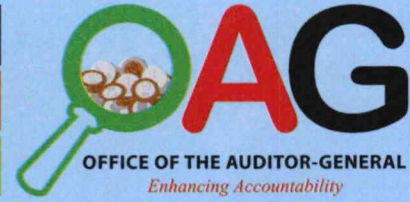


REPUBLIC OF KENYA



REPORT




OF

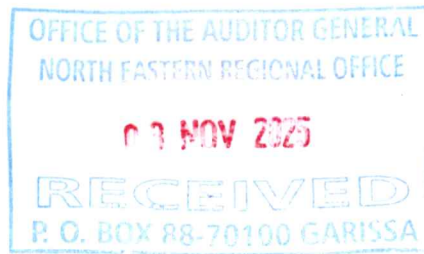
THE AUDITOR-GENERAL

ON

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

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

| | |
|---|-------------------------|
|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 26 NOV 2025 | |
| DAY: WEDNESDAY | |
| TABLED BY: | DEPUTY MAJORITY WAIP |
| CLERK-AT-TABLE: | FINLAT |



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

WAJIR NORTH 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)
Wajir North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

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;
- 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

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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 Wajir North Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

| No | Designation | Name |
|----|--------------------------------|----------------------|
| 1. | AIE holder | Qabale Molu Guyo |
| 2. | National Sub-County Accountant | Rashid Ahmed Mohamed |
| 3. | Chairman NGCDFC | Ali Mohamed Salat |
| 4. | Member NGCDFC | Habiba Abdilatif |

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Wajir North Constituency Headquarters

NGCDF Building

Bute sub-county

Bute, KENYA.

(e) NGCDF Wajir North Constituency Contacts

P.O. Box 197-60300

Telephone: (254) 729466330

E-mail: cdfwajirnorth.ngcdf.go.ke

Website: www.wajirnorth.ngcdf.go.ke

(f) NGCDF Wajir North Constituency Bankers

1. KCB. Account Number:1312860464 (Operations Account).

Branch: Wajir Branch

P.O. Box 417-70200

Wajir

2. Bank KCB. (PMC Accounts)

Account Number: Various (as per annex 2)

Branch: Wajir Branch

Branch: Moyale Branch

(g) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

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

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112




City Square 00200




Nairobi, Kenya

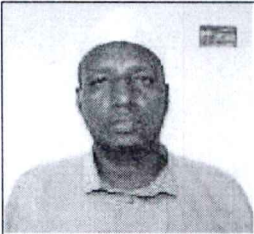
3. NGCDF Committee

| Name | Details |
|--|--|
|  <p>Ali Mohamed Salat</p> | <p>Date of Birth: 28th December 1960</p> <p>Academic Qualifications</p> <ul style="list-style-type: none"> • Primary Teacher Education Certificate (P1/PTC) • Bachelor of Education – University of Nairobi <p>Professional Qualifications</p> <ul style="list-style-type: none"> • Certified Language Teacher (English and Literature) • Holder of Primary Teacher Certificate (PTC) <p>Work Experience</p> <p>1. Education Sector (1988–2009) – Over 20 years of progressive experience in education:</p> <p>Trainer of Early Childhood Diploma Teachers (2007–2009)</p> <p>2. Development & Public Administration</p> <ul style="list-style-type: none"> • Program Coordinator and Trainer, Constituency-level programs (2009–2015) • Assistant Director, Wajir County Government (2015–2021) • Chairperson, NG-CDF Committee – Wajir North (2022–Present) |

