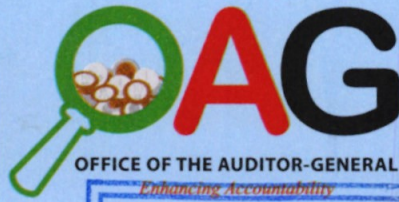


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 03 DEC 2025

DAY.
WEDNESDAY

PARLIAMENT
OF KENYA
LIBRARY

TABLED BY: DEPUTY LEADER OF MAJORITY
HON. OWEN BAYA, MP
CLERK-AT-THE-TABLE: HALIMA SULEIMAN

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
BANISSA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

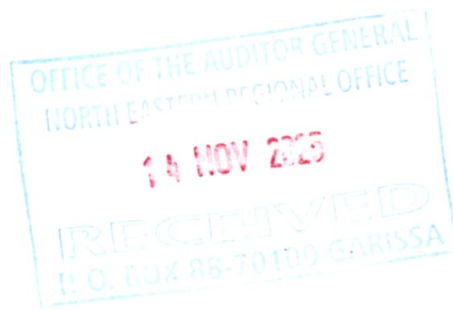
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 DEC 2025

DAY.

TABLED BY:

CLERK-AT-THE-TABLE:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BANISSA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	iii
2. Key Constituency Information and Management	iv
3. NGCDFC Chairman’s Report.....	xi
4. Statement of Performance Against Predetermined Objectives for FY2024/25.....	xv
5. Governance Statement.....	xix
6. Management Discussion and Analysis	xxvii
9. Report Of the Independent Auditor on the NGCDF- Banissa Constituency	xxxvii
10. Statement of Financial Performance for the Year Ended 30th June 2025	1
11. Statement of Financial Position as at 30th June, 2025	2
12. Statement of Changes in Net Assets for the year ended 30 June 2025	3
13. Statement of Cash Flows for The Year Ended 30th June 2025	4
14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	5
15. Notes to the Financial Statements	15
16. Annexes.....	44

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
PPE	Property, Plant and Equipment

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 realization 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;

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

- 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

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

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 Banissa 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 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Yussuf Abdi Ali
2.	National Sub-County Accountant	James Kinoti
3.	Chairman NGCDFC	Sharif Sheikh Dahir
4.	Member NGCDFC	Hassan Mohamed Hillow

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Banissa 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.

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

(d) NGCDF Banissa Constituency Headquarters

P.O. Box 231 – 70300 Mandera, Kenya.
DCC Offices

(e) NGCDF Banissa Constituency Contacts

P.O. Box 231-70300 Mandera, Kenya.
E-mail: cdfbanissa@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Banissa Constituency Bankers

1. Equity Bank (Operations Account),
Mandera Branch
Account Number 1000261939394
P.O. Box 536-70300 Mandera
2. Equity Bank (Deposit account),
Mandera Branch
Account Number 1000285657901
P.O. Box 536-70300 Mandera
3. Bank C. (PMC Accounts)
 1. Equity Bank, Mandera Branch
 2. KCB Bank, Mandera Branch





(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



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

Name	Details
 Chairman: Sharif Sheikh Dahir	Date of Birth: 1969 Academic Qualification: KCSE Work Experience: Chairperson Farmers, Community leader and Served as Banissa NGCDFC for 8 years
 Male Adult Representative: Hassan Mohamed Hillow	Date of Birth: 1972 Academic Qualification: KCSE Work Experience: Chairperson Business Owners and Served as Banissa NGCDFC for 8 years
 Female Adult Representative : Saadia Aliyerrow Abdi	Date of Birth: 1967 Academic Qualification: KCSE Work Experience: Community leader and Served as Banissa NGCDFC for 8 years
	Date of Birth: 01/01/1993 Academic Qualification: KCSE Work Experience: Entrepreneur and Served as Banissa NGCDFC for 8 years

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

<p>Male Youth Representative : Abdirahman Ibrahim Abey</p>	
	<p>Date of Birth: 12/11/1979 Academic Qualification: KCSE Work Experience: Served as Banissa NGCDFC for 8 years representing persons living with disability</p>
<p>Representative of Persons Living with Disability: Hussein Maalim</p>	
	<p>Date of Birth: 1970 Academic Qualification: KCSE Work Experience: Served as Banissa NGCDFC for 8 years</p>
<p>Female Adult Representative: Makai Hussein Ibrahim</p>	
	<p>Date of Birth: 25/02/2001 Academic Qualification: KCSE Work Experience: Served as Banissa NGCDFC for 3 years</p>
<p>Female Youth Representative: Saadia Gedi Dakane</p>	

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

 Co-opted Member: Abdi Sheikh Alio	Date of Birth: 1972 Academic Qualification: KCSE Work Experience: Social Worker and Served as Banissa NGCDFC for 3 years
 Fund Account Manager	Date of Birth: 1986 Academic Qualification: Masters in Economics Work Experience: Fund Manager for 12 years

(List the NG CDFC members who exited during the financial year and the period they served.)

There were no members who exited during the financial year.

3. NGCDFC Chairman's Report



Chairman Sharif Sheikh Dahir

The National Government Constituencies Development Fund (NG-CDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NG-CDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National

government functions at the local level and particularly those that provide basic needs like education, social welfare, security and education bursaries.

During the Financial year under review, National Government Constituency Development Fund Banissa Constituency was allocated a total of Kshs. 179,441,954. The NG-CDF Banissa had a balance brought forward of Kshs 133,975,874 and owed the NG-CDF Board Kshs 47,414,793 as at the beginning of the financial year. The fund could not utilise an amount of Kshs 112,419,505 due to underfunding of Kshs 51,441,954 and late disbursement of funds. Disbursement was made to the PMCs promptly and the projects were implemented well. The fund has over the years been used to develop and construct infrastructural structures that have helped to upgrade the conditions of schools, Security institutions and even roads. Through the fund, there has been an improvement in our schools, security institutions and in the sectors of environment and sports. This has in turn been very essential in providing education with the relevant resources in the schools and the structures have been a motivation for learners to find it encouraging going to schools. People who could not join higher institutions of learning because of financial difficulties are now able to get an education through bursary grants. The fund has been used to help needy students from poor backgrounds. This has greatly helped needy students to have access to the much-needed education.

Before receipt of funds disbursed by the NGCDF Board, the Banissa Constituencies Development Fund Committee (NGCDFC); pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

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

Chart 1: Budget against Receipts

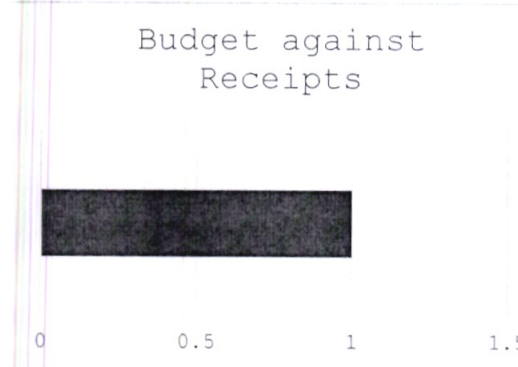
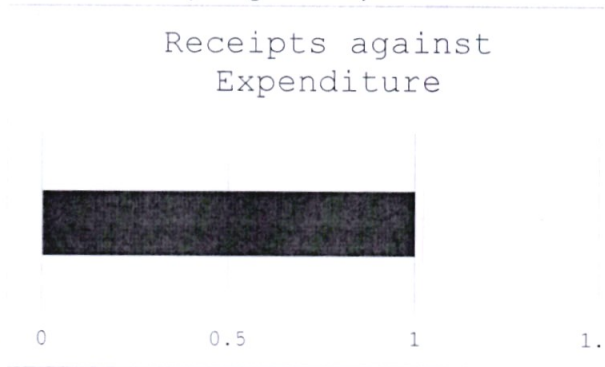


Chart 2: Receipts against Expenditure



Key Achievements

The National Government Constituency Development Fund Banissa has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. The fund constructed 25 new classrooms, 10 two-door toilets, 6 masonry water tanks, six office blocks, two number 80 bed capacity dormitories with fittings. Fencing works were done at 5 Schools. In addition, 291 3-seater desks were supplied to primary schools, 110 lockers and chairs were supplied to five secondary schools. 120 double decker beds were also procured and delivered to five schools. Kshs 34,475,054 was issued as bursary grants to 3,450 needy and bright students in secondary schools and tertiary institutions.

