      | Kshs                   |
| <b>Revenue from non-exchange transactions</b> |      |                        |
| Transfers from the NGCDF Board                | 6    | 188,414,052            |
| Grants/donations from other entities          | 7    | -                      |
| <b>Revenue from exchange transactions</b>     |      |                        |
| Finance income                                | 8    | -                      |
| Miscellaneous income                          | 9    | 279,000                |
| <b>Total revenue</b>                          |      | <b>188,693,052</b>     |
| <b>Expenses</b>                               |      |                        |
| Employee costs                                | 10   | 5,119,631              |
| Committee expenses                            | 11   | 4,196,400              |
| Use of Goods and Services                     | 12   | 8,246,091              |
| Other Government Units Actual expenditure     | 13   | 61,240,733             |
| Other Grants and Transfers Actual expenditure | 14   | 83,718,435             |
| Depreciation and amortization expense         | 15   | 75,000                 |
| Digital Hubs Actual expenditure               | 16   | -                      |
| <b>Total expenses</b>                         |      | <b>162,596,289</b>     |
| <b>Other gains/(losses)</b>                   |      |                        |
| Gain/Loss on Sale of Assets                   | 17   | -                      |
| Impairment loss                               | 18   | -                      |
| <b>Surplus/(Deficit) for the year</b>         |      | <b>26,096,763</b>      |

The Constituency financial statements were approved by the NGCDFC on 29/11/2025 2025

and signed by:

  
Chairman NG-CDF  
Committee  
Name: Lawrence letitiya

  
National Sub-County  
Accountant  
Name: Stanley mutai  
ICPAK M/No: 33862

  
Fund Account Manager  
Name: Simon Kipaika

*National Government Constituencies Development Fund (NGCDF)*  
*Samburu North Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

**12. Statement Of Financial Position As At 30th June, 2025**

|  | Note | Period as at June<br>2025 | Opening Statement 1st<br>July 2024 |
|--|------|---------------------------|------------------------------------|
|  |      | Kshs                      | Kshs                               |
| <b>Assets</b>                              |      |                           |                                    |
| <b>Current Assets</b>                      |      |                           |                                    |
| Cash And Cash Equivalents                  | 19   | 43,721,455                | 10,080,275                         |
| Receivables from Exchange Transactions     | 20   | -                         | -                                  |
| Receivables from Non-Exchange Transactions | 21   | 49,414,052                | 57,120,934                         |
| Prepayments                                | 22   | 110,669                   | 102,575                            |
| <b>Total Current Assets</b>                |      | <b>93,246,176</b>         | <b>67,303,785</b>                  |
| <b>Non-Current Assets</b>                  |      |                           |                                    |
| Property, Plant and Equipment              | 23   | 525,000                   | -                                  |
| Intangible Assets                          | 24   | -                         | -                                  |
| Right-of-use assets                        | 25   | -                         | -                                  |
| <b>Total Non- Current Assets</b>           |      | <b>525,000</b>            | <b>-</b>                           |
| <b>Total Assets (A)</b>                    |      | <b>93,771,176</b>         | <b>67,303,785</b>                  |
| <b>Liabilities</b>                         |      |                           |                                    |
| <b>Current Liabilities</b>                 |      |                           |                                    |
| Trade and Other Payables                   | 26   | -                         | -                                  |
| Third-Party Deposits                       | 27   | 1,453,407                 | 1,126,699                          |
| Lease Liabilities                          | 28   | -                         | -                                  |
| Gratuity provision                         | 29   | 1,094,073                 | 1,050,153                          |
| <b>Total Current Liabilities</b>           |      | <b>2,547,480</b>          | <b>2,176,852</b>                   |
| <b>Non-Current Liabilities</b>             |      |                           |                                    |
| Lease Liabilities                          | 28   | -                         | -                                  |
| <b>Total Liabilities (B)</b>               |      | <b>2,547,480</b>          | <b>2,176,852</b>                   |
| <b>Net Assets (A-B)</b>                    |      | <b>91,223,696</b>         | <b>65,126,933</b>                  |
| <b>Represented by:</b>                     |      |                           |                                    |
| Revaluation Reserves                       |      | 91,223,696                | 65,126,933                         |
| Accumulated Surplus                        |      |                           |                                    |
| <b>Total Net Assets</b>                    |      | <b>91,223,696</b>         | <b>65,126,933</b>                  |

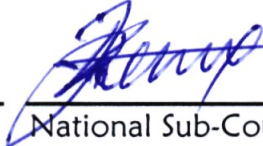
**National Government Constituencies Development Fund (NGCDF)**  
**Samburu North Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

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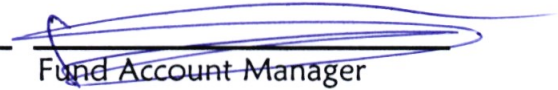
The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 20/11 2025 and signed by:



Chairman NG-CDF  
Committee  
Name: Lawrence Ititiya



National Sub-County  
Accountant  
Name: Stanley Mutai  
ICPAK M/No: 33862



Fund Account Manager  
Name: Simon Kipaika

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**13. Statement of Changes in Net Assets for the year ended 30 June 2025**

| Description   | Reserves   | Accumulated surplus/Deficit | Total      |
|---|------------|-----------------------------|------------|
|   | Kshs       | Kshs                        | Kshs       |
| <b>As at 30<sup>th</sup> June 2024 (cash basis)</b> | 5,413,724  |                             | 5,413,724  |
| Adjustments: (to recognize assets and liabilities)  |            |                             |            |
| Add Assets  | 60,839,908 |                             | 60,839,908 |
| Less Liabilities                                    | 1,126,699  |                             | 1,126,699  |
| <b>As at July 1, 2024</b>                           | 65,126,933 |                             | 65,126,933 |
|   |            |                             |            |
| Surplus/(Deficit) For the Period                    | 26,096,763 |                             | 26,096,763 |
| Revaluation Gain/Loss                               | -          | -                           | -          |
| <b>As at 30<sup>th</sup> June (current year)</b>    | 91,223,696 | -                           | 91,223,696 |

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

**14. Statement Of Cash Flows for The Year Ended 30th June 2025**

|   | Notes | Period ended: 30 <sup>th</sup> June 2025 |
|---|-------|--|
|   |       | KSh                                      |
| <b>Cash flows from operating activities</b>                   |       |  |
| <b>Receipts</b>   |       |  |
| Transfers from the NGCDF Board                                |       | 196,120,934                              |
| Grants/donations from other entities                          |       | -  |
| Finance income  |       | -  |
| Miscellaneous income  |       | 279,000                                  |
| <b>Total Receipts</b>   |       | <b>196,399,934</b>                       |
| <b>Payments</b>   |       |  |
| Employee costs  |       | 5,075,711                                |
| Committee expenses  |       | 4,196,400                                |
| Use of Goods and Services                                     |       | 8,254,185                                |
| Other Government Units Certified Works                        |       | 61,478,389                               |
| Other Grants and Transfers                                    |       | 83,154,070                               |
| Digital Hubs Expenses   |       | -  |
| <b>Total Payments</b>   |       | <b>162,158,755</b>                       |
| <b>Net Cash Flows from/ (used in) Operating Activities</b>    | 30    | <b>34,241,179</b>                        |
| <b>Cash flows From Investing Activities</b>                   |       |  |
| Purchase of PPE   |       | 600,000                                  |
| Purchase of Intangible assets                                 |       | -  |
| Proceeds From Sale of PPE                                     |       | -  |
| <b>Net Cash Flows from Investing Activities</b>               |       | <b>600,000</b>                           |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b> |       | <b>33,641,179</b>                        |
| <b>Cash Flows from Financing Activities</b>                   |       |  |
| Lease payment   |       | -  |
| <b>Net Cash Flows from Financing Activities</b>               |       | <b>33,641,179</b>                        |
| Cash and cash equivalents at Period Start                     | 19    | 10,080,275                               |
| <b>Cash and cash equivalents at Period End</b>                | 19    | <b>43,721,455</b>                        |

*(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)*

National Government Constituencies Development Fund (NGCDF)

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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

|                                      | Original Budget    | Adjustments  |   | Final Budget       | Actual on comparable basis | Budget utilization difference | % of Utilization   |
|--------------------------------------|--------------------|--|---|--------------------|----------------------------|-------------------------------|--------------------|
|                                      | Kshs               | Kshs   |   | Kshs               | Kshs                       | Kshs                          | $f=d/c \times 100$ |
|                                      | a                  | B  |   | C=(a+b)            | d                          | e=(c-d)                       |                    |
|                                      | 2024/2025          | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding disbursements | 2024/2025          | 2024/2025                  |                               |                    |
| <b>Revenue</b>                       |                    |  |   |                    |                            |                               |                    |
| Transfers From the NGCDF Board       | 188,414,052        | 10,359,275   | 57,120,934                                | 255,894,262        | 206,480,209                | 49,414,052                    | 81%                |
| Grants/donations from other entities | -                  | -  | -   | -                  | -                          | -                             |                    |
| Finance income                       | -                  | -  | -   | -                  | -                          | -                             |                    |
| Miscellaneous income                 | -                  | -  | -   | -                  | -                          | -                             |                    |
| <b>Totals</b>                        | <b>188,414,052</b> | <b>10,359,275</b>  | <b>57,120,934</b>                         | <b>255,894,262</b> | <b>206,480,209</b>         | <b>49,414,052</b>             | <b>81%</b>         |
| <b>Expenses</b>                      |                    |  |   |                    |                            |                               |                    |
| Employee costs                       | 5,793,742          | 2,664,558  | 253,039                                   | 8,711,339          | 5,075,711                  | 3,635,628                     | 58%                |
| Committee expenses                   | 2,608,000          | -  | 11,500                                    | 2,619,500          | 1,650,146                  | 969,354                       |                    |