*National Government Constituencies Development Fund (NGCDF)
Wajir North Constituency
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| | |
|--|---|
|  <p>Habiba Abdilatif Abdullahi Member</p> | <p>Date of birth 01/07/1976</p> <p>Key academic qualifications Certificate of Primary Education</p> <p>Work experience Current NG-CDFC wajir North constituency secretary Telecom -Kenya (2000-2005) Secretary of district officer (DO) Buna division (2005-2009)</p> |
|  <p>Noor Ali Omar Member</p> | <p>Date of birth: 12 Feb 1980 Masters Of science Environmental Studies (climate Change and Environment sustainability - Kenyetta University</p> <p>Bachelor of science Environmental Conservation and Natural Resources Management - University of Nairobi.</p> <p>Worked WASDA as Field supervisor for wajir North and south constituencies on Food Aid Programme.2004-2008</p> <p>Worked as Registration officer in Electrol commission of Kenya in 2004.</p> |
|  <p>Adannur Hassan Hussein Member</p> | <p>Date of birth 2nd September 1996</p> <p>Key academic qualifications Bachelor of social science [community development] lukenya University</p> <p>Work experience Current NG-CDFC member wajir North constituency representative of male youth Research officer ii ipsos synovate company-Kenya (2016 - 2018)</p> |

| | |
|--|---|
| | Data clerk KNBS (2019) |
|  <p>Suleka Kulow Member</p> | <p>Date of birth 21st may 1997. academic qualification. KCSE certificate - Furaha mix sec school work experience. Worked with KNBS as a cartographer from 2018 to July 2019</p> |
|  <p>Adan Issack Ali Co-opted Member</p> | <p>Date of birth 23/6/1982 Degree in early childhood education Degree in bscn, Mount Kenya University Professional qualifications Nurse Experience 7 yr Working in private clinic Working with local CBO for 3yr as project manager</p> |
|  <p>Isnina Bishar Alaso Member</p> | <p>Dob: 02/1/1999 Qualifications, 1. Diploma in community health at Frontier institute. Ongoing 2. Finished form four and attained mean grade of C- in 2018. Work Experience 1. Worked as data assistant 2023 in population council 2. Cdf wjr north, committee member 2022- to date 3. Assistant presiding officer, 2022. AT IEBC</p> |



Suleiman Gosar

Representative PWD

Date of Birth: 1st January 1967

Key Academic Qualifications

- Bachelor of Education – Kampala International University
- Diploma in Educational Management – Kenya Institute of Curriculum Development (KICD)

Professional Qualifications

- Trained and registered teacher (formerly with the Teachers Service Commission – TSC)

Work Experience

- Teacher, Teachers Service Commission (TSC) January 1989 – December 2016 (28 years)
Served in various public schools across Kenya, contributing to curriculum delivery, learner mentorship, and school administration.
Left TSC in 2016 upon formal exit from the teaching service.



Qabale Molu Guyo

FAM

Date of Birth: 23rd March 1992

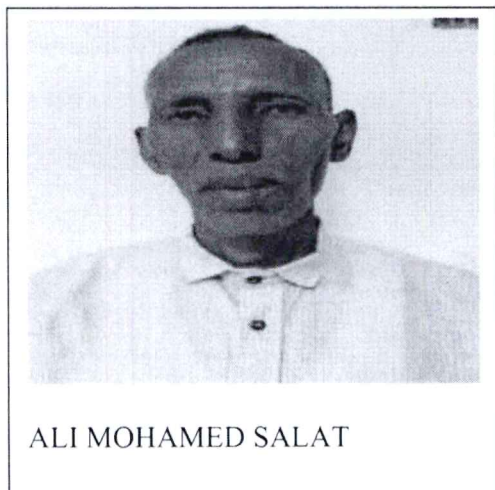
Key Academic Qualifications:

- Bachelor of Business Management (Finance and Banking), Moi University
- Master of Commerce (Strategic Management), Strathmore University

National Government Constituencies Development Fund (NGCDF)
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| | |
|--|---|
| | <p>Professional Qualifications:</p> <ul style="list-style-type: none">• Certified Public Accountant (CPA)• Member, Institute of Certified Public Accountants of Kenya (ICPAK) <p>Work Experience:</p> <ul style="list-style-type: none">• Approximately 10 years of work experience, including 4 years in financial management• Current Fund Account Manager, NGCDF Wajir North Constituency (2022–Present)• Compliance Officer (Registration & Licensing), NTSA (2017–2022)• Data Clerk, Kenya Revenue Authority (2016–2017) |
|--|---|