To boost security in the constituency; Banisa Police Administration office was constructed as well as Malkamari Police Station and Banisa DCC's residence. Chief's offices were constructed at Hullo. An underground water tank was also constructed at Banissa Administration Police station.

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



Banisa Police Administration Office newly built and in use. This has enhanced service delivery.



Banisa Sub County Director of Education has now a new office courtesy of Banissa NG-CDF. This has led to improvement in service delivery

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


Emerging Issues

The main emerging issues during the year under review were increasing population and settlements, increased number of needy students in learning institutions which meant an increase in school enrolment and widening of the resources available Vs needs gap.

The main implementation challenges during the financial year included security threats/Clan conflicts, low literate levels among the community, Persistent droughts leading lack of water sources for construction and usage and Lack of adequate skills among Project Management Committees (PMCs).

Solutions

Prevalent droughts have been a deterrent factor and the situation exasperated by the immense gap between the resources available and the needs of the community. The Banissa NG-CDF has ensured that the resources have been equally distributed to spread the gains from the fund. The fund has also trained PMCs to improve their skills in project management and constructed water tanks in most learning institutions to improve access to clean water. Despite the numerous challenges, the fund has been at the fore front in the provision of basic social amenities, improved the general economic standards of the population and has thus been considered transformational by the community. By and large the impact of NG-CDF Banissa is felt and appreciated in the constituency.



.....
Sharif Sheikh Dahir
CHAIRPERSON NGCDF COMMITTEE
Date: 3rd November 2025

4. Statement of Performance Against Predetermined Objectives for FY2024/25

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 *Banissa Constituency 2023-2027 Strategic* plan are to:

The NGCDF-Banissa Constituency's *2023-2027* strategic plan has identified seven (7) strategic themes and development objectives as a guide in developing the constituency. These are: **Education Infrastructure; Security; Youth; Environment; Emergency Support; Tracking of Results; and Institutional Strengthening.**

To address these strategic themes, the constituency has formulated a number of strategic objectives and activities in order to realize the community aspirations. Some of these include;

1. Improving access to quality education through expansion of schools through rehabilitation, renovation and construction of school infrastructure in various primary and secondary schools in the constituency.
2. Harnessing youth talent by funding youth sporting initiatives, creating awareness on the establishment of youth groups, creating awareness among the youth on seeking development fund loans, and promoting youth talent.
3. Promoting environment in the constituency by organizing tree planting days. In the NGCDF Act 2015, environmental activities may be considered as development projects, provided the allocation to such activities does not exceed two percent (2%) of the total allocation of the constituency in any financial year.
4. Catering for any unforeseen occurrences in the constituency (*emergency support*).
5. Enhancing security in the constituency by constructing chiefs' and sub-chiefs' offices, AP housing units; constructing/rehabilitating chiefs' offices, Police stations, and Police housing units, among other initiatives.

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

6. Improving the tracking of implementation NGCDF programmes. In the NG-CDF Act 2015, monitoring and evaluation of ongoing, projects and capacity building of various operatives has been considered as a development project provided that not more than three percent (3%) is allocated for this purpose; and
7. Promoting performance management and smooth running of the NGCDF office.

Progress on attainment of Strategic development objectives

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

No	Program	Objective	Outcome	Indicators	performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Increased number of classrooms by 20 in primary and 10 in secondary schools, dormitory by 2 in secondary schools. 1,750 and 3,800 Bursary beneficiaries in Secondary Schools and Tertiary Institutions respectively.	Number of class rooms in primary and Secondary schools constructed/rehabilitated/renovated, Number of special needs classes constructed, No. of schools fenced, No. of water tanks constructed, No. of desks delivered and No. of laboratories constructed/renovated.	In FY 2024/25 NGCDF - Banissa increased number of classrooms by 20 in primary schools & 10 in secondary schools, dormitories by 2 in Secondary schools. We also increased Bursary beneficiaries to 1,750 and 3,800 in secondary schools and

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

No	Program	Objective	Outcome	Indicators	performance
					tertiary institutions respectively.
2	Youth	To empower the youth and harness their talent	Organized one forum/campaign on drugs and substance abuse and on HIV and AIDS	No. of forums held	In FY 2024/25 we organized one forum on drugs and substance abuse and on HIV and AIDS.
4	Climate Change Adaptation	To promote environmental sustainability in the constituency	Enhancing reliable access to clean energy and supporting improved learning environments through sustainable power solutions by installing electrical solar systems at two secondary schools.	Numbers of environmentally friendly projects initiated/ undertaken.	In FY 2024/25, we installed electrical solar systems at two secondary schools, enhancing reliable access to clean energy and supporting improved learning environments through sustainable power solutions.
5	Security	To improve security preparedness	Constructed Office Block for Banisa Police	Number of offices built for chiefs, police stations and other	In FY 2024/25 we constructed

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

No	Program	Objective	Outcome	Indicators	performance
		and service delivery in the constituency	Station. Constructed Chief's Office at Hullo Location and Houses for Malkamari Police Station.	security and administration personnel. Number of other usable physical infrastructure built for security personnel.	office Block for Banissa Police Station, Chief's Office at Hullo Location and Houses for Malkamari Police Station.
6	Tracking of results	To strengthen performance measurement mechanisms	Improved project implementation efficiency and enhanced stakeholder capacity by organizing 12 monitoring and evaluation sessions and two capacity building forums	Number of Routine monitoring & capacity Building forums undertaken	In FY 2024/25 we conducted 12 monitoring and evaluation sessions and two capacity building forums.
7	Emergency	To improve preparatory and response mechanisms in the constituency	Allocated Kshs 9,444,313 for emergency projects/initiatives support	Amount of money earmarked for emergency projects/initiatives support	In FY 2024/25 Kshs 9,444,313 was earmarked for emergency projects/initiatives support

5. Governance Statement

Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG-CDFC for onward forwarding to the board for appointment through gazette notice. In this regard section 5 and 6 of NG-CDF regulations provides for procedure for nomination of the five members of the NG-CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

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

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

Appointment of NG-CDFC Members

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

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

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

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

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;

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

□ the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and

□ Two persons, one of either gender, nominated by the Constituency office.

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

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

Act

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

Process

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicised in public offices notice boards and other public areas in the constituency.

Out of a total of 16 applicants, the selection panel developed a shortlisting criterion, which enabled picking of the four nominees. A registered group representing persons with disabilities in the constituency nominated one person as per the regulations.

Two additional nominees were nominated by the Constituency office as per section 43 of the NG-CDFC Act 2015. One person was nominated as a co-opted member, in consultation with the local leadership.

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

Nominees Of The Selection Panel

S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Abdirahman Ibrahim Abey	29856305	Male (Youth)	Derkale
2.	Sharif Sheikh Dahir	8761659	Male (Adult)	Banisa
3.	Saadia Gedi Dakane	39221839	Female (Youth)	Malkamari
4.	Saadia Aliyerrow Abdi	7875259	Female (Adult)	Banisa

Nominee of the body representing persons with disability

S/ No	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT (Visual/hearing/mental/albinism/ambulatory/hands impairment)	REMARKS (Pertinent comments), including necessity/justification to attend meeting in company of an aid
1.	Hussein Maalim Mohamed	Banisa Disabled Forum Group	Hearing	Nominee uses hearing aid but does not need to attend meeting in company of an aid

Nominee of the constituency Office

S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Makai Hussein Ibrahim	10029741	Nominee of the Constituency Office (Female)	Derkale
2.	Hassan Mohamed Hillow	13002732	Nominee of the Constituency Office (Male)	Malkamari

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

S/No	NAME	NATIONAL ID NUMBER	CATEGORY	WARD
1.	Abdi Sheikh Alio	12427564	Co-opted member	Kiliwehiri

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

The NG-CDFC members were gazetted on 16th December 2022. The members had their inaugural meeting on 22nd December 2022. The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position -Mr. Sharif Sheikh Dahir of ID number 8761659.
2. Secretary position –Hassan Mohamed Hillow of ID number 13002732 elected as the secretary to the committee.