*National Government Constituencies Development Fund (NGCDF)*  
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|  |                    |                   |                   |                    |                    |                   |            |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|------------|
|  |                    |                   |                   |                    |                    |                   | 63%        |
| Use of Goods and Services              | 8,555,522          | 2,149,318         | 879,474           | 11,584,314         | 10,800,439         | 783,875           | 93%        |
| Other Government Units Certified Works | 88,740,259         | 5,006,639         | 46,833,642        | 140,580,540        | 61,478,389         | 79,102,151        | 44%        |
| Other Grants and Transfers             | 78,716,529         | 259,760           | 8,366,014         | 87,342,303         | 83,154,070         | 4,188,233         | 95%        |
| Digital Hubs Expenses                  | 2,800,000          | -                 | -                 | 2,800,000          | -                  | 2,800,000         | 0%         |
| Funds Pending Approval**               | 1,200,000          | -                 | 777,265           | 1,977,265          | 600,000            | 1,377,265         | 30%        |
| <b>Total Expenditure</b>               | -                  | 279,000           | -                 | 279,000            | -                  | 279,000           | -          |
| <b>Surplus for the period</b>          | <b>188,414,052</b> | <b>10,359,275</b> | <b>57,120,934</b> | <b>255,894,262</b> | <b>162,758,755</b> | <b>93,135,507</b> | <b>64%</b> |

*\*\*Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

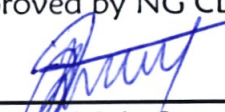
**Explanatory Notes:**

Most of the items were underutilized as a result of late disbursement of funds from the NG-CDF Board hence they would not be absorbed.

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities |            |
|---|------------|
| Description   | Amount     |
| Budget utilization difference totals  | 93,135,507 |
| Less undisbursed funds receivable from the Board as at period 30th June, 2025               | 49,414,052 |
| Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025                      | 43,721,455 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 24/11 2025 and signed by:

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: Lawrence letitiya

  
\_\_\_\_\_  
National Sub-County Accountant  
Name: Stanley mutai  
ICPAK M/No:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Simon Kipaika

16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025

| Programme/Sub-programme                 | Original Budget   | Adjustments  |   | Final Budget      | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--|---|-------------------|----------------------------|-------------------------------|
|   |                   | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding Disbursements |                   |                            |                               |
|   | Kshs              | Kshs   | Kshs                                      | Kshs              | Kshs                       | Kshs                          |
| <b>1.0 Administration and Recurrent</b> |                   |  |   |                   |                            |                               |
| 1.1 Compensation of employees           | 5,793,742         | 2,664,558  | 253,039                                   | 8,711,339         | 5,075,711                  | 3,635,628                     |
| 1.2 Committee allowances                | 1,128,000         | -  | -   | 1,128,000         | 1,082,000                  | 46,000                        |
| 1.3 Use of goods and services           | 4,383,101         | 2,149,318  | 42,868                                    | 6,575,287         | 6,454,184                  | 121,103                       |
| <b>Sub-total</b>                        | <b>11,304,843</b> | <b>4,813,876</b>   | <b>295,907</b>                            | <b>16,414,626</b> | <b>12,611,895</b>          | <b>3,802,731</b>              |
| <b>2.0 Monitoring and evaluation</b>    |                   |  |   | -                 |                            |                               |
| 2.1 Capacity building                   | 2,517,421         | -  | 28,834                                    | 2,546,255         | 2,546,255                  | -                             |
| 2.2 Committee allowances                | 1,480,000         | -  | 11,500                                    | 1,491,500         | 568,146                    | 923,354                       |
| 2.3 Use of goods and services           | 1,655,000         | -  | 169,178                                   | 1,824,178         | 1,800,000                  | 24,178                        |
| <b>Sub-total</b>                        | <b>5,652,421</b>  | <b>-</b>   | <b>209,512</b>                            | <b>5,861,933</b>  | <b>4,914,401</b>           | <b>947,532</b>                |
| <b>4.0 Emergency</b>                    |                   |  |   | -                 |                            |                               |
| unutilized                              | 9,916,529         | 5,295  | 1,047                                     | 9,922,871         | 9,516,326                  | 406,545                       |
| <b>Sub-total</b>                        | <b>9,916,529</b>  | <b>5,295</b>   | <b>1,047</b>                              | <b>9,922,871</b>  | <b>9,516,326</b>           | <b>406,545</b>                |
| <b>5.0 Bursary and Social Security</b>  |                   |  |   | -                 |                            |                               |

*National Government Constituencies Development Fund (NGCDF)*  
*Samburu North Constituency*  
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|                                     |                   |               |                |                   |                   |                |
|-------------------------------------|-------------------|---------------|----------------|-------------------|-------------------|----------------|
| 5.1 Primary Schools                 |                   |               |                | -                 |                   | -              |
| 5.2 Secondary Schools               | 46,000,000        |               |                | 46,000,000        | 46,000,000        | -              |
| 5.3 Tertiary Institutions           | 20,000,000        |               |                | 20,000,000        | 20,000,000        | -              |
| 5.4 special needs                   |                   |               |                | -                 |                   | -              |
| 5.5 Education Support Programmes    |                   |               |                | -                 |                   | -              |
| 5.6 Social Security                 |                   |               |                | -                 |                   | -              |
| <b>Sub-total</b>                    | <b>66,000,000</b> | <b>-</b>      | <b>-</b>       | <b>66,000,000</b> | <b>66,000,000</b> | <b>-</b>       |
| <b>7.0 Environment</b>              |                   |               |                | -                 |                   |                |
| lenkima primary school              | 300,000           |               | 50,000         | 350,000           | -                 | 350,000        |
| lchakwai primary school             |                   |               | 50,000         | 50,000            | 50,000            | -              |
| natiti primary school               |                   | 27,937        | 50,000         | 77,937            | 50,000            | 27,937         |
| opiroi mix secschool                |                   | 1,590         | 50,000         | 51,590            | 50,252            | 1,338          |
| Leirr primary school                |                   |               | 50,000         | 50,000            | 50,000            | -              |
| <b>Sub-total</b>                    | <b>300,000</b>    | <b>29,527</b> | <b>200,000</b> | <b>529,527</b>    | <b>150,252</b>    | <b>379,275</b> |
| <b>8.0 Primary Schools Projects</b> |                   |               |                | -                 |                   |                |
| Allamano Primary School             | 560,000           |               |                | 560,000           |                   | 560,000        |
| Arsim Primary School                | 400,000           | 104,998       | 500,000        | 1,004,998         | 977,996           | 27,002         |
| baragoi primary school              | 1,156,259         | 3,421         | -              | 1,159,680         | 679,402           | 480,278        |
| Bendera Primary School              | 690,000           | 1,071         | 400,000        | 1,091,071         | 388,237           | 702,834        |
| illaut primary school               | 400,000           |               |                | 400,000           |                   | 400,000        |
| Kasipo Primary School               | 1,500,000         | 1,308         | 1,495,516      | 2,996,824         | 1,485,000         | 1,511,824      |
| Kasipo Primary School               | 1,700,000         |               |                | 1,700,000         |                   | 1,700,000      |
| Kasipo Primary                      | 360,000           |               |                | 360,000           |                   | 360,000        |
| keno primary school                 | 360,000           | 4,811         |                | 364,811           |                   | 364,811        |
| Keree Primary School                | 360,000           | 4,550         | 1,500,000      | 1,864,550         | 1,327,500         | 537,050        |
| Kurungu Primary School              | 360,000           | 15,540        | 1,495,576      | 1,871,116         | 1,272,873         | 598,243        |
| Lamirog Primary School              | 1,500,000         |               | 1,500,000      | 3,000,000         | 1,498,181         | 1,501,819      |