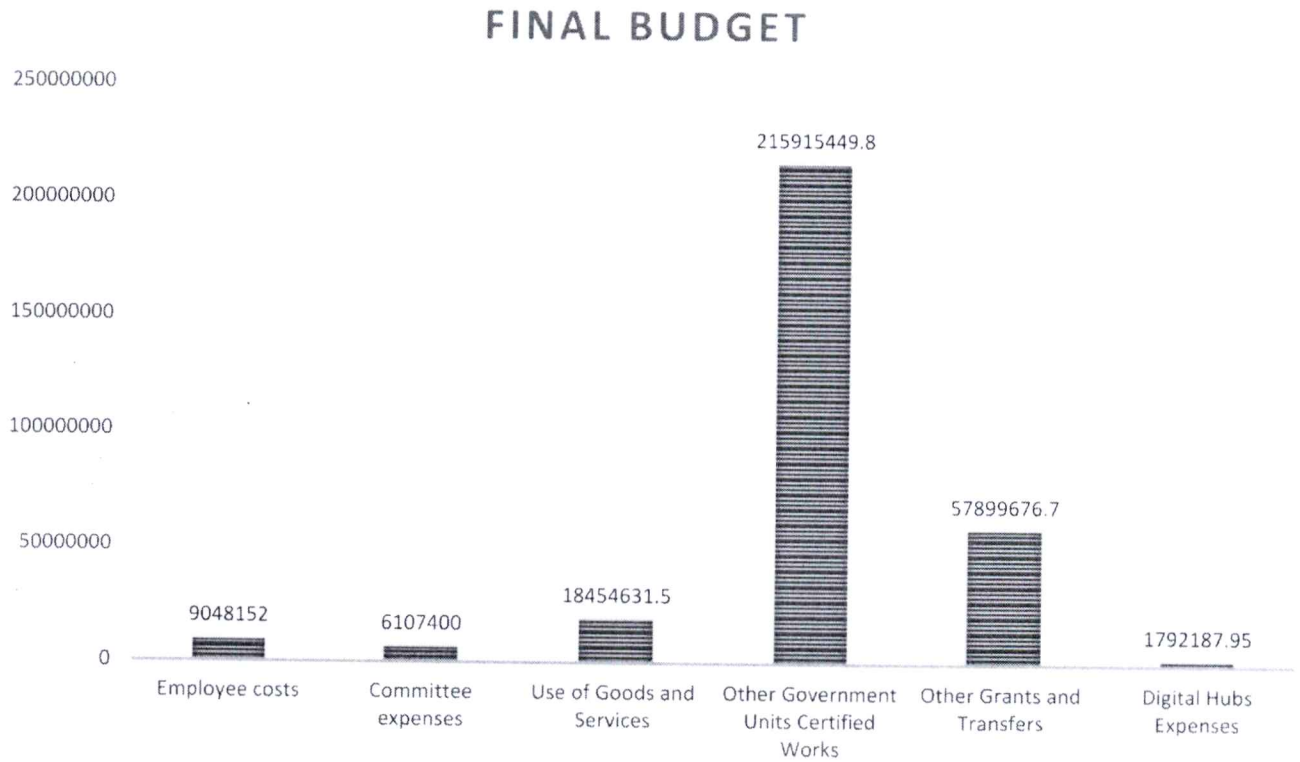
4. NG-CDFC Chairman's Report



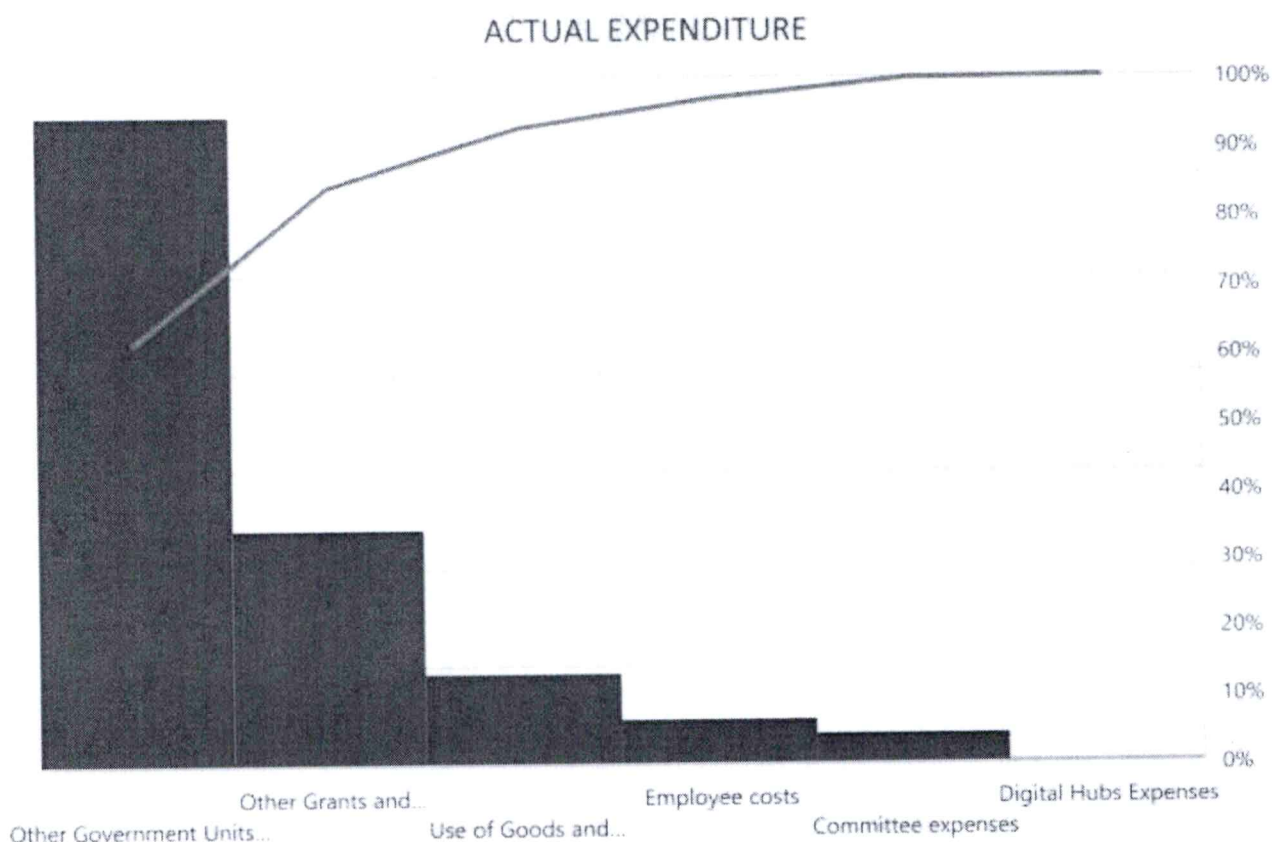
It is my honor and privilege to present this Report, summarizing the performance of the Wajir North NG-CDF for the Financial Year 2024/2025. The Fund remains committed to delivering impactful and inclusive development across the six wards of our constituency, guided by transparency, accountability, and community engagement. This report outlines key highlights,

including budget performance, achievements, emerging challenges, and our strategic responses.

Budget Performance Overview



*National Government Constituencies Development Fund (NGCDF)
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The financial year began with a total allocation of Kshs. 197,386,150 and subsequent disbursements from the NG-CDF Board brought total receipts to Kshs. 211,318,698. Combined with a cash book balance of Kshs. 41,498,216 carried forward from the previous financial year, the total available funds stood at Kshs. 252,816,914.

By the close of the year on June 30, 2025, the constituency had expended Kshs. 242,348,702.45

representing an impressive utilization rate of 94.36%. This is a clear testament to our effective planning and project execution mechanisms, despite logistical and fiscal delays.

We recognize that financial performance is only one dimension of impact. The real measure lies in the transformation these funds bring to the daily lives of our constituents.