During its first meeting, the Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The following were appointed to the different committee

- i. **Bursary committee**
 1. Abdirahman Ibrahim Abey - Member
 2. Saadia Gedi Dakane - Member
 3. Fatuma Ahmed Sheikh - Member
 4. Hussein Maalim Mohamed - Member

- ii. **Complaints resolution committee**
 1. Sharif Sheikh Dahir - Member
 2. Saadia Aliyerrow Abdi - Member
 3. Abdi Sheikh Alio - Member
 4. Hesbon Kayesi - Member/DCC

The representative from the ministry of education office is also coopted to be in the Bursary committee.

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

Roles and functions of NG-CDFC

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.

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

Removal of NGCDFC Members

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

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

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

Training of NG-CDFC Members

In the financial year 2024/2025 the NG-CDF Banissa organized training of NG-CDFC members. NG-CDFC members for Banissa constituency were trained from 9th June 2025 to 13th June 2025 at Mombasa. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Banissa.

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

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.
During the financial year 2024/2025 the NG-CDFC Banissa held ten meetings and two sub committee meetings and the attendance was as follows.

S/No	NG-CDF COMMITTEE MEMBERS	JULY 15 th 2024	AUG 23 rd 2024	OCT 7 th 2024	NOV 18 th 2024	DEC 17 th 2024	JAN 13 th 2025	FEB 4 th 2025	MARCH 27 th 2025	APRIL 16 th 2025	MAY 14 th 2025	JUNE 20 th 2025
1	Sharif Sheikh Dahir - chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Hassan Mohamed Hillow - Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Abdirahman Ibrahim Abey - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Saadia Gedi Dakane- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Saadia Aliyarrow Abdi - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Hussein Maalim Mohamed - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Makai Hussein Ibrahim - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Abdi Sheikh Alio – Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Yussuf Abdi -FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Hesbon Kayesi -DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NG-CDFC are required to observe the following ethical issues

- i. Confidentiality-the NG-CDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NG-CDFC 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- NG-CDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NG-CDFC Banissa adhered to the above ethical issues.

Members remuneration

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

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

Disclose policy on conflict of interest

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

Risk management

Risk management has been integrated in the constituency operations through the following: training of the NG-CDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NG-CDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund Account Manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service. Some of the risk mitigation strategies that NG-CDFC Banissa has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NG-CDF act 2015 and other laws and regulations to ensure an effective and efficient

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

control system, ensuring that NG-CDFC 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.

6. Management Discussion and Analysis

1. Operational and Financial Performance (FY2020/21 – FY2024/25)

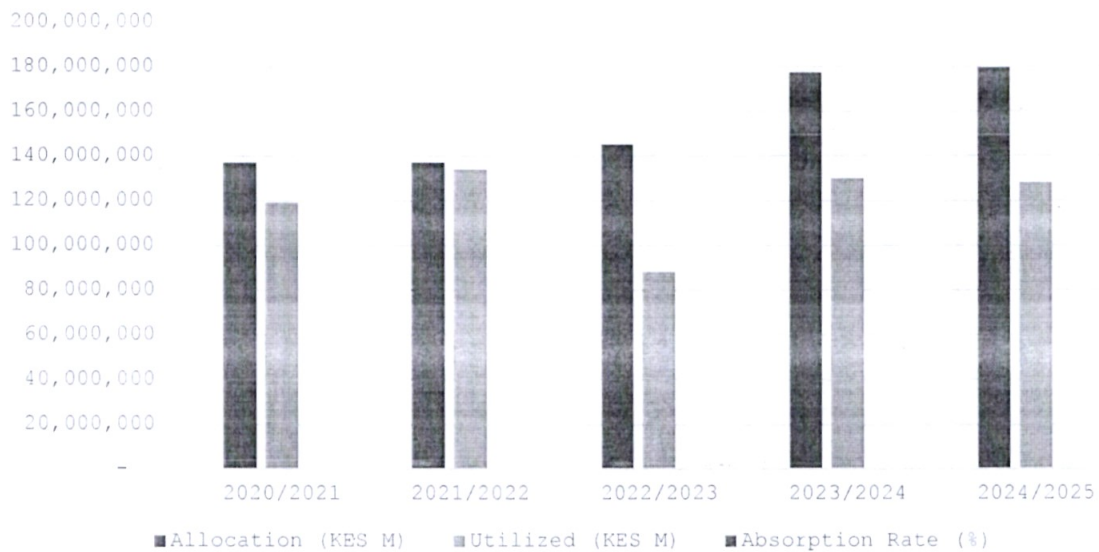
Over the last five years, Banissa NG-CDF has experienced consistent growth in allocations and effective fund utilization. The steady disbursement from the National Treasury enabled significant investment in education, security, and infrastructure.

Annual Allocation and Utilization

Financial Year	Allocation (KES M)	Utilized (KES M)	Absorption Rate (%)
2020/2021	137,088,879	118,865,550	86.71%
2021/2022	137,088,879	133,750,980	97.57%
2022/2023	145,087,603	87,950,700	60.62%
2023/2024	177,414,793	129,945,600	73.24%
2024/2025	179,441,954	127,897,500	71.28%

Note: Utilization rate has remained above 93% in four out of five years, reflecting prudent financial management and timely implementation, with the exception of FY2023/2024 due to delayed disbursements and pending procurement processes.

Allocation against Utilization over the years



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

2. Key Projects Implemented or Ongoing

Banissa NG-CDF focused on high-impact and community-prioritized projects.

Sector	Projects Completed	Projects Ongoing	Key Highlights
Education	86 classrooms, 5 labs 4 dormitories, 3 admin blocks, 94 toilets	10 projects	Increased transition rates in public Schools
Security	6 police posts 3 chief's Offices	2 projects	Improved safety in the constituency
Environment	Installed Solar in 4 Schools, Constructed Toilets and Planted 500 trees		Improved energy saving in Schools and implementing projects that reduce adverse effects of climate change

Projects Samples



Banisa Police Administration Office newly built and in use. This has enhanced service delivery.



Banisa Sub County Director of Education has now a new office courtesy of Banissa NG-CDF. This has led to improvement in service delivery

3. Compliance with Statutory Requirements

- Timely submission of financial reports to NG-CDF Board and Auditor General.
- Adherence to procurement thresholds and PPADA 2015.

- Active community participation through Project Management Committees (PMCs).
- Routine site visits and verification by Fund Account Manager and stakeholders.

4. Risks and Mitigation

Risk	Description	Mitigation Measures
Delayed Disbursements	Cash flow interruptions from Treasury	Prioritized rolling projects and batching
High Construction Costs	Inflation and material shortages	Framework contracts and value engineering
Community Disputes	Disagreement over project locations	Stakeholder engagement and public barazas
Political Pressures	Non-objective project nominations	Strict adherence to PMC resolutions

5. Arrears and Statutory Obligations

As of 30th June 2025, Banissa NG-CDF had no pending arrears on supplier payments, staff salaries, statutory deductions (KRA, NSSF, NHIF), or pension contributions. All obligations were met within the fiscal timelines.

6. Review of the Economy

The economy grew by 5.5% in FY2024/25, buoyed by recovery in transport, manufacturing, and agriculture. However, high inflation and weakening shilling increased project costs.

Despite national fiscal tightening, NG-CDF remained stable, with timely releases enabling sustained development in the constituency.

7. Sector Review (NG-CDF)

The NG-CDF continues to anchor grassroots development. In Banissa, its impact remains strong due to:

- Enhanced transparency via digitized reporting
- Growing community awareness and oversight
- Emphasis on education and social equity

Challenges included overlaps with county projects and contractor performance gaps.

8. Outlook for FY2025/26 and Beyond

Key Focus Areas

- Upgrade of 4 secondary Schools to Extra County School's status.
- Expansion of bursary reach by 20%.
- Integration of solar energy in 10 public Schools.
- Digital M&E tools for real-time project tracking.

9. Conclusion

The Banissa NG-CDF has maintained solid financial discipline and a high impact on local development. Through transparency, community engagement, and strategic planning, the Fund aims to scale greater heights in service delivery and inclusivity.