**National Government Constituencies Development Fund (NGCDF)**

**Samburu North Constituency**

**Annual Report and Financial Statements for The Year Ended June 30, 2025**

|                                |           |        |           |           |           |           |
|--------------------------------|-----------|--------|-----------|-----------|-----------|-----------|
| Lamirog Primary School         | 320,000   |        |           | 320,000   |           | 320,000   |
| Lare Orok Primary School       | 360,000   |        |           | 360,000   |           | 360,000   |
| Latakweny Primary School       | 1,000,000 | 4,373  | 1,700,000 | 2,704,373 | 1,697,921 | 1,006,452 |
| Lemolog Primary School         | 750,000   | 1,057  | 1,500,000 | 2,251,057 | 2,218,800 | 32,257    |
| Lemolog Primary School         | 360,000   |        |           | 360,000   |           | 360,000   |
| Lkitagesi Primary School       | 360,000   | 368    | 1,500,000 | 1,860,368 | 1,499,501 | 360,867   |
| Loidongo Primary School        | 1,500,000 |        |           | 1,500,000 |           | 1,500,000 |
| Lorrok Lolmongo Primary School | 360,000   | 1,165  | 1,200,000 | 1,561,165 | 1,182,368 | 378,797   |
| loruko primary school          | 1,500,000 |        |           | 1,500,000 |           | 1,500,000 |
| marti primary school           | 800,000   | 1,747  | 1,495,517 | 2,297,264 |           | 2,297,264 |
| masikita primary school        | 400,000   |        |           | 400,000   | -         | 400,000   |
| Matepes Primary School         | 1,500,000 |        |           | 1,500,000 |           | 1,500,000 |
| Morijo Primary School          | 690,000   |        | -         | 690,000   | -         | 690,000   |
| Morijo Primary School          | 1,200,000 | 49,385 | 150,000   | 1,399,385 | 649,504   | 749,881   |
| Morijo Primary School          | 1,000,000 |        |           | 1,000,000 |           | 1,000,000 |
| Morijo Primary School          | 800,000   |        |           | 800,000   | 800,000   | -         |
| mpangas primary school         | 1,500,000 |        |           | 1,500,000 |           | 1,500,000 |
| mpangas primary school         | 400,000   |        |           | 400,000   |           | 400,000   |
| Muruankai Primary School       | 960,000   | 1,890  | -         | 961,890   | 402,500   | 559,390   |
| Muslim Primary School          | 1,500,000 |        | -         | 1,500,000 |           | 1,500,000 |
| Nachola Primary School         | 150,000   | -      |           | 150,000   |           | 150,000   |
| Nalingangor Primary School     | 400,000   | 90,062 | 900,000   | 1,390,062 | 908,508   | 481,554   |
| Nawuakim Primary School        | 1,500,000 |        | 1,500,000 | 3,000,000 | 1,373,868 | 1,626,132 |
| Nawuakim Primary School        | 280,000   |        |           | 280,000   |           | 280,000   |
| ngilai primary school          | 1,400,000 | 9,838  | 100,000   | 1,509,838 | 506,627   | 1,003,211 |
| ngilai primary school          | 400,000   |        |           | 400,000   | -         | 400,000   |
| Ngilai Primary School          | 200,000   |        |           | 200,000   | -         | 200,000   |
| Njeseeni Primary School        | 1,500,000 |        |           | 1,500,000 |           | 1,500,000 |

*National Government Constituencies Development Fund (NGCDF)*  
*Samburu North Constituency*  
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|                            |           |         |           |           |           |           |
|----------------------------|-----------|---------|-----------|-----------|-----------|-----------|
| Noonkeek Primary School    | 360,000   | 1,540   | 600,000   | 961,540   | 571,500   | 390,040   |
| Ntaletiani Primary School  | 1,500,000 | 2,050   | 1,500,000 | 3,002,050 | 1,470,020 | 1,532,030 |
| Ntaletiani Primary School  | 360,000   |         |           | 360,000   |           | 360,000   |
| Ntaletiani Primary School  | 150,000   |         |           | 150,000   |           | 150,000   |
| Opiroi Primary School      | 320,000   | 2,506   |           | 322,506   |           | 322,506   |
| Salato Primary School      | 150,000   | 1,284   | 496,000   | 647,284   | 469,486   | 177,798   |
| Seleyian Primary School    | 1,500,000 |         | -         | 1,500,000 | 1,491,060 | 8,940     |
| Seleyian Primary School    | 360,000   |         |           | 360,000   |           | 360,000   |
| Sidai Primary School       | 1,500,000 | 64,550  | -         | 1,564,550 | 1,383,410 | 181,140   |
| Sidai Primary School       | 360,000   |         |           | 360,000   |           | 360,000   |
| Simale Primary School      | 360,000   |         |           | 360,000   |           | 360,000   |
| Soit Naibor Primary School | 1,500,000 |         | 1,500,000 | 3,000,000 | 1,428,316 | 1,571,684 |
| Soit Naibor Primary School | 360,000   |         |           | 360,000   |           | 360,000   |
| Soit Pus Primary School    | 320,000   | 440     |           | 320,440   |           | 320,440   |
| St. Lydia Primary School   | 800,000   | 6,190   |           | 806,190   |           | 806,190   |
| Sumuruai Primary School    | 150,000   | 14,738  |           | 164,738   |           | 164,738   |
| Suyian Primary School      | 640,000   |         |           | 640,000   |           | 640,000   |
| Uaso Rongai Primary School | 360,000   |         | -         | 360,000   |           | 360,000   |
| Uaso Rongai Primary School | 1,500,000 |         |           | 1,500,000 |           | 1,500,000 |
| Leirr primary school       | 640,000   | 401,062 | 640,000   | 1,681,062 | 1,040,401 | 640,661   |
| tangar Primary School      | 1,500,000 |         | 300,000   | 1,800,000 | 300,000   | 1,500,000 |
| tangar Primary School      | 150,000   |         |           | 150,000   |           | 150,000   |
| tuum Primary School        | 400,000   | 22,408  | 1,200,000 | 1,622,408 | 1,200,000 | 422,408   |
| tuum primary school        | 400,000   |         |           | 400,000   |           | 400,000   |
| soit ngiro Primary         | 400,000   | 29,265  | 1,200,000 | 1,629,265 | 1,228,000 | 401,265   |
| soit ngiro Primary School  | 500,000   |         |           | 500,000   |           | 500,000   |
| londua primary school      | 850,000   | 52,830  | 150,000   | 1,052,830 | 201,110   | 851,720   |
| nachola primary school     | 750,000   | 170,330 |           | 920,330   | 762,322   | 158,008   |

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|                            |                   |                  |                   |                   |                   |                   |
|----------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Lchakwai primary school    | 480,000           | 1,058            | 600,000           | 1,081,058         | 1,050,551         | 30,507            |
| Latakweny Primary School   | 800,000           |                  | -                 | 800,000           | -                 | 800,000           |
| Iesepe Primary School      | 320,000           | 1,666,621        | -                 | 1,986,621         | 1,635,100         | 351,521           |
| simiti primary school      |                   | 1,720            |                   | 1,720             |                   | 1,720             |
| anderi primary school      |                   | 10,200           | 400,000           | 410,200           | 410,103           | 97                |
| Angata nanyukie pry school |                   | 36,950           | 1,000,000         | 1,036,950         | 1,018,366         | 18,584            |
| Lenkima Primary school     |                   | 42,222           | 1,495,517         | 1,537,739         | 1,517,186         | 20,553            |
| lesirkan primary           |                   | 125              | 2,095,517         | 2,095,642         | 1,895,000         | 200,642           |
| Ipusi primary school       |                   | 1,150            | 1,700,000         | 1,701,150         | 1,698,626         | 2,524             |
| Lulu primary school        |                   | 636              | 1,200,000         | 1,200,636         | 1,200,367         | 269               |
| nkabai prim                |                   |                  | 1,200,000         | 1,200,000         | 1,199,500         | 500               |
| Parkati primary school     |                   | 1,975            | 1,000,000         | 1,001,975         | 980,817           | 21,158            |
| Sererit Primary nschool    |                   | 2,778            | 1,200,000         | 1,202,778         | 1,201,001         | 1,777             |
| sunoni pry school          |                   | 2,550            | 1,000,000         | 1,002,550         | 1,001,726         | 824               |
| baawa primary school       |                   | 5,516            | 600,000           | 605,516           | 600,000           | 5,516             |
| neremuka primary school    |                   | 3,975            | 400,000           | 403,975           | 383,310           | 20,665            |
| nomboroi primary school    |                   | 395              | 1,000,000         | 1,000,395         | 912,000           | 88,395            |
| keleswa primary school     |                   | 7,190            | 150,000           | 157,190           | 145,254           | 11,936            |
| urah primary school        |                   | 1,957            | 100,000           | 101,957           | 100,000           | 1,957             |
| nalinggor mix primary      | -                 | 8,790            | 1,700,000         | 1,708,790         | 1,615,385         | 93,405            |
| loikumkum primary school   |                   | 975              |                   | 975               |                   | 975               |
| lareorok primary school    |                   | 1,188            |                   | 1,188             |                   | 1,188             |
| Sererit Primary nschool    |                   | 104,967          |                   | 104,967           |                   | 104,967           |
| naimaral primary school    |                   | 36,182           |                   | 36,182            |                   | 36,182            |
| <b>Sub-total</b>           | <b>52,176,259</b> | <b>3,003,897</b> | <b>41,363,642</b> | <b>96,543,798</b> | <b>48,978,703</b> | <b>47,565,095</b> |
|                            |                   |                  |                   | -                 |                   |                   |