Achievements

Despite operating under constrained timelines and challenging conditions, the Fund realized several notable achievements across key sectors:

Security Infrastructure Development

The completion of staff houses at Korondille Police Station addressed persistent security gaps in the area. The new five-unit block provides accommodation for officers, improving their presence and responsiveness.

Improved Learning Infrastructure

Education remains a priority for our development agenda. Noteworthy projects include:

- **Malkagufu Primary School:** A fully equipped administration block was completed, providing a headteacher's office, staffroom, boardroom, accounts office, and a store.
- **Watiti Primary School:** Five classrooms were fully renovated with new roofing, plastering, flooring, and painting, enhancing the learning environment.

Enhanced Sanitation in Schools

Sanitation projects were successfully implemented in schools such as Unsile and Fargadud Primary Schools, where modern toilet blocks, including units for persons with disabilities, were constructed. These projects have significantly improved hygiene, safety, and dignity in our learning institutions.

Community Sensitization and Engagement

The Fund conducted an effective awareness campaign aimed at educating the public on the operations of NG-CDF. This led to increased community involvement, transparency, and accountability in project monitoring and feedback mechanisms.

Projects Implementation

During the year, Wajir North Constituency successfully implemented nearly all the projects as budgeted. These projects included the construction and renovation of classrooms, police officers' houses, toilets, and bathrooms. During the reporting period, the constituency disbursed a total of Kshs. 41,977,000 in bursaries, directly supporting approximately 7,000 students enrolled in secondary schools, tertiary institutions, and special needs schools. This financial support significantly contributed to reducing dropout rates, easing the burden on households, and promoting inclusive access to education. In addition, several classrooms and toilets were constructed and renovated across various schools, thereby improving the learning environment and supporting the overall goal of quality education infrastructure. During the year under review, the constituency made notable strides in strengthening the security sector through construction of additional staff houses, the establishment of a magistrate court, and the installation of sanitation facilities such as toilets and bathrooms

Some of the completed projects are illustrated in the photographs below.

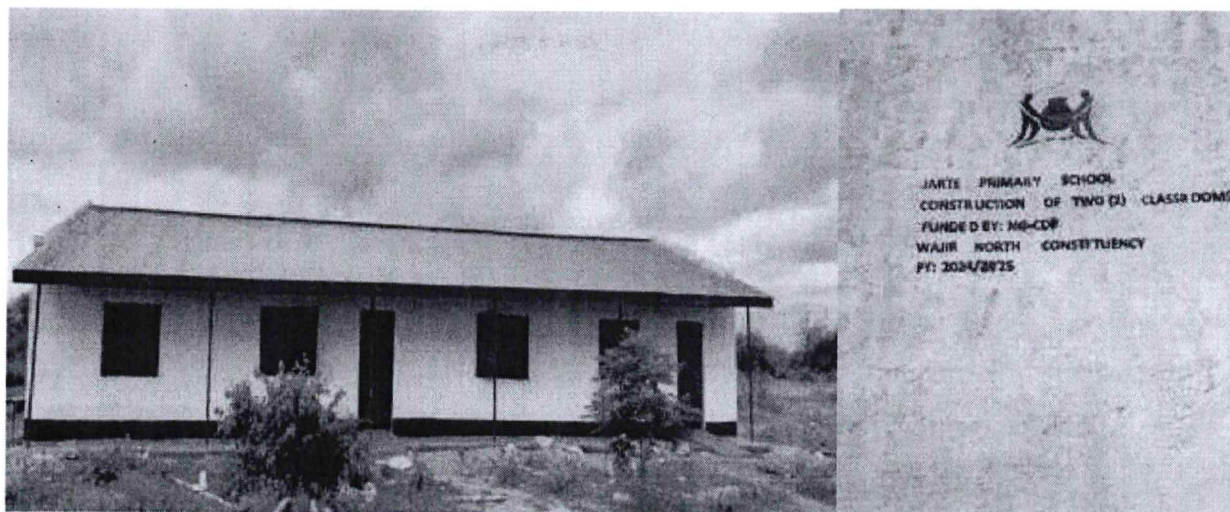


Malkagufu Primary School: Construction to completion of one block of 4 staff rooms