Yussuf Abdi
Fund Account Manager



7. Environmental and Sustainability Reporting

Banissa NG-CDF exists to transform lives; this is our purpose the driving force behind everything we do. it's what guides us to deliver our strategy, which is founded on social sector, namely, education & training, security sector support, environment and sports. this pillar also makes special provisions for Kenyans with various abilities and previously marginalized communities

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Banissa 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, reafforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Banissa NGCDF has under the provision of environment been funding climate change mitigation projects in Schools by buying energy saving Jikos. This has increased environmental conservation, fuel efficiency and reduced indoor air pollution in various Schools within the constituency

3. Employee welfare

We invest in providing the best working environment for our employees. Banissa 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. Banissa 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. Marketplace practices

Banissa 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-

Banissa 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

Banissa 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.

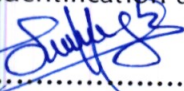
The NGCDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

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

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.

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


.....
Yussuf Abdi
Fund Account Manager.



8. 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-Banissa 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-Banissa 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- Banissa 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 Banissa 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

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

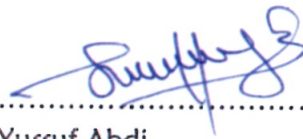
Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Banissa Constituency financial statements were approved and signed by the Accounting Officer on 3rd November 2025.



.....
Sharif Sheikh Dahir
Chairman – NGCDF Committee



.....
Yussuf Abdi
Fund Account Manager



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

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 financial statements of National Government Constituencies Development Fund - Banissa Constituency set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes statement in net assets,

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

statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Banissa 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) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bursary Payments

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.64,383,400 and as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.2,968,000 and Kshs.39,029,000, all totaling to Kshs.41,997,000, in respect of bursary disbursed to various secondary schools and tertiary institutions respectively. However, review of the expenditure revealed that an amount of Kshs.1,001,000 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy of the bursary disbursements amounting to Kshs.1,001,000 could not be confirmed.

2. Non-Disclosure of Value of Land

The statement of financial position reflects net book value of Kshs.17,732,254 in respect to property, plant and equipment and as disclosed in Note 23 to the financial statements. However, the Fund had in its control a parcel of land where the Constituency buildings sit whose value was not disclosed in financial statements. Further, the ownership documents for the land were not provided for audit.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.17,732,254 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 - Banissa 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.360,832,621 and Kshs.309,390,667 respectively, resulting in an under-funding of Kshs.51,441,954 or 14% of the approved budget. Similarly, the Fund spent an amount of Kshs.248,413,116 against available revenue of Kshs.309,390,667 resulting in an under-utilization of Kshs.60,977,551 or 20% of the available funds.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters 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

1. Project Implementation Status

During the year under review, Management budgeted to implement one hundred and sixteen (116) projects under various sectors with a total allocation of Kshs.241,114,939. However, as at the 30 June, 2025, only eighty (80) projects with a total allocation of Kshs.184,680,939 were completed while thirty-six (36) projects with a budget of Kshs.56,434,000 had not started.

Failure to implement all planned projects within the expected timelines implies delay in delivery of the expected services to the public.

2. Unresolved Prior Year Matters

In the prior years' audit reports, three issues were raised under the Report on Financial Statements and Other Matter. These are unsupported bursary disbursements, budgetary control and performance and project implementation status. Review of the status during the audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management responsible for the Other Information set out on page iv to xxxvi which comprise of Key Constituency Information and Management, NG-CDF 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 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 effects of the matter described in the Basis for Conclusion on 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

Failure to Report Utilization of the Emergency Reserve to the Board

During the year under review, the Fund spent Kshs.5,938,196 on emergency projects. Review of the payment vouchers and records maintained by Management revealed that the Fund's utilization of the emergency reserve was not reported to the Board within thirty (30) days of occurrence of the emergency. This was contrary to the requirements of Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that, the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, Management breached 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the National Government Constituencies Development Fund Committee

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.

The National Government Constituencies Development Fund Committee 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


20 November, 2025

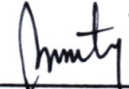
National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

	Note	Period ended 30 June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Total revenue		179,441,954
Expenses		
Employee costs	7	3,654,626
Committee expenses	8	1,080,000
Use of Goods and Services	9	14,965,886
Other Government Units Actual expenditure	10	146,615,604
Other Grants and Transfers Actual expenditure	11	64,383,400
Depreciation and amortization expense	12	2,118,085
Total expenses		232,817,601
Other gains/(losses)		
Surplus/(Deficit) for the year		(53,375,646)

The Constituency financial statements were approved by the NGCDFC on 3rd November 2025 and signed by:


 Chairman NG-CDF
 Committee
 Sharif Sheikh Dahir


 National Sub-County
 Accountant
 James Kinoti
 ICPAK M/No: 34580


 Fund Account Manager
 Yussuf Abdi

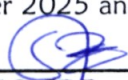


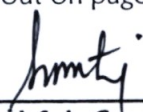
National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


11. Statement of Financial Position as at 30th June, 2025

	Note	Period as at 30 June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	13	60,977,551	133,975,874
Receivables from Non-Exchange Transactions	14	51,441,954	47,414,793
Total Current Assets		112,419,505	181,390,667
Non-Current Assets			
Property, Plant and Equipment	15	17,732,254	124,338
Total Non- Current Assets		17,732,254	124,338
Total Assets (A)		130,151,759	181,515,005
Liabilities			
Current Liabilities			
Third-Party Deposits	16	1,515,000	-
Gratuity provision	17	1,995,566	1,498,166
Total Current Liabilities		3,510,566	1,498,166
Non-Current Liabilities			
Total Liabilities (B)		3,510,566	1,498,166
Net Assets (A-B)		126,641,193	180,016,839
Represented by:			
Accumulated Surplus		126,641,193	180,016,839

The Constituency financial statements set out on pages 1 to 25 approved by NG CDFC on 3rd November 2025 and signed by:


 Chairman NG-CDF
 Committee
 Sharif Sheikh Dahir


 National Sub-County
 Accountant
 James Kinoti
 ICPAK M/No: 34580


 Fund Account Manager
 Yussuf Abdi



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

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

Description	Reserves	Accumulated	Total
		surplus/Deficit	
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	-	128,874,036	128,874,036
Adjustments: (to recognize assets and liabilities)	-		-
Recognition of Assets	-	52,640,969	52,640,969
Recognition of Liabilities	-	1,498,166	1,498,166
As at July 1, 2024	-	180,016,839	180,016,839
	-		
Surplus/(Deficit) For the Period	-	(53,375,646)	(53,375,646)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	-	126,641,193	126,641,193

Note:

1. On Recognition of Assets, we have included PMC Bank balances of Kshs 5,101,838, Disbursement owing from the Board of Kshs 47,414,793 and PPE of Kshs 124,338.
2. On Recognition of Liabilities, we have included Gratuity Provision of Kshs 1,498,166.

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

13. Statement of Cash Flows for The Year Ended 30th June 2025

	Notes	<i>Period ended 30th June 2025</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		175,414,793
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		175,414,793
Payments		
Employee costs		3,157,226
Committee expenses		1,080,000
Use of Goods and Services		14,965,886
Other Government Units Certified Works		146,615,604
Other Grants and Transfers		64,383,400
Digital Hubs Expenses		-
Total Payments		230,202,116
Net Cash Flows from/ (used in) Operating Activities	18	(54,787,323)
Cash flows From Investing Activities		
Purchase of PPE		(18,211,000)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		(18,211,000)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		-
Net changes in cash & Cash equivalents		(72,998,323)
Cash and cash equivalents at Period Start	13	133,975,874
Cash and cash equivalents at Period End	13	60,977,551

(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)
 Banissa Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025

14. 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	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	133,975,874	47,414,793	360,832,621	309,390,667	51,441,954	85.74%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	179,441,954	133,975,874	47,414,793	360,832,621	309,390,667	51,441,954	85.74%
Expenses							
Employee costs	3,092,820	3,780,524	-	6,873,344	3,157,226	3,716,118	45.93%
Committee expenses	1,128,000	438,043	-	1,566,043	1,080,000	486,043	68.96%
Use of Goods and Services	11,827,821	2,081,602	-	13,909,423	10,965,886	2,943,537	78.84%
Other Government Units Certified Works	76,649,000	88,360,497	42,914,793	207,924,290	146,615,604	61,308,686	70.51%
Other Grants and Transfers	70,744,313	18,584,209	4,500,000	93,828,522	64,383,400	29,445,122	68.62%
Acquisition of Assets	11,000,000	16,726,000	-	27,726,000	18,211,000	9,515,000	65.68%
Others	5,000,000	4,005,000	-	9,005,000	4,000,000	5,005,000	44.42%
Digital Hubs Expenses	-	-	-	-	-	-	
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	179,441,954	133,975,874	47,414,793	360,832,622	248,413,116	112,419,505	68.84%