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|   |                   |                  |                  |                   |                   |                   |
|---|-------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>9.0 Secondary Schools Projects (List all the Projects)</b> |                   |                  |                  | -                 |                   |                   |
| Barsaloi Mix Secondary School                                 | 460,000           |                  |                  | 460,000           | -                 | 460,000           |
| Barsaloi Mix Secondary School                                 | 500,000.00        |                  |                  | 500,000           | 500,000           | -                 |
| Marti Mix Secondary School                                    | 2,500,000.00      | 182,330          |                  | 2,682,330         | 1,474,660         | 1,207,670         |
| Morijo Mix Secondary School                                   | 800,000.00        |                  |                  | 800,000           |                   | 800,000           |
| Barsaloi Mix Secondary School                                 | 3,400,000.00      | 1,321,820        |                  | 4,721,820         | 4,330,000         | 391,820           |
| Morijo Mix Secondary School                                   | 11,482,000.00     | 154,084          | 650,000          | 12,286,084        | 958,168           | 11,327,916        |
| Morijo Mix  | 510,000.00        |                  |                  | 510,000           |                   | 510,000           |
| Ndoto Boys Secondary School                                   | 11,482,000.00     |                  | -                | 11,482,000        |                   | 11,482,000        |
| Ndoto Boys Secondary School                                   | 510,000.00        | 205,288          | 650,000          | 1,365,288         | 1,237,026         | 128,262           |
| Nyiro Girls Secondary School                                  | 510,000.00        |                  |                  | 510,000           |                   | 510,000           |
| Nyiro boys Secondary School                                   | 510,000.00        | -                |                  | 510,000           |                   | 510,000           |
| Sererit Mix Secondary School                                  | 1,500,000.00      |                  | 1,500,000        | 3,000,000         | 1,499,800         | 1,500,200         |
| Sererit Mix Secondary School                                  | 400,000.00        |                  |                  | 400,000           |                   | 400,000           |
| Tuum Girls Secondary School                                   | 800,000.00        | 32,824           |                  | 832,824           | 379               | 832,445           |
| Nachola Mix Secondary School                                  | 1,200,000.00      | 91,368           | 510,000          | 1,801,368         | 597,768           | 1,203,600         |
| illaut mix sec school   |                   | -                |                  | -                 |                   | -                 |
| baragoi girls sec school                                      |                   | 10,750           | 160,000          | 170,750           | -                 | 170,750           |
| Baawa mixed day   |                   | 106              | 1,000,000        | 1,000,106         | 996,885           | 3,221             |
| Baragoi Boys sec school                                       |                   | 4,172            | 1,000,000        | 1,004,172         | 905,000           | 99,172            |
|   |                   |                  |                  | -                 |                   | -                 |
| <b>Sub-total</b>  | <b>36,564,000</b> | <b>2,002,742</b> | <b>5,470,000</b> | <b>44,036,742</b> | <b>12,499,686</b> | <b>31,537,056</b> |

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|  |                  |                |                  |                   |                  |                  |
|--|------------------|----------------|------------------|-------------------|------------------|------------------|
| <b>10.0 Tertiary institutions Projects (List all the Projects)</b> |                  |                |                  | -                 |                  |                  |
|  |                  |                |                  | -                 |                  | -                |
|  |                  |                |                  | -                 |                  | -                |
| <b>Sub-total</b>   | -                | -              | -                | -                 | -                | -                |
| <b>11.0 Security Projects</b>                                      |                  |                |                  | -                 |                  |                  |
| South Horr Police Post   | 150,000          |                |                  | 150,000           |                  | 150,000          |
| Angata Nanyukie Chiefs Office                                      | 150,000          |                | -                | 150,000           |                  | 150,000          |
| Ngilai Chiefs Office   | 150,000          |                | -                | 150,000           |                  | 150,000          |
| Seren Chiefs Office  | 150,000          |                | -                | 150,000           |                  | 150,000          |
| Nachola Chiefs Office  | 1,000,000        | 975            | 1,000,000        | 2,000,975         | 686,000          | 1,314,975        |
| Nachola Chiefs Office  | 150,000          |                | -                | 150,000           |                  | 150,000          |
| South Horr Chiefs Office   | 600,000          |                | -                | 600,000           |                  | 600,000          |
| South Horr Chiefs Office   | 150,000          |                | -                | 150,000           |                  | 150,000          |
| baragoi police post  |                  | 79,977         | 3,000,000        | 3,079,977         | 2,875,736        | 204,241          |
| Morijo Police Post   |                  | 55,407         | 1,264,967        | 1,320,374         | 1,305,000        | 15,374           |
| Angata nanyukie chief office                                       |                  | 75,259         | 500,000          | 575,259           | 475,000          | 100,259          |
| Seren chief office   |                  | 5,160          | 500,000          | 505,160           | 498,000          | 7,160            |
| Ngilai chief office  |                  | 2,950          | 500,000          | 502,950           | 496,135          | 6,815            |
| opiroi chief office  |                  | 5,210          | 500,000          | 505,210           | 501,010          | 4,200            |
| tuum chief office  | -                |                | 900,000          | 900,000           | 650,610          | 249,390          |
| <b>Sub-total</b>   | <b>2,500,000</b> | <b>224,938</b> | <b>8,164,967</b> | <b>10,889,905</b> | <b>7,487,491</b> | <b>3,402,414</b> |
| <b>12.0 Acquisition of assets</b>                                  |                  |                |                  | -                 |                  |                  |
| 12.1 Motor Vehicles (including motorbikes)                         |                  |                | -                | -                 |                  | -                |
| 12.2 Purchase of furniture and fittings                            |                  |                |                  | -                 |                  | -                |
| 12.2 Construction of CDF office                                    | 1,200,000        | -              | 777,265          | 1,977,265         | 600,000          | 1,377,265        |

**National Government Constituencies Developments Fund (NGCDF)  
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|                                     |                    |                   |                   |                    |                    |                   |
|-------------------------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| <b>Sub-total</b>                    | <b>1,200,000</b>   | <b>-</b>          | <b>777,265</b>    | <b>1,977,265</b>   | <b>600,000</b>     | <b>1,377,265</b>  |
| <b>13.0 Others</b>                  |                    |                   |                   |                    |                    |                   |
| innovation hub                      | 2,800,000.00       | -                 | -                 | 2,800,000          | -                  | 2,800,000         |
|                                     |                    | -                 | -                 | -                  | -                  | -                 |
| <b>Sub-total</b>                    | <b>2,800,000</b>   | <b>-</b>          | <b>-</b>          | <b>2,800,000</b>   | <b>-</b>           | <b>2,800,000</b>  |
| samburu north NG-CDF Strategic Plan |                    | -                 | 638,594           | 638,594            | -                  | 638,594           |
|                                     |                    |                   |                   |                    |                    |                   |
|                                     |                    |                   |                   |                    |                    |                   |
| <b>Sub-total</b>                    | <b>-</b>           | <b>-</b>          | <b>638,594</b>    | <b>638,594</b>     | <b>-</b>           | <b>638,594</b>    |
| <b>Funds pending approval**</b>     |                    |                   |                   |                    |                    |                   |
| unapproved projects                 | -                  | 279,000           |                   | 279,000            |                    | 279,000           |
| AiA                                 | -                  |                   |                   | -                  |                    | -                 |
| <b>Sub-total</b>                    | <b>-</b>           | <b>279,000</b>    | <b>-</b>          | <b>279,000</b>     | <b>-</b>           | <b>279,000</b>    |
| <b>Total</b>                        | <b>188,414,052</b> | <b>10,359,275</b> | <b>57,120,934</b> | <b>255,894,262</b> | <b>162,758,754</b> | <b>93,135,508</b> |

*(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)*

## **17. Notes to the Financial Statements**

### **1. General information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Samburu North Constituency principal activity is implementation of approved projects.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Samburu North Constituency has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Samburu North Constituency has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

| Standard   | Effective date and impact  |
|--|--|
| IPSAS 43:<br>Leases  | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.<br><b><i>Not applicable</i></b> |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued<br>Operations | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.<br><b><i>Not applicable</i></b>   |
| IPSAS 45:<br>Property Plant  | <b><i>Applicable 1<sup>st</sup> January 2025</i></b>   |

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|                          |  |
|--------------------------|--|
| and<br>Equipment         | <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>Not applicable</i></b></p>      |
| IPSAS 46:<br>Measurement | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>Not applicable</i></b></p> |
| IPSAS 47:<br>Revenue     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements</p>   |

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|  |   |
|--|---|
|  | <p>about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>Not applicable</i></b></p>   |
| <p>IPSAS 48:<br/>Transfer Expenses</p>                                     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b><i>Not applicable</i></b></p>   |
| <p>IPSAS 49:<br/>Retirement Benefit Plans</p>                              | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b><i>Not applicable</i></b></p>  |
| <p>IPSAS 50:<br/>Exploration For &amp; Evaluation of Mineral Resources</p> | <p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><b><i>Not applicable</i></b></p> |

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*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

##### **ii) Revenue from exchange transactions**

##### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity*.