Watiti Nep Primary School: Renovation of 5 classrooms, (Reroofing, wall plastering, painting and flooring)

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

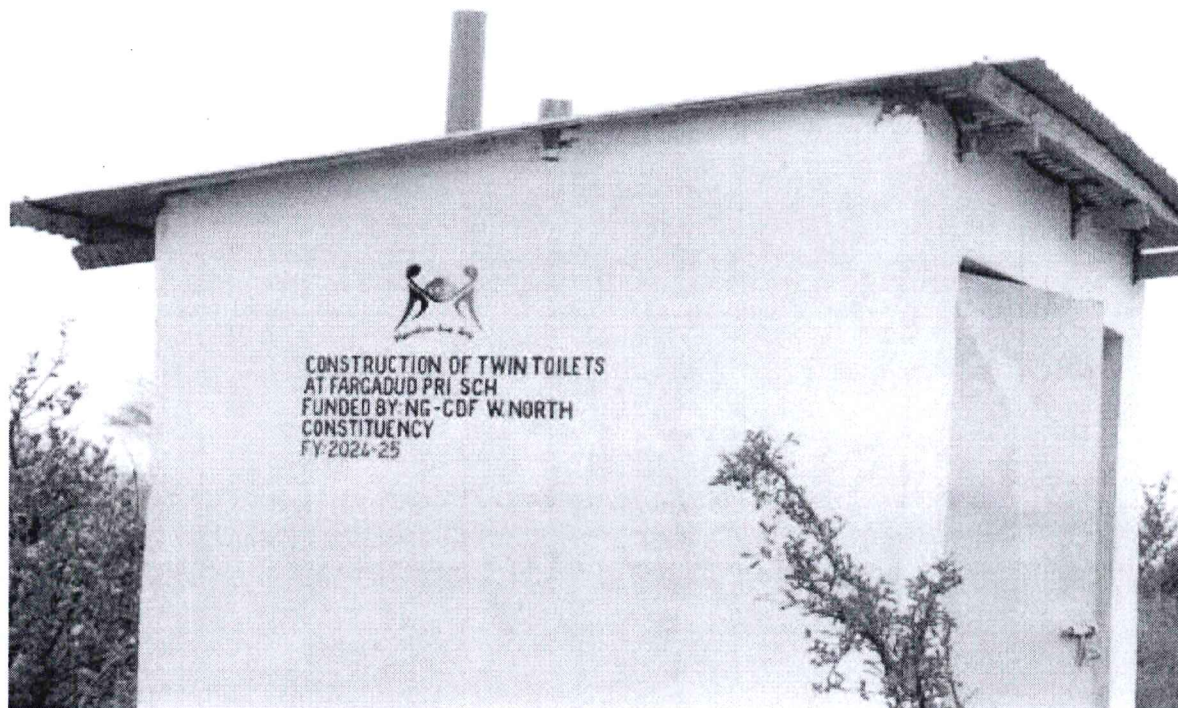


Jarte Primary School: Construction to completion of 2 classrooms

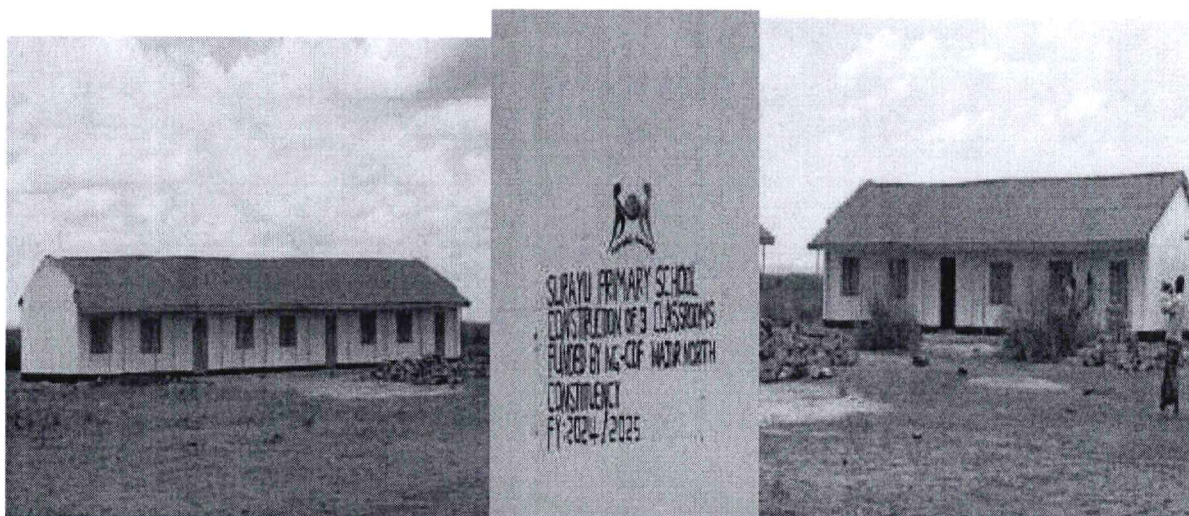
National Government Constituencies Development Fund (NGCDF)
Wajir North Constituency
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Construction to completion of a block containing five single-room units



Fargadud Primary School: Construction to completion of a 2 door Toilet



Surayu Primary School: Construction to completion of 5 classroom

Emerging Issues

As we worked to deliver on our mandate, several systemic and operational challenges emerged:

- **Delayed Disbursement of Funds:** Unpredictable timelines in the release of funds from the NG-CDF Board continue to delay project initiation and completion.
- **Escalating Costs of Construction Materials:** Inflation and fluctuating market prices constrained project scopes, forcing reprioritization in some areas.

Implementation Challenges and Strategic Responses

Challenges And way forward

Late Disbursements- The Committee is engaging consistently with the Board and prioritizing early submission of documentation to facilitate timely fund releases.

Rising Material Costs - Revised procurement strategies have been adopted, including regular review of BOQs, negotiation with local suppliers, and prioritization of essential projects.

Conclusion and Outlook

In conclusion, I commend the Wajir North NG-CDF Committee, staff, contractors, and community members for their collective efforts and unwavering commitment to development. While challenges persist, our resolve to deliver tangible, equitable development remains firm. The current projects are on course for completion by December 2025, and with continued collaboration and improved efficiency, we aim to further enhance the quality and impact of our interventions.

We look forward to another year of progress, accountability, and inclusive growth.

.....

Name: ALI MOHAMED SALAT

Chairman NGCDF Committee