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


***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.


Compensation of Employees underutilisation is due to previous year balances
 Committee expenses underutilisation is due to previous year balances
 Use of Goods and Services underutilisation is due to previous year balances
 Transfers to Other Government Units underutilisation is due to delay of fund disbursement
 Other Grants and Transfers underutilisation is due to delay of fund disbursement
 Acquisition of Assets underutilisation is due to delay of fund disbursement
 Others underutilisation is due to delay of fund disbursement

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	112,419,505
Less undisbursed funds receivable from the Board as at period 30th June 2025	51,441,954
Cash and Cash Equivalents at the end of 30th June 2025	60,977,551


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 3rd November 2025 and signed by:



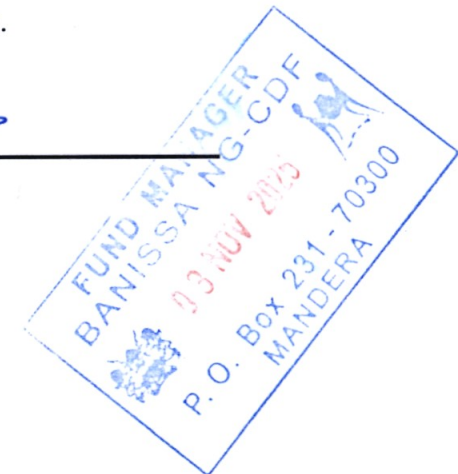
 Chairman NG-CDF Committee
 Sharif Sheikh Dahir



 National Sub-County Accountant
 James Kinoti
 ICPAK M/No: 34580



 Fund Account Manager
 Yussuf Abdi



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

Budget Execution by Sectors And Projects For The Year Ended 30th 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
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,092,820	3,780,524	-	6,873,344	3,157,226	3,716,118
1.2 Committee allowances	1,128,000	388,962	-	1,516,962	1,080,000	436,962
1.3 Use of goods and services	6,444,821	420,467	-	6,865,288	4,462,018	2,403,270
Sub-total	10,665,641	4,589,953	-	15,255,594	8,699,244	6,556,350
2.0 Monitoring and evaluation						
2.1 Capacity building	2,550,000	16,150	-	2,566,150	2,286,675	279,475
2.2 Committee allowances		49,081	-	49,081	-	49,081
2.3 Use of goods and services	2,833,000	1,644,985	-	4,477,985	4,217,193	260,792
Sub-total	5,383,000	1,710,216	-	7,093,216	6,503,868	589,348
4.0 Emergency						
Lulis Primary School PMC	-	3,602,825	-	3,602,825	3,538,196	64,629
Derkale Primary School PMC	-	2,400,000	-	2,400,000	2,400,000	-
unutilized	9,444,313	830,374	-	10,274,687	-	10,274,687
Sub-total	9,444,313	6,833,199	-	16,277,512	5,938,196	10,339,316
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	3,000,000	962,089	-	3,962,089	2,968,000	994,089
5.3 Tertiary Institutions	40,000,000	2,385,232	-	42,385,232	39,029,000	3,356,232

National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	43,000,000	3,347,321	-	46,347,321	41,997,000	4,350,321
7.0 Environment						
Kiliwehiri Secondary School	3,500,000	2,402,179	-	5,902,179	2,399,114	3,503,065
Guba Secondary School	3,500,000	-	-	3,500,000	3,500,000	-
Banisa Mixed Day Secondary School	-	250,000	-	250,000	-	250,000
Wayam Secondary School	-	250,000	-	250,000	-	250,000
Sub-total	7,000,000	2,902,179	-	9,902,179	5,899,114	4,003,065
8.0 Primary Schools Projects						
Derkale Primary School	1,100,000	702,763	-	1,802,763	662,575	1,140,188
Kukuba Primary School	1,500,000	2,702,415	-	4,202,415	2,530,690	1,671,725
Diribbor Primary School	1,500,000	196,015	1,500,000	3,196,015	1,619,305	1,576,710
Burashum Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Ardatimirti Primary School	1,100,000	-	2,600,000	3,700,000	2,424,000	1,276,000
Chiracha Primary School	1,100,000	1,561,685	-	2,661,685	1,494,575	1,167,110
Lakole Dida Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Andarak Primary School	1,500,000	2,870,015	661,810	5,031,825	3,361,043	1,670,783
Kiliwehiri Primary School	3,140,000	860,000	-	4,000,000	1,779,075	2,220,925
Khotkhot Primary School	2,000,000	1,250,000	-	3,250,000	1,187,275	2,062,725

*National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Eymole Primary School	2,190,000	-	2,000,000	4,190,000	1,897,912	2,292,088
Bula Fulay Primary School	1,500,000	1,250,000	-	2,750,000	1,185,500	1,564,500
Birkan Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Khorgowla Primary School	1,500,000	950,000	-	2,450,000	902,175	1,547,825
Murutho Primary School	1,100,000	-	-	1,100,000	-	1,100,000
Tarbey Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Banisa Primary School	3,910,000	5,232,485	-	9,142,485	6,938,345	2,204,140
Arda Garse Primary School	1,500,000	1,300	1,500,000	3,001,300	1,398,000	1,603,300
Gesrebki Primary School	1,500,000	1,145,000	-	2,645,000	667,320	1,977,680
Hardawa Primary School	1,500,000	95	1,500,000	3,000,095	1,423,265	1,576,830
Ogoqaba Primary School	1,500,000	-	2,200,000	3,700,000	2,053,575	1,646,425
Soroba Primary School	1,500,000	1,250,900	-	2,750,900	1,186,500	1,564,400
Chabi Primary School	1,500,000	1,430,150	-	2,930,150	1,364,025	1,566,125
Yatani Primary School	1,000,000	1,803,570	-	2,803,570	1,769,115	1,034,455
Bisiq Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Farjan Primary School	1,500,000	2,201,720	-	3,701,720	2,090,115	1,611,605
Qatis Primary School	1,500,000	-	2,052,983	3,552,983	1,940,875	1,612,108
Afgoy Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Malkamari Primary School	2,549,000	-	-	2,549,000	1,324,499	1,224,501
Sigirso Primary School	1,200,000	-	800,000	2,000,000	739,464	1,260,537
Qorobo Lakole Primary School	1,100,000	-	1,500,000	2,600,000	1,423,635	1,176,365

*National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Chief Haji Mohamed Primary School	1,710,000	950,670	-	2,660,670	2,612,575	48,095
Guba Primary School	400,000	-	-	400,000	-	400,000
Bode Primary School	-	373	1,100,000	1,100,373	1,045,192	55,181
Kalim Primary School	-	-	1,500,000	1,500,000	1,398,075	101,925
Merile Primary School	-	-	1,500,000	1,500,000	1,398,465	101,535
Qorobo Abero Primary School	-	-	1,500,000	1,500,000	1,424,730	75,270
Umur Primary School	-	131,300	1,500,000	1,631,300	1,527,845	103,455
Malkaroqa Primary School	-	-	1,500,000	1,500,000	1,399,515	100,485
Mata Arba Primary School	-	4,058,308	1,500,000	5,558,308	5,394,790	163,518
Qorobo Shaba Primary School	-	-	1,500,000	1,500,000	1,397,635	102,365
Karari Dertu Primary School	-	555	1,500,000	1,500,555	1,398,615	101,940
Garbi Primary School	-	-	1,500,000	1,500,000	1,397,430	102,570
Aemey Primary School	-	-	1,500,000	1,500,000	1,397,426	102,574
Urile Primary School	-	1,250,000	1,500,000	2,750,000	2,585,525	164,475
Kahaba Guto Primary School	-	300,000	1,500,000	1,800,000	1,681,190	118,810
Doomal Primary School	-	845	1,500,000	1,500,845	1,399,140	101,705
Hullow Primary School	-	-	1,500,000	1,500,000	1,398,610	101,390
Shobtoy Primary School	-	-	1,500,000	1,500,000	1,408,588	91,413
Choroqo Primary School	-	1,304,960	1,500,000	2,804,960	2,634,525	170,435
Muratelo Primary School	-	-	1,500,000	1,500,000	1,399,853	100,147
Tarama Primary School	-	3,308,431	-	3,308,431	3,130,191	178,241