##### **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

##### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget was approved by Parliament on 13th June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

### **Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

### **Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

### **Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

### **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

### **b) Financial liabilities**

#### **Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

### **g) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

#### **h) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

#### **i) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

#### **j) Contingent liabilities**

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### **k) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **l) Employee benefits**

##### **Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

##### **m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**n) Related parties**

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

**o) 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**p) Comparative figures**

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

**q) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### **Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Transfers from the NGCDF Board**

| Description                              | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  |                               |
| NGCDFB Transfers (Allocation for the FY) | 188,414,052                   |
| <b>TOTAL</b>                             | <b>188,414,052</b>            |

**7. Transfers from domestic and foreign partners**

| Description  | <i>Period ended June 2025</i> |
|--------------|-------------------------------|
|              | Kshs                          |
| Grants       | -                             |
| <b>Total</b> | <b>-</b>                      |

**8. Finance income**

| Description                      | <i>Period ended June 2025</i> |
|----------------------------------|-------------------------------|
|                                  | Kshs                          |
| Interest Income on Bank Deposits | -                             |
| <b>Total</b>                     | <b>-</b>                      |

*(Provide a brief explanation for this revenue)*

**9. Miscellaneous income**

|  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Rental Income  | -                             |
| Income from sale of tenders                            | 279,000                       |
| Hire of plant/equipment/facilities                     | -                             |
| Other Income Not Classified Elsewhere <i>(specify)</i> | -                             |
| <b>Total</b>   | <b>279,000</b>                |

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10. Employees cost

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| NG-CDFC Basic staff salaries                                       | 3,548,746                     |
| Personal allowances paid as part of salary                         | -                             |
| House Allowance  | -                             |
| Transport Allowance  | -                             |
| Leave allowance  | 52,000                        |
| Gratuity to contractual employees                                  | 1,304,000                     |
| Employer Contributions Compulsory national social security schemes | 154,440                       |
| Employer Contributions Compulsory Housing levy                     | 53,295                        |
| Employer contributions to National Industrial Training Authority   | 7,150                         |
| Other Specify  | -                             |
| <b>Total</b>   | <b>5,119,631</b>              |

11. Committee Expenses

| Description              | <i>Period ended June 2025</i> |
|--------------------------|-------------------------------|
|                          | Kshs                          |
| Sitting allowance        | 1,082,000                     |
| Other Committee expenses | 3,114,400                     |
| <b>Total</b>             | <b>4,196,400</b>              |

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**12. Use of Goods and services**

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Utilities, supplies and services                             | 5,500                         |
| Communication, supplies and services                         | 276,180                       |
| Domestic travel and subsistence                              | 1,391,710                     |
| Printing, advertising and information supplies & services    | 611,950                       |
| Office Rent  | 220,000                       |
| Training expenses  | -                             |
| Hospitality supplies and services                            | 136,760                       |
| Insurance costs  | 112,486                       |
| Specialized materials and services                           | -                             |
| Office and general supplies and services                     | 36,200                        |
| Fuel, oil & lubricants                                       | 1,465,681                     |
| Bank Charges   | 273,800                       |
| Routine maintenance – vehicles and other transport equipment | 1,335,630                     |
| Routine maintenance – other assets                           | 187,900                       |
| Strategic plan expenses                                      | 638,594                       |
| Other operating expenses                                     | 1,553,700                     |
| <b>Total</b>   | <b>8,246,091</b>              |

**13. Other Government Units Actual expenditure**

| Description                              | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Primary Schools Actual expenditure       | 49,608,664                    |
| Secondary Schools Actual Expenditure     | 11,632,069                    |
| Tertiary Institutions Actual Expenditure | -                             |
| <b>Total</b>                             | <b>61,240,733</b>             |

14. Other Grants and transfers Actual expenditure

| Description                            | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Bursary – secondary schools            | 46,000,000                    |
| Bursary – tertiary institutions        | 20,000,000                    |
| Bursary – special schools              | -                             |
| Bursary - Education Support programmes | -                             |
| Social Security programmes (SHIF)      | -                             |
| Security projects Actual Expenditure   | 8,051,857                     |
| Climate change mitigation projects     | 150,252                       |
| Emergency projects Actual Expenditure  | 9,516,326                     |
| Roads projects                         | -                             |
| Others specify                         |                               |
| <b>Total</b>                           | <b>83,718,435</b>             |

15. Depreciation and Amortization Expenses

| Description                  | <i>Period ended June 2025</i> |
|------------------------------|-------------------------------|
|                              | Kshs                          |
| Property Plant and Equipment | 75,000                        |
| Intangible Assets            | -                             |
| <b>Total</b>                 | <b>75,000</b>                 |

16. Digital Hubs Expenses

| Description                                   | <i>Period ended June 2025</i> |
|---|-------------------------------|
|   | Kshs                          |
| Construction/ renovation/Actual Expenditure   |                               |
| Digital Hub utility costs Water, Electricity, |                               |
| Maintenance of ICT equipment                  |                               |
| Maintenance of building                       |                               |
| Others ( <i>specify</i> )                     |                               |
| <b>Total</b>                                  |                               |

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**17. Gain/loss on Sale of Assets**

| Description                              | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Property, Plant and Equipment            | -                             |
| Intangible Assets                        | -                             |
| <b>Total Gain/loss on Sale of Assets</b> | -                             |

*(Provide brief explanation on gains on sale of fixed assets)*

**18. Impairment Loss**

| Description  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Property, Plant and Equipment                            | -                             |
| Intangible Assets  | -                             |
| <i>(Include financial instruments that are impaired)</i> | -                             |
| <b>Total Impairment Loss</b>                             | -                             |

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

| Name Of Bank and Account No.  | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|---|-------------------------------|--|
|   | Kshs                          | Kshs                                   |
| <b>Bank Accounts (Cash Book Bank Balance)</b>                               |                               |  |
| <i>Name Of Bank, Account No. (Operations account)</i>                       | 41,682,014                    | 5,413,724.06                           |
| <i>Operations account pending closure (Indicate name &amp; account no.)</i> | -                             | -                                      |
| <i>Name of Bank, account No. (Deposit account)</i>                          | 356,208                       | 1,050,152.90                           |
| <i>Name of Bank, account No. (PMC's account)</i>                            | 1,683,232                     | 3,616,398.36                           |
| <b>Total</b>  | <b>43,721,455</b>             | <b>10,080,275</b>                      |
| <b>Cash Balances</b>  |                               |  |
| Location 1  |                               |  |
| Location 2  |                               |  |
| Other Locations <i>(Specify)</i>  |                               |  |
| <b>Total</b>  |                               |  |
| <i>[Provide Cash Count Certificates for Each]</i>                           |                               |  |

*(Provide a schedule of all reconciled PMC bank balances as at the end of the period)*

20. Receivables from Exchange Transactions

| Description                               | Period ended June 2025 | Opening Statement 1 <sup>st</sup> July 2024 |
|---|------------------------|---|
|   | Kshs                   | Kshs  |
| Total receivables                         |                        |   |
| Other exchange debtors ( <i>Specify</i> ) | -                      | -   |
| Less: impairment allowance                | -                      | -   |
| Total receivables                         | -                      | -   |
| a. Current receivables                    | -                      | -   |
| b. Non-current receivables                | -                      | -   |
| Total Receivables (a+b)                   | -                      | -   |

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

| Description        | Period ended June 2025 |                | Opening Statement 1 <sup>st</sup> July 2024 |                |
|--------------------|------------------------|----------------|---|----------------|
|                    | Current FY             | % of the total | Opening Balance                             | % of the total |
| Less than 1 year   | -                      | %              | -   | %              |
| Between 1- 2 years | -                      | %              | -   | %              |
| Between 2-3 years  | -                      | %              | -   | %              |
| Over 3 years       | -                      | %              | -   | %              |
| Total (a+b)        | -                      | %              | -   | %              |

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**21. Receivables from Non-Exchange Transactions**

| Description           | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|-----------------------|-------------------------------|--|
|                       | Kshs                          | Kshs                                   |
| Transfers from NGCDFB | 49,414,052                    | 57,120,934                             |
| Outstanding imprest   | -                             | -                                      |
| <b>Total</b>          | <b>49,414,052</b>             | <b>57,120,934</b>                      |

**Ageing Analysis for Receivables**

| Description        | <i>Period ended June 2025</i> |                | <i>Opening Statement 1st July 2024</i> |                |
|--------------------|-------------------------------|----------------|--|----------------|
|                    | Current FY                    | % of the total | Opening Balance                        | % of the total |
| Less than 1 year   |                               |                |  |                |
| Between 1- 2 years | 49,414,052                    | 100%           | 57,120,934                             | 100%           |
| Between 2-3 years  | -                             | 0%             | -                                      | 0%             |
| Over 3 years       | -                             | 0%             | -                                      | 0%             |
| <b>Total (a+b)</b> | <b>49,414,052</b>             | <b>100%</b>    | <b>57,120,934</b>                      | <b>#DIV/0!</b> |

**22. Prepayments**

| Description                          | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|--------------------------------------|-------------------------------|--|
|                                      | Kshs                          | Kshs                                   |
| Prepaid Rent                         | -                             | -                                      |
| Prepaid Insurance                    | 110,669                       | 102,575                                |
| Prepaid Electricity Costs            | -                             | -                                      |
| Other Prepayments ( <i>Specify</i> ) | -                             | -                                      |
| <b>Total</b>                         | <b>110,669</b>                | <b>102,575</b>                         |

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**23. Property, Plant and Equipment**

|   | Land |  | Buildings | Motor vehicles | Furniture and fittings | Computers & ICT Equipment | Other Assets (specify) | Capital Work in progress | Total   |
|---|------|--|-----------|----------------|------------------------|---------------------------|------------------------|--------------------------|---------|
| Depreciation Rate(specify)                  |      |  | 2%        | 25%            | 12.5%                  | 30%                       | x%                     |                          |         |
| Cost  | Kshs |  | Kshs      | Kshs           | Kshs                   | Kshs                      | Kshs                   | Kshs                     | Kshs    |
| Opening Bal as 1 <sup>st</sup> July 2024    | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| Additions                                   | -    |  | -         | -              | 600,000                | -                         | -                      | -                        | 600,000 |
| Disposals                                   | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| Transfer/Adjustments                        | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| As At 30 <sup>th</sup> June 2025            | -    |  | -         | -              | 600,000                | -                         | -                      | -                        | 600,000 |
| Depreciation And Impairment                 | -    |  | -         | -              |                        | -                         | -                      | -                        |         |
| Opening Depreciation                        | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| Depreciation                                | -    |  | -         | -              | 75,000                 | -                         | -                      | -                        | 75,000  |
| Disposals                                   | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| Impairment                                  | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| Transfer/Adjustment                         | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| As At 30 <sup>th</sup> June 2025            | -    |  | -         | -              | 75,000                 | -                         | -                      | -                        | 75,000  |
| Net Book Values                             | -    |  | -         | -              |                        | -                         | -                      | -                        |         |
| Opening Bal as at 1 <sup>st</sup> July 2024 | -    |  | -         | -              | -                      | -                         | -                      | -                        | -       |
| As At 30 <sup>th</sup> June 2025            | -    |  | -         | -              | 525,000                | -                         | -                      | -                        | 525,000 |

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**Valuation**

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30<sup>th</sup> June 2020).

**22 b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

|   | Cost           | Accumulated Depreciation | NBV            |
|---|----------------|--------------------------|----------------|
|   | Kshs           | Kshs                     | Kshs           |
| Land                                      | -              | -                        | -              |
| Buildings                                 | -              | -                        | -              |
| Plant And Machinery                       | -              | -                        | -              |
| Motor Vehicles, Including Motorcycles     | -              | -                        | -              |
| Computers And Related Equipment           | -              | -                        | -              |
| Office Equipment, Furniture, And Fittings | 600,000        | 75,000                   | 525,000        |
| <b>Total</b>                              | <b>600,000</b> | <b>75,000</b>            | <b>525,000</b> |

Property plant and Equipment includes the following assets that are fully depreciated:

|  | Cost or valuation | Normal annual depreciation charge |
|--|-------------------|-----------------------------------|
| Plant and Machinery                      | -                 | -                                 |
| Motor Vehicles including Motorcycles     | -                 | -                                 |
| Computers and Related Equipment          | -                 | -                                 |
| Office Equipment, Furniture and Fittings | -                 | -                                 |
| <b>Total</b>                             | <b>-</b>          | <b>-</b>                          |

24. Intangible Assets

| Description                                  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| <b>Cost</b>                                  |                               |
| Opening balance at 1 <sup>st</sup> July 2024 | -                             |
| Additions                                    | -                             |
| Disposal                                     | -                             |
| <b>At end of the 2025</b>                    | -                             |
| <b>Amortization and impairment</b>           |                               |
| At beginning of the year                     | -                             |
| Amortization                                 | -                             |
| <b>At end of the year</b>                    | -                             |
| Impairment loss                              | -                             |
| <b>At end of the year</b>                    | -                             |
| <b>NBV at July 1<sup>st</sup> 2024</b>       | -                             |
| <b>NBV at June 30<sup>th</sup> 2025</b>      |                               |

25. Right-of use assets

| Description                              | Buildings | Plant | Equipment | Total |
|--|-----------|-------|-----------|-------|
|  | Kshs      | Kshs  | Kshs      | Kshs  |
| <b>Cost</b>                              |           |       |           |       |
| As At 1 July 2023(Comparative period)    | -         | -     | -         | -     |
| Additions                                | -         | -     | -         | -     |
| As At 30 June 2024 (Comparative Period)  | -         | -     | -         | -     |
| Additions                                | -         | -     | -         | -     |
| As At 30 June 2025 (Current FY)          | -         | -     | -         | -     |
|  |           |       |           |       |
| <b>Accumulated Depreciation</b>          |           |       |           |       |
| As At 1 July 2023 (Comparative period)   | -         | -     | -         | -     |
| Charge for the period                    | -         | -     | -         | -     |
| As At 30 June 2024 (Comparative period)) | -         | -     | -         | -     |
| Charge for the period                    | -         | -     | -         | -     |
| As At 30 June 2025 (Current FY)          | -         | -     | -         | -     |
|  |           |       |           |       |
| <b>Carrying Amount</b>                   |           |       |           |       |

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|  |   |   |   |   |
|--|---|---|---|---|
| As At 30 June 2025 (Current FY)          | - | - | - | - |
| As At 30 June 2024. (Comparative Period) | - | - | - | - |

**26. Trade and Other Payables**

| Description                                | <i>Period ended June 2025</i> |                       | <i>Opening Statement 1<sup>st</sup> July 2024</i> |                       |
|--|-------------------------------|-----------------------|---|-----------------------|
|  | Kshs                          |                       | Kshs  |                       |
| Trade payables                             | -                             | -                     | -   | -                     |
| Employee payables                          | -                             | -                     | -   | -                     |
| Other payables                             | -                             | -                     | -   | -                     |
| <b>Total trade and other payables</b>      | -                             | -                     | -   | -                     |
|  |                               |                       |   |                       |
| Aging analysis: (Trade and other payables) | <i>Period ended June 2025</i> | <i>% of the Total</i> | <i>1<sup>st</sup> July 2024</i>                   | <i>% of the Total</i> |
| Under one year                             | -                             | %                     | -   | %                     |
| 1-2 years                                  | -                             | %                     | -   | %                     |
| 2-3 years                                  | -                             | %                     | -   | %                     |
| Over 3 years                               | -                             | %                     | -   | %                     |
| <b>Total (tie to above total)</b>          | -                             |                       | -   |                       |

27. Third-Party deposits

|   | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|---|-------------------------------|--|
|   | Kshs                          | Kshs                                   |
| Retention as at start of the period (A) | 1,126,699                     | -                                      |
| Retention held during the period (B)    | 7,221,081                     | 1,126,699                              |
| Retention paid during the period (C)    | 6,894,373                     | -                                      |
| Closing Retention as at period D= A+B-C | 1,453,407                     | 1,126,699                              |

Retentions aging analysis.

|                  | <i>Period ended June 2025</i> | <i>% of the total</i> | <i>Opening statement 1st July 2024</i> | <i>% of the total</i> |
|------------------|-------------------------------|-----------------------|--|-----------------------|
| Less than 1 year | -                             | -                     | -                                      | -                     |
| 1-2 years        | 1,453,407                     | 100%                  | 1,126,699                              | 100%                  |
| 2-3 years        | -                             | -                     | -                                      | -                     |
| Over 3 years     | -                             | -                     | -                                      | -                     |
| Total            | 1453407                       |                       | 1,126,699                              |                       |

(The total above should be equal to the closing retention)

28. Lease Liabilities

| <i>Description</i>                   | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|--------------------------------------|-------------------------------|--|
|                                      | Kshs                          | Kshs                                   |
| Balance at the beginning of the year | -                             | -                                      |
| Discount interest on lease liability | -                             | -                                      |
| Paid during the year                 | -                             | -                                      |
| At end of the year                   | -                             | -                                      |

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**Maturity Analysis**

| Period                  | Amount |
|-------------------------|--------|
| Year 1                  | -      |
| Year 2                  | -      |
| Year 3                  | -      |
| Year 4                  | -      |
| Year 5 and onwards      | -      |
| Less: unearned Interest | -      |
|                         | -      |

**Analysed as:**

| Description  | Amount |
|--------------|--------|
| Current      | -      |
| Non- Current | -      |
| Total        | -      |

**29. Gratuity Provision**

| Description                                 | <i>Period ended June<br/>2025</i> | <i>Opening<br/>Statement<br/>1st July 2024</i> |
|---|-----------------------------------|--|
|   | Kshs                              | Kshs   |
| Gratuity at the beginning of the period (A) | 1,050,153                         | -  |
| Gratuity held during the period (B)         | 1,304,000                         | 1,050,153                                      |
| Gratuity paid during the period (C)         | 1,260,080                         | -  |
| <b>Total Gratuity provision D=(A+B-C)</b>   | <b>1,094,073</b>                  | <b>1,050,153</b>                               |

### 30. Cash Generated from Operations

|  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| Surplus for the period before tax              | 26,096,763                    |
| <b>Adjusted for:</b>                           |                               |
| Depreciation                                   | 75,000                        |
| Non-cash grants received                       | -                             |
| Contributed assets                             | -                             |
| Impairment                                     | -                             |
| Gains and losses on disposal of assets         | -                             |
| Contribution to provisions                     | -                             |
| Contribution to impairment allowance           | -                             |
| <b>Working capital adjustments</b>             |                               |
| Changes in inventory                           | -                             |
| Changes in receivables                         | (7,706,882)                   |
| Changes in deferred income                     | -                             |
| Changes in Third party deposits                | (326,708)                     |
| Changes in gratuity provision                  | (43,920)                      |
| Changes in payments received in advance        | 8,094                         |
| <b>Net cash flow from operating activities</b> | <b>34,241,179</b>             |