National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Qotqot Primary School	-	195,000	-	195,000	164,555	30,445
Jilomarsa Primary School	-	1,251,000	-	1,251,000	1,187,075	63,925
Goljo Primary School	-	950,365	-	950,365	902,575	47,790
Dakar Primary School	-	950,500	-	950,500	902,575	47,925
Achini Primary School	-	1,250,000	-	1,250,000	1,186,319	63,681
Sukela Bima Primary School	-	1,250,000	-	1,250,000	1,185,800	64,200
Dakabor Primary School	-	1,301,735	-	1,301,735	1,233,115	68,620
Jibal Primary School	-	1,250,000	-	1,250,000	1,185,633	64,368
Goroathi Primary School	-	1,251,600	-	1,251,600	1,188,075	63,525
Funan Teso Primary School PMC	-	555	-	555	-	555
Dambalagale Primary School	-	525	-	525	-	525
Sub-total	52,099,000	46,364,835	42,914,793	141,378,628	89,928,492	51,450,136
9.0 Secondary Schools Projects (List all the Projects)						
Kiliwehiri Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Banisa Mixed Day Secondary School	8,000,000	6,585,512	-	14,585,512	14,453,770	131,742
Banisa Girls Secondary School	2,500,000	10,107,100	-	12,607,100	12,597,000	10,100
Eymole Secondary School	5,050,000	2,865,000	-	7,915,000	4,800,488	3,114,512
Senior Chief Abdullahi Girls School	4,000,000	540	-	4,000,540	-	4,000,540
Malkamari Secondary School	3,000,000	770,000	-	3,770,000	3,764,993	5,007
Wayam Secondary School	-	12,312,460	-	12,312,460	12,194,172	118,288

National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Guba Secondary School	-	7,350,290	-	7,350,290	7,011,575	338,715
Sub-total	24,550,000	39,990,902	-	64,540,902	54,821,998	9,718,904
10.0 Tertiary institutions Projects (List all the Projects)						
Banisa Education Office PMC	-	2,004,760	-	2,004,760	1,865,115	139,645
Sub-total	-	2,004,760	-	2,004,760	1,865,115	139,645
11.0 Security Projects						
Banisa Police Station	3,000,000	-	-	3,000,000	-	3,000,000
Banisa Security PMC	1,000,000	3,501,510	4,500,000	9,001,510	8,625,000	376,510
Funan Teso Location Chief's Office	2,000,000	-	-	2,000,000	-	2,000,000
Guba Police Station	1,500,000	-	-	1,500,000	-	1,500,000
Guba Chief's Office	400,000	-	-	400,000	-	400,000
Malkamari Police Station	1,500,000	-	-	1,500,000	-	1,500,000
Kiliwehiri Police Station	1,900,000	-	-	1,900,000	-	1,900,000
Hullow Chief's Office	-	1,500,000	-	1,500,000	1,424,115	75,885
Kiliwehiri DCC's Residence	-	500,000	-	500,000	499,975	25
Sub-total	11,300,000	5,501,510	4,500,000	21,301,510	10,549,090	10,752,420
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)						

National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
12.2 Purchase of furniture and fittings					-	-
Banissa NG-CDF Office	3,000,000	-	-	3,000,000	2,700,000	300,000
Banissa NG-CDF Office	-	2,076,000	-	2,076,000	2,076,000	-
Banissa NG-CDF Office	-	2,500,000	-	2,500,000	2,500,000	-
12.2 Construction of CDF office						
Banissa NG-CDF Office	3,000,000	-	-	3,000,000	-	3,000,000
Banissa NG-CDF Office	5,000,000	-	-	5,000,000	-	5,000,000
Banissa NG-CDF Office	-	5,550,000	-	5,550,000	4,995,000	555,000
Banissa NG-CDF Office	-	2,500,000	-	2,500,000	2,250,000	250,000
Banissa NG-CDF Office	-	2,600,000	-	2,600,000	2,340,000	260,000
Banissa NG-CDF Office	-	1,500,000	-	1,500,000	1,350,000	150,000
Sub-total	11,000,000	16,726,000	-	27,726,000	18,211,000	9,515,000
13.0 Others						
Banisa Constituency Innovation Hub	5,000,000	-	-	5,000,000	-	5,000,000
NG-CDF Banissa Strategic Plan	-	4,000,000	-	4,000,000	4,000,000	-
Balance B/F	-	5,000	-	5,000	-	5,000
Sub-total	5,000,000	4,005,000	-	9,005,000	4,000,000	5,005,000
Funds pending approval**						
unapproved projects	-	-	-	-	-	-
AiA	-	-	-	-	-	-

*National Government Constituencies Development Fund (NGCDF)
Banissa Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Sub-total	-	-	-	-	-	-
Total	179,441,954	133,975,874	47,414,793	360,832,622	248,413,116	112,419,505

(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)

15. 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 Banissa Constituency principal activity is the financing, implementation, and oversight of development projects aimed at improving social infrastructure and enhancing the livelihoods of the residents within the constituency.

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 Banissa 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 Banissa 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.

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

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

in accordance with the PFM Act, the NGCDF Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024.

- 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 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. This IPSAS has no impact in the constituency
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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. This IPSAS is not applicable at the constituency
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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

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

	<p>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>This IPSAS is applicable effective 1st July 2025</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable effective 1st July 2025</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></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 about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1st July 2026</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></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>This IPSAS is not applicable in the constituency this financial year</p>

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

<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></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. This IPSAS is not applicable at the constituency</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></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> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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. <p>This IPSAS is not applicable at the constituency</p>

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 12 June 2024 for the period 1st July 2024 to 30th 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 scheme 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.* (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 amortized 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 labor 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 recognise a social benefit as an expense for the social benefit scheme at the same time that it recognise 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

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

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.

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

6. Transfers from the NGCDF Board

Description	<i>Period ended 30 June 2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	179,441,954

7. Employees cost

Description	<i>Period ended 30 June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,716,226
Personal allowances paid as part of salary	-
Gratuity to contractual employees	497,400
Employer Contributions Compulsory national social security schemes	352,800
Employer Contributions Compulsory Housing levy	88,200
Total	3,654,626

8. Committee Expenses

Description	<i>Period ended 30 June 2025</i>
	Kshs
Sitting allowance	1,080,000
Other Committee expenses	-
Total	1,080,000

9. Use of Goods and services

Description	<i>Period ended 30 June 2025</i>
	Kshs
Courier and Postal Services	159,150
Domestic travel and subsistence	1,475,400
Advertising, Awareness and Publicity Campaigns	1,410,000
Training expenses	2,286,675
Office and general supplies and services	1,372,000
Bank Charges	45,468
Strategic plan expenses	4,000,000
Other operating expenses	4,217,193
Total	14,965,886

10. Other Government Units Certified Works

Description	<i>Period ended 30 June 2025</i>
	Kshs
Primary Schools Actual expenditure	89,928,492
Secondary Schools Actual Expenditure	54,821,998
Tertiary Institutions Actual Expenditure	1,865,115
Total	146,615,604

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

11. Other Grants and Other transfers

Description	<i>Period ended 30 June 2025</i>
	Kshs
Bursary – secondary schools	2,968,000
Bursary – tertiary institutions	39,029,000
Security projects Actual Expenditure	10,549,090
Climate change mitigation projects	5,899,114
Emergency projects Actual Expenditure	5,938,196
Total	64,383,400

12. Depreciation and Amortization Expenses

Description	<i>Period ended 30 June 2025</i>
	Kshs
Property Plant and Equipment	2,118,085
Total	2,118,085

13. Cash and Cash Equivalents

Name Of Bank and Account No.	<i>Period ended 30 June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank. (Operations account)</i>	52,308,185	128,874,036
<i>Equity Bank (Deposit account)</i>	3,510,566	-
<i>PMC's Accounts</i>	5,158,800	5,101,838
Total	60,977,551	133,975,874
Cash Balances		
Location 1	-	-
Total	-	-

14. Receivables from Non-Exchange Transactions

Description	<i>Period ended 30 June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Transfers from NGCDFB	51,441,954	47,414,793
Outstanding imprest		-
Total	51,441,954	47,414,793

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

Ageing Analysis for Receivables

Description	<i>Period ended 30 June 2025</i>		<i>Opening Statement 1st July 2024</i>	
	Kshs		Kshs	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	51,441,954	100%	47,414,793	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	51,441,954	100%	47,414,793	100%

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

15. a). Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		0	0	0	0	0			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	165,784	-	-	-	-	-	165,784
Additions	-	15,150,000	-	-	4,576,000	-	-	-	19,726,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 June 2025	-	15,150,000	165,784	-	4,576,000	-	-	-	19,891,784
Depreciation And Impairment									-
Opening balance accumulated depreciation 1st July 2024	-	-	41,446	-	-	-	-	-	41,446
Depreciation	-	1,515,000	31,085	-	572,000	-	-	-	2,118,085
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 June 2025	-	1,515,000	72,531	-	572,000	-	-	-	2,159,531
Net Book Values									-
Opening Bal as at 1st July 2024	-	-	124,338	-	-	-	-	-	124,338
As At 30 June 2025	-	13,635,000	93,254	-	4,004,000	-	-	-	17,732,254

Valuation

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

15 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:

15 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	15,150,000	1,515,000	13,635,000
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	165,784	72,531	93,254
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	4,576,000	572,000	4,004,000
Total	19,891,784	2,159,531	17,732,254

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	-	-
Total	-	-

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

16. Third-Party Deposits

	Period ended	Opening Statement
	30 June 2025	1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	1,515,000	-
Retention paid during the period (C)	-	-
Closing Retention as at period xx, D= A+B-C	1,515,000	-

Retention aging analysis

	Period ended	% of the total	1st July 2024	% of the total
	30 June 2025			
Less than 1 year	1,515,000	100%	-	0%
1-2 years	-	0.00%	-	0%
2-3 years	-	0.00%	-	0%
Over 3 years	-	0.00%	-	0%
Total	1,515,000		-	0%

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

17. Gratuity provision

Description	Period ended	Opening Statement
	30 June 2025	1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,498,166	1,498,166
Gratuity held during the period (B)	497,400	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at 30 June 2025 D=(A+B-C)	1,995,566	1,498,166

18. Cash Generated From Operations

	<i>Period ended 30 June 2025</i>
--	----------------------------------

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

	Kshs
Surplus for the period before tax	(53,375,646)
Adjusted for:	
Depreciation	2,118,085
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(4,027,161)
Changes in deferred income	-
Changes in Third party deposits	1,515,000
Changes in gratuity provision	497,400
Changes in payments received in advance	-
Net cash flow from operating activities	(53,272,323)

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

19. 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 minimize 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:

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

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
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,441,954	51,441,954	-	-
Bank balances	60,977,551	60,977,551	-	-
Total	112,419,505	112,419,505	-	-
As at 30 June 2024				
Receivables from exchange transactions		-	-	-
Receivables from non-exchange transactions	47,414,793	47,414,793	-	-
Bank balances	133,975,874	133,975,874	-	-
Total	181,390,667	181,390,667	-	-

(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 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
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,498,166	1,498,166
Total	-	-	1,498,166	1,498,166
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,995,566	1,995,566
Total	-	-	1,995,566	1,995,566

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 optimizing 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 no 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.

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
Euro	10%	-	-
USD	10%	-	-

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 endeavored to bank with institutions that offer favorable 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).

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

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

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	2024/2025	<i>Opening Statement</i> <i>1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	126,641,193	180,016,839
Retained Earnings	(53,375,646)	-
Capital Reserve	-	-
Total Funds	73,265,546	180,016,839
Total Borrowings	-	-
Less: Cash and Bank Balances	60,977,551	133,975,874
Net Debt/(Excess Cash And Cash Equivalents)	12,287,996	46,040,965
Gearing	0%	0%

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

20. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,080,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	175,414,793	-
Total	175,414,793	-

21. Segment Information

(Where an organization 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)

22. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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

Contingent Liabilities

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

23. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

(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 authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

24. Events after the Reporting Period

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

25. Ultimate and Holding Entity

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

26. Currency

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

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

16. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost
	(Kshs)			(Kshs)
				At Year/period End
Land	-	-	-	-
Buildings and structures	-	15,150,000	-	15,150,000
Transport equipment	165,784	-	-	165,784
Office equipment, furniture, and fittings	1,179,000	4,576,000	-	5,755,000
ICT Equipment and Other ICT Assets	816,000	-	-	816,000
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	2,160,784	19,726,000	-	21,886,784

(Attached a 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)

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

Annex 2 –PMC Bank Balances as at 30th June 2025

PMC	Bank	Account number	Bank Balance Period ended 30 June 2025	Opening Statement 1st July 2024
Tarama Primary School PMC	Equity	1000163823927	5,448	40,741
Chiracha Primary School	Equity	1000263180116	1,685	2,110
Soroba Primary School	Equity	1000278890679	900	1,900
Goljo Primary School	Equity	1020164073823	365	290
Dakar Primary School	Equity	1000280220426	500	425
Derkhale Primary School PMC	Equity	1000263229047	2,763	5,188
Chief Haji Mohamed Primary PMC	Equity	1020163288781	670	595
Andarak Primary School PMC	Equity	1000279502454	1,825	783
Hardawa Primary School PMC	Equity	1000279494804	95	1,830
Yatani Primary School PMC	Equity	1020164385955	3,570	34,455
Domal Primary School PMC	Equity	1020162628797	845	26,705
Funan Teso Primary School PMC	Equity	1020164391474	555	555
Arda Garse Primary School PMC	Equity	1000279185608	1,300	28,300
Umur Primary School PMC	Equity	1020162595352	1,300	28,455
Qarari Dertu Primary School PMC	Equity	1020169202044	555	26,940
Bode Primary School PMC	Equity	1000280067511	373	181
Diribbor Primary School PMC	Equity	1020162591918	1,015	1,710
Chabi Primary School PMC	Equity	1000281325514	150	1,125
Farjan Primary School PMC	Equity	1000163992930	1,720	1,605
Dakabor Primary School PMC	Equity	1020162593233	1,735	3,620
Kukuba Primary School	Equity	1020163301156	2,415	36,725
Dambalagale Primary School	Equity	1000177298839	525	525
Choroqo Primary School	Equity	1000263226953	4,960	30,435

National Government Constituencies Development Fund (NGCDF)

Banissa Constituency

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

Jilomarsa Primary School	Equity	1000285180697	1,000	1,425
Goroathi Primary School	Equity	1000279714375	1,600	1,025
Banisa Primary School PMC	Equity	1020162592210	2,485	4,140
ACHINI PRY SCH PMC	Equity	1000273695635	-	1,181
AEMEY PRY SCH PMC	Equity	1020264386688	-	27,574
QOROBO ABERO PRY SCH PMC	Equity	1000169195284	-	270
QATIS PR Y SCH PMC	Equity	1000273071656	-	37,108
QOROBO SHABA PRY SCH PRY SCH PMC	Equity	1000273717154	-	27,365
ARDA TIMIRTI PRY SCH PMC	Equity	1000285497380	-	46,000
GARBI PRY SCH PMC	Equity	1020179498285	-	27,570
KAHABAGUTO PRY SCH PMC	Equity	1000278667078	-	28,810
EYMOLE PRY SCH PMC	Equity	1000264029237	-	2,088
JIBAL PRY SCH PMC	Equity	1000280188197	-	1,868
QOROBO LAKOLE PRY SCH PMC	Equity	1000281325938	-	1,365
MURATELO PRY SCH PMC	Equity	1000273203207	-	25,147
URILE PRY SCH PMC	Equity	1000280473028	-	26,975
MERILLE PRY SCH PMC	Equity	1020163305584	-	26,535
SIGIRSO PRY SCH PMC	Equity	1000173745558	-	20,537
SHOBTOY PRY SCH PMC	Equity	1000280483778	-	16,413
MATA ARBA PRY SCH PMC	KCB Bank	1281381063	2,613,308	26,018
BULLA FULLAY PRY SCH PMC	Equity	1020280138618	-	2,000
KHORGOWLA PRY SCH PMC	Equity	1000277786863	-	325
GESREBKI PRY SCH PMC	Equity	1000169193873	-	430,180
KHOTKHOT PRY SCH PMC	Equity	1000277810215	-	225
KALIM PRY SCH PMC	Equity	1000280496911	-	26,925
OGOQABA PRY SCH PMC	Equity	1000285741943	-	36,425
SUKELA SUGA PRYSCH PMC	Equity	1000273747174	-	1,700
Kiliwehiri Primary School PMC	Equity	1020164386517	-	925