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

### 31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

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**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

| Description                                    | Total amount    | Fully performing | Past due | Impaired |
|--|-----------------|------------------|----------|----------|
|  | Kshs            | Kshs             | Kshs     | Kshs     |
| <b>As at 30<sup>th</sup> June (Current FY)</b> |                 |                  |          |          |
| Receivables from exchange transactions         |                 |                  |          |          |
| Receivables from non-exchange transactions     | 49,414,052      |                  |          |          |
| Bank balances                                  | 43,721,455      |                  |          |          |
| <b>Total</b>                                   | <b>93135507</b> |                  |          |          |
| <b>As at 30 June (Previous FY)</b>             |                 |                  |          |          |
| Receivables from exchange transactions         |                 |                  |          |          |
| Receivables from non-exchange transactions     | 57,120,934      |                  |          |          |
| Bank balances                                  | 10,080,275      |                  |          |          |
| <b>Total</b>                                   | <b>67201209</b> |                  |          |          |

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).*

## Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| Description                                     | Less than 1 month | Between 1-3 months | Over 5 months | Total            |
|---|-------------------|--------------------|---------------|------------------|
|   | Kshs              | Kshs               | Kshs          | Kshs             |
| <b>As at 30<sup>th</sup> June (Current FY)</b>  |                   |                    |               |                  |
| Trade payables                                  |                   |                    |               |                  |
| Current proportion of borrowings                |                   |                    |               |                  |
| Provisions                                      |                   |                    |               |                  |
| Deferred income                                 |                   |                    |               |                  |
| Gratuity Provision                              | 1,094,073         |                    |               | 1,094,073        |
| <b>Total</b>                                    | <b>1,094,073</b>  |                    |               | <b>1,094,073</b> |
| <b>As at 30<sup>th</sup> June (Previous FY)</b> |                   |                    |               |                  |
| Trade payables                                  |                   |                    |               |                  |

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| Description                   | Less than 1 month | Between 1-3 months | Over 5 months | Total            |
|-------------------------------|-------------------|--------------------|---------------|------------------|
|                               | Kshs              | Kshs               | Kshs          | Kshs             |
| Current portion of borrowings |                   |                    |               |                  |
| Provisions                    |                   |                    |               |                  |
| Deferred income               |                   |                    |               |                  |
| Employee benefit obligation   | 1,050,153         |                    |               | 1,050,153        |
| <b>Total</b>                  | <b>1,050,153</b>  |                    |               | <b>1,050,153</b> |

**iii) Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and

liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable

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market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

| Description                                 | Period ended<br>June 2025 | <i>Opening<br/>Statement 1<sup>st</sup> July<br/>2024</i> |
|---|---------------------------|---|
|   | Kshs                      | Kshs  |
| Revaluation Reserve                         | 91,223,696                | 65,126,933  |
| Retained Earnings                           |                           |   |
| Capital Reserve                             |                           |   |
| <b>Total Funds</b>                          |                           |   |
| Total Borrowings                            |                           |   |
| Less: Cash and Bank Balances                | 43,721,455                | 10,080,275  |
| Net Debt/(Excess Cash And Cash Equivalents) | 47,502,241                | 55,046,000  |
| <b>Gearing</b>                              |                           |   |

### 32. Related Party Disclosures

|  | <i>Period ended<br/>June 2025</i> | <i>Opening<br/>Statement<br/>1<sup>st</sup> July 2024</i> |
|--|-----------------------------------|---|
|  | Kshs                              | Kshs  |
| <b>Committee Members Remuneration</b>                  |                                   |   |
| Sitting allowance of committee Members during the year | 1,028,000                         | 1,128,000   |
|  |                                   |   |
| <b>Transaction with the NGCDF Board</b>                | -                                 | -   |
| Transfers from the NGCDF Board during the year         | 196,120,934                       | 200,960,174   |
| <b>Total</b>   | <b>197,148,934</b>                | <b>202,088,174</b>  |

### 33. Segment Information

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)*

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

| Description                                      | <i>Period ended June<br/>2025</i> | <i>Opening<br/>Statement 1<sup>st</sup> July<br/>2024</i> |
|--|-----------------------------------|---|
|  | Kshs                              | Kshs  |
| <b>Contingent Assets</b>                         |                                   |   |
| Insurance Reimbursements                         | -                                 | -   |
| Assets Arising from Determination Of Court Cases | -                                 | -   |
| Reimbursable Indemnities and Guarantees          | -                                 | -   |
| Receivables From Other Government Entities       | -                                 | -   |
| Others (Specify)                                 | -                                 | -   |
| <b>Total</b>                                     | <b>-</b>                          | <b>-</b>  |

*(Give details)*

**Contingent Liabilities**

| Description  | Period ended June 2025 | <i>Opening Statement 1<sup>st</sup> July 2024</i> |
|--|------------------------|---|
|  | Kshs                   | Kshs  |
| <b>Contingent Liabilities</b>                                | -                      | -   |
| Court Case xx against the Entity                             | -                      | -   |
| Bank Guarantees in Favour of Subsidiary                      | -                      | -   |
| Contingent Liabilities arising from Contracts Including PPPs | -                      | -   |
| Others (Specify)   | -                      | -   |
| <b>Total</b>   | -                      | -   |

**35. Capital Commitments**

| Capital Commitments           | Period ended June 2025 | <i>Opening Statement 1<sup>st</sup> July 2024</i> |
|-------------------------------|------------------------|---|
|                               | Kshs                   | Kshs  |
| Authorised for                | -                      | -   |
| Authorised and Contracted for | -                      | -   |
| <b>Total</b>                  | -                      | -   |

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).*

**36. Events after the Reporting Period**

There were no material adjusting and non-adjusting events after the reporting period.

**37. Ultimate And Holding Entity**

The Samburu North Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

**38. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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18. Annexes  
 Annex 1: Summary of Asset Register

| Asset class                                  | Historical Cost<br>b/f<br>(Kshs) | Additions<br>during the year<br>(Kshs) | Disposals during<br>the year (Kshs) | Historical Cost<br>(Kshs)<br>At Year End |
|--|----------------------------------|--|-------------------------------------|--|
| Land   |                                  |  |                                     |  |
| Buildings and structures                     | 15,104,684                       | 600,000                                | -                                   | 15,704,684                               |
| Transport equipment                          | 6,993,200                        |  |                                     | 6,993,200                                |
| Office equipment, furniture and fittings     | 1,565,273                        |  |                                     | 1,565,273                                |
| ICT Equipment, Software and Other ICT Assets | 565,700                          |  |                                     | 565,700                                  |
| Other Machinery and Equipment                |                                  |  |                                     |  |
| Intangible assets                            |                                  |  |                                     |  |
| <b>Total</b>                                 | <b>24,228,857</b>                |  |                                     | <b>24,828,857</b>                        |

*(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)*

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Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025

| Account Name               | Name of Bank | Account Number    | Balance as at 30th June, 2025 | Opening statement 1st July 2024 |
|----------------------------|--------------|-------------------|-------------------------------|---------------------------------|
| Nalingangor Primary school | kcb          | 1,104,316,471     | 81,554                        | 90,062                          |
| Morijo Primary school      | kcb          | 1,260,361,527     | 99,881                        | 49,385                          |
| Ipusi primary school       | equity       | 1,100,279,794,411 | 2,524                         | 1,150                           |
| seleyian primary school    | equity       | 1,100,279,783,037 | 8,940                         | -                               |
| soit naibor primary school | equity       | 1,100,279,774,621 | 71,684                        | -                               |
| nkabai prim                | equity       | 1,100,279,778,472 | 500                           | -                               |
| sunoni pry school          | equity       | 1,100,279,771,072 | 824                           | 2,550                           |
| kasipo primary             | equity       | 1,100,279,761,135 | 11,824                        | 1,308                           |
| lesirkan primary           | equity       | 1,228,653,748     | -                             | 125                             |
| Angata nanyukie pry school | equity       | 110,099,743       | 18,584                        | 36,950                          |
| Lulu primary school        | kcb          | 1,212,386,551     | 269                           | 636                             |
| Lorrok lolmongo primary    | equity       | 1,181,543,672     | 18,797                        | 1,165                           |
| Lamerok primary sch        | kcb          | 11,009,876,562    | 1,819                         | -                               |
| Tuum primary school        | equity       | 1,008,753,678,515 | 22,408                        | 22,408                          |
| Keree primary sch          | equity       | 122,377,882       | -                             | 4,550                           |
| Sidai Primary school       | kcb          | 129,875,343       | -                             | 64,550                          |
| Nalingangor sec school     | equity       | 122,845,471       | 93,405                        | 8,790                           |
| Parkati primary school     | equity       | 139,886,554       | 21,158                        | 1,975                           |
| Anderi Primary school      | kcb          | 127,754,488       | 98                            | 10,200                          |
| Lemolog Primary school     | kcb          | 1,238,973,412     | 32,256                        | 1,057                           |
| Sererit Primary nschool    | equity       | 1,908,554,233     | 1,777                         | 2,778                           |
| Latakweny Primary school   | equity       | 1,109,987,346     | 6,452                         | 4,373                           |
| Salato Primary school      | equity       | 11,002,797,830    | 27,798                        | 1,284                           |