National Government Constituencies Development Fund (NGCDF)

Banissa Constituency

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

MALKAROQA PRY SCH PMC	Equity	1000260432485	-	25,485
HULLOW PRY SCH PMC	Equity	1000267687373	-	26,390
QOTQOT PRY SCH PMC	Equity	1000277499555	-	30,445
Malkamari Primary School PMC	Equity	1000294578863	-	24,501
Guba Secondary School PMC	Equity	1000279522412	290	1,215
Wayam Secondary School PMC	Equity	1000264028052	12,460	118,288
Eymole Secondary School PMC	Equity	1000282289503	6,000	52,012
Banisa Mixed Day Secondary School PMC	Equity	1000264570442	10,512	131,742
Senior Chief Abdullahi Girls Secondary PMC	Equity	1000280469847	540	540
Banisa Girls Secondary PMC	Equity	1000269196157	7,100	10,100
Malkamari Secondary School PMC	Equity	1000269270979	-	5,007
BANISA EDUCATION OFFICE PMC	Equity	1000277419612	4,760	39,645
Banisa Administration Police PMC	Equity	1000284600657	1,510	1,510
Hullow Security PMC	Equity	1000186053236	-	885
KILIWEHIRI SECURITY PMC	Equity	1000178603208	-	25
Lulis Primary School PMC	Equity	1000163979896	2,825	64,629
Kiliwehiri Secondary School PMC	Equity	1000269215360	2,402,179	3,503,065
TOTAL			5,101,838	5,158,800

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

Annex 3: Progress On Follow Up of Auditor Recommendations

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: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 1.0	<p>Unconfirmed Bursary disbursements.</p> <p>Included in the Other Grants and Other transfers of Kshs.42,647,554 under note 6 to the financial statements is Kshs. 2,987,000 and 31,488,054 in relation to bursaries for Secondary Schools and Tertiary Institutions respectively.</p> <p>Examination of payment vouchers and its supporting documents revealed that an amount of Kshs.2,693,000 and Kshs. 599,467 for tertiary institutions and Secondary Schools respectively had not been acknowledged through official receipts or acknowledgement letters from the beneficiary institutions. In addition, there was no evidence showing that the beneficiaries applied and were vetted for award of bursary.</p>	<p>The cheques attached with covering letters and beneficiaries list is physically delivered to all Institutions. However, some of the Institutions delay in acknowledging the cheque payments as they wait the funds to be credited into their account. The Fund managed to get official receipts/acknowledgement for the amounts being queried and we are making efforts to ensure all bursary payments are fully accounted for by the recipient institutions in the future. Calls for applications were made, applications received and vetted for award of bursary by the Bursary Sub Committee. The Bursary Sub Committee report is attached for audit verification.</p>	Not Resolved	30 th June 2026

National Government Constituencies Development Fund (NGCDF)

Banissa Constituency

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 2.0	<p>Un-supported Transfers to Other Government Units</p> <p>The Statement of receipts and payments reflects an amount Kshs. 43,751,500 in respect of transfers to other government units as disclosed in Note 5 to the financial statements. Included in the amount Kshs. 19,486,000 in respect of transfers to secondary school projects. However, review of payment records provided for audit revealed that payment of Kshs. 4,300,000 on transfers to two secondary schools PMCs for Purchase of solar equipment, electrical wiring items and installation and Construction of 60 cubic meters of underground water were not supported with procurement records such as; engineers estimated cost, Bill of Quantities, advertisement for the works, appointment letter for adhoc tender opening and evaluation committee members.</p>	<p>The NG CDF Act, 2015 section 36(1) provides for the implementation of the Projects through Project Management Committees (PMCs) at the Constituency level.</p> <p>Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the PMCs lack the capacity to properly document all procurement procedures. The fund has conducted trainings for PMCs over the years.</p> <p>The engineers estimated cost, Bill of Quantities, advertisement for the works, appointment letter for adhoc tender opening and evaluation committee members for Eymole and Malkamari Secondary Schools were in the project files maintained at the schools and are now made available for audit verification.</p>	Not Resolved	30 th June 2026

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 3.0	<p>Unconfirmed Cash and Bank balances</p> <p>The statement of assets and liabilities as at 30 June 2024 reflects bank balance of Kshs.128,874,036. Review of the bank reconciliation statement as at 30 June 2024 reflected payments in cash book not in bank statement (un-presented cheques) of Kshs.34,879,422. It was however, observed that in the subsequent months' bank reconciliation statement, there were no records (bank reconciliation statements) provided to confirm that the outstanding cheques were cleared in the subsequent period.</p>	<p>The majority of the un-presented cheques were payments made towards the end of the financial year and Bursary cheques which beneficiary institutions take time to bank. It is worthy to note that the nearest bank is in Mandera town which is approximately 200 KMs from Banissa thereby causing further delay in presenting the cheques to the bank for payment. The majority of the un-presented cheques have since been presented to the bank as evidenced by the attached bank statement and the bank reconciliation statement.</p>	Not Resolved	30 th June 2026
Paragraph 4.0	<p>Unconfirmed Emergency Expenditure</p> <p>Included in the Other Grants and transfers of Kshs. 42,647,554 under note 6 to the financial statements is Kshs. 2,750,000 in respect of Emergency projects. However, a review of payment records revealed transfer of Kshs.2,400,000 to Banissa Girls Secondary School for renovation of 4 classrooms which had no documentation to confirm that the project was an</p>	<p>The NG CDF Act,2015 section 36(1) provides for the implementation of the Projects through Project Management Committees (PMCs) at the Constituency level.</p> <p>Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the</p>	Not Resolved	30 th June 2026

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>emergency and that it required urgent attention and could not wait for proper planning and budgeting.</p> <p>In addition, the Project file provided did not contain Bills of quantities and Engineer's estimate for the project to confirm that the contractor's cost was within the accepted limits and that the completed works were as per the bills of quantities.</p>	<p>PMCs lack the capacity to properly document all procurement procedures. The fund has conducted trainings for PMCs over the years.</p> <p>Renovation of 4 classrooms at Banissa Girls Secondary School was an emergency need as evidenced by the request letter from the school detailing the urgent nature of the repairs, safety hazards and conditions making the classrooms unsafe for use. The Bills of quantities and Engineer's estimate were project files and are now made available for audit verification.</p> <p>The NG-CDF Banissa prepares and submits quarterly Project Implementation Status and emergency reports to the NG-CDF Board which reports on the utilization of the emergency funds. The Fund will, henceforth, report the utilization of the emergency fund to NG-CDF Board as required by NG-CDF Regulations.</p>		
Paragraph 5.0	<p>Budgetary Control and Performance The summary statement of appropriation for the year under review reflects receipts final budget of Kshs.277,941,012 and actual receipts of</p>	<p>The delay in disbursement of all budgeted funds from the board made the fund unable to meet its expenditure needs fully. We have since brought the same to the attention of the Board to ensure release of all</p>	Not Resolved	30 th June 2026

*National Government Constituencies Development Fund (NGCDF)
 Banissa Constituency
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	Kshs.230,526,218, resulting in a budget shortfall of Kshs. 47,414,793 or 17% of the budget. Similarly, the Fund spent Kshs.101,652,182 against an approved budget of Kshs.277,941,012 resulting in an under-expenditure of Kshs.176,288,829, or 37% of the budget.	budgeted funds to realize implementation of projects for the benefit of the constituents.		



Yussuf Abdi
 Fund Account Manager.