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|                           |        |                    |         |         |
|---------------------------|--------|--------------------|---------|---------|
| Lesepen Primary school    | kcb    | 1,235,893,855      | 31,521  | 16,621  |
| Ntaletiani Primary School | kcb    | 1,100,279,780,599  | 32,030  | 2,050   |
| Soit Nyiro primary school | equity | 11,002,797,776,335 | 1,265   | 29,265  |
| Lenkima Primary school    | equity | 1,100,279,783,294  | 20,552  | 42,222  |
| Lkitagesi Primary School  | equity | 112,679,005,532    | 867     | 368     |
| Lodua Primary school      | equity | 1,123,456,778      | 1,720   | 52,830  |
| Kurungu Primary school    | equity | 1,290,086,663      | -       | 15,540  |
| Ngilai primary sch        | kcb    | 1,280,765,534      | 3,211   | 9,838   |
| Baragoi Primary school    | equity | 1,098,865,422      | 4,019   | 3,421   |
| Leirr primary sch         | equity | 1,123,908,765      | 661     | 401,062 |
| Nomboroi primary sch      | equity | 11,458,977,663     | 88,395  | 395     |
| Baawa primary school      | equity | 1,134,908,764      | 5,516   | 5,516   |
| Nteremka primary sch      | kcb    | 1,104,316,471      | 20,665  | 3,975   |
| Keleswa primary sch       | kcb    | 1,260,361,527      | 11,936  | 7,190   |
| Arsim primary sch         | equity | 1,100,279,794,411  | 27,002  | 104,998 |
| Lchakwai primary          | equity | 1,100,279,783,037  | 30,507  | 1,058   |
| bendera primary school    | equity | 1,100,279,774,621  | 12,834  | 1,071   |
| Nachola primary sch       | equity | 1,100,279,778,472  | 158,008 | 170,330 |
| nonkeek primary school    | equity | 1,100,279,771,072  | 30,040  | 1,540   |
| Nawakim primary           | equity | 1,100,279,761,135  | 126,132 | -       |
| muruankai primary school  | equity | 1,181,543,672      | 19,390  | 1,890   |
| keno pry school           | kcb    | 11,009,876,562     | 4,811   | 4,811   |
| st Lydia munanda pry      | equity | 1,109,987,346      | 6,190   | 6,190   |
| urah pry                  | equity | 11,002,797,830     | 1,957   | 1,957   |
| loikumkum pry             | kcb    | 1,235,893,855      | 975     | 975     |
| lareorok pry              | kcb    | 1,100,279,780,599  | 1,188   | 1,188   |
| marti pry                 | equity | 11,002,797,776,335 | 1,747   | 1,747   |
| simiti pry                | equity | 1,100,279,771,072  | 1,720   | 1,720   |
| soit pus pry              | equity | 1,100,279,761,135  | 440     | 440     |
| seren pry                 | equity | 1,228,653,748      | -       | 104,967 |

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|                              |        |                    |           |           |
|------------------------------|--------|--------------------|-----------|-----------|
| opiroi pry                   | equity | 110,099,743        | 2,506     | 2,506     |
| naimarlal pry                | kcb    | 1,212,386,551      | 36,182    | 36,182    |
| sumuruai pry                 | equity | 1,181,543,672      | 14,738    | 14,738    |
| Ndoto boys sec sch           | kcb    | 11,009,876,562     | -         | 205,288   |
| Barsaloi mix sec school      | equity | 1,008,753,678,515  | -         | 1,321,820 |
| Baawa mixed day              | equity | 122,377,882        | 3,220     | 106       |
| Nachola mixed day            | kcb    | 129,875,343        | 3,600     | 91,368    |
| Baragoi Boys sec school      | equity | 122,845,471        | 99,172    | 4,172     |
| Sererit mixed day sec sch    | equity | 139,886,554        | 200       | -         |
| Morijo mixed day sec sch     | kcb    | 127,754,488        | -         | 154,084   |
| tuum girls sec school        | kcb    | 1,238,973,412      | 32,446    | 32,824    |
| Baragoi girls                | equity | 1,908,554,233      | -         | 10,750    |
| marti mixed sec school       | equity | 1,109,987,346      | -         | 182,330   |
| Baragoi police post          | equity | 11,002,797,830     | 205,319   | 79,977    |
| Morijo Police Post           | kcb    | 1,235,893,855      | 15,374    | 55,407    |
| Angata nanyukie chief office | kcb    | 1,100,279,780,599  | -         | 75,259    |
| seren chiefs office          | equity | 11,002,797,776,335 | 7,160     | 5,160     |
| ngilai chiefs office         | equity | 1,100,279,783,294  | 6,815     | 2,950     |
| Nachola chiefs office        | equity | 112,679,005,532    | -         | 975       |
| Tuum chief office            | equity | 1,123,456,778      | -         | 2000      |
| Opiroi chief office          | equity | 1,290,086,663      | 4,200     | 5,210     |
| suyan primary school         | kcb    | 1,280,765,534      | 5,176     | 5,302     |
| Natiti primary school        | equity | 1,098,865,422      | 77,937    | 27,937    |
| Opiroi mixed day             | equity | 1,123,908,765      | 1,338     | 1,590     |
|                              |        |                    | 1,683,232 | 3,616,398 |

**Annex 3: Progress On Follow Up of Auditor Recommendations**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments  | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|---|--|--------------------------------------|---|
| OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03  | <p><b>1. Inaccuracies in Cash and Cash Equivalents</b><br/>The statement of assets and liabilities reflects bank balance of Kshs.6,463,877 as disclosed in Note 11A to the financial statements. Review of the bank reconciliation statement for 30 June, 2024 reflects un-presented cheques amounting to Kshs.5,781,283. Included in the balance is an amount of Kshs.2,066,305 representing stale cheques which had not been reversed in the cash book as at 30 June, 2024.</p> | The office having looked at issues raised in regard to the above issue, the office takes into account into your recommendations and the stale cheques will be reversed in the subsequent month | resolved                             |   |
| OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03  | <p><b>2. Unsupported Project Management Committee Bank Balances</b><br/>Note 19.4 to the financial statements and as detailed in Annex 5 of the financial statements reflects Project Management Committee (PMC) bank account balances of Kshs.1,895,258. However, the bank reconciliation statements, cash books and bank</p>  | The management take into account to your recommendation in regard preparation of bank reconciliation for the project   | resolved                             |   |

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|--|--|---|---|--|
|  | <p>confirmation certificates were not provided for audit.</p> <p>In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs.1,895,258 could not be confirmed.</p>  | <p>management committee bank accounts by ensuring the management committee's in the respective institutions are capacity build on the preparations.</p>   |   |  |
| <p>OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03</p> | <p><b>3. Unsupported Expenditure on Fuel, Oil and Lubricants</b></p> <p>The statement of receipts and payments and Note 6 to the financial statements reflects use of goods and services balance of Kshs7,698,302. Included in this balance is Kshs.1,917,128 in respect to fuel oil and lubricants. However, the expenditure was not supported with fuel registers, work tickets, detail orders, statements of consumption from the contracted supplier and contract agreements with the supplier</p> | <p>Management should ensure that all goods procured are properly taken on charge and document all the issues and consumption. The Management should provide the fuel register, work tickets, fuel cards, supplier consumption statement, contract</p> | <p>resolved</p>                             |  |

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|--|---|---|--------------------------------------|---|
|  |   | agreements and detail orders.   |                                      |   |
| OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03  | <p><b>Budgetary Control and Performance</b></p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 262,028,137 and Kshs.204,907,203 respectively resulting to an under-funding of Kshs.57,120,934 or approximately 22% of the budget.</p> <p>Further, the Fund spent Kshs.199,493,479 against actual receipts of Kshs.204,907,203 resulting to an under-utilization of Kshs.5,431,724 or 3% of actual receipts.</p> <p>The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public</p> | The management take into account to your recommendation in regard to collaborating with the ng-cdf board and to ensure that the funds are received on time. | resolved                             |   |
| OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03  | <p><b>1. Non-Compliance with the Set Threshold on Emergency Fund Allocation</b></p> <p>The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers balance of Kshs.92,393,807. Included in this balance is Kshs.14,289,190 in respect to emergency projects equivalent to 7% of the total amount</p>  | The management take heed of your recommendation of having compliance with the set thresholds in allocation of funds   | resolved                             |   |

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|--|--|--|---|--|
|  | received from the NGCDF Board of Kshs.200,960,174. This was contrary to Section 8(1) of the National Government Constituencies Development Fund Act, 2015 (Revised 2023) which provides for a portion equivalent to 5% to remain unallocated and shall be available for emergencies that may occur within the Constituency   |  |   |  |
| OAG/IRO/AUD/SMBR-NORTH-NGCDF/2023-2024/03  | <p><b>2. Incomplete Projects</b></p> <p>During the year under review, physical inspection of projects carried out in the month of November, 2024 revealed that four (4) projects implemented at a budget cost of Kshs.13,300,000 which included, construction of a 60 girls capacity dormitory at Nalingangor Primary School, construction of a 100 capacity boys dormitory at Barsaloi Mixed Sec School, construction of Nachola Chief's Office and fencing works at Ngilai Primary School with allocations of Kshs.4,500,000, Kshs.1,500,000, Kshs.1,00,000 and Kshs.1,000,000 respectively were not complete.</p> | The project was not put into use by the time of audit given that equipping was required which the budgeting was done in the subsequent financial year was done. However, the management takes into account to your recommendation by ensuring project are put into use after practical | resolved                                    |  |

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|--|-----------------------------------|-----------------------|---|--|
|  |                                   | completion is issued. |   |  |

Name \_\_\_\_\_  
Fund Account Manager.