5. 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 the **NGCDF Wajir North Constituency 2022-2027** plan are to:

1. Ensure increased Staff and equipping od schools
2. Provision of bursaries to bright and needy students
3. Promote and support the development of early childhood development centres
4. Mainstreaming special needs education in schools
5. Improve existing infrastructure in secondary and primary schools through construction of additional classrooms, construction of libraries and laboratories
6. Improve access to post-secondary education through establishment of a polytechnic and teachers training college

Progress on the attainment of Strategic development objectives

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

*National Government Constituencies Development Fund (NGCDF)
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| Sector | Objective | Outcome | Indicator | Performance |
|-----------|--|---|--|--|
| Education | to enhance the quality and quantity of school infrastructure and increase access to education through bursary support. | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | increased number of bursary beneficiaries, student enrolment and transition rates, classrooms constructed and renovated, improved attendance rates, and national exam performance. | During the reporting period, the constituency disbursed a total of Kshs. 42,086,000 in bursaries, directly supporting approximately 7,000 students enrolled in secondary schools, tertiary institutions, and special needs schools. This financial support significantly contributed to reducing dropout rates, easing the burden on households, and promoting inclusive access to education. In addition, several classrooms and toilets were constructed and renovated across various schools, |

National Government Constituencies Development Fund (NGCDF)
Wajir North Constituency
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| | | | | |
|--------------------------------------|--|--|--|--|
| | | | | thereby improving the learning environment and supporting the overall goal of quality education infrastructure. |
| Security | To enhance safety and security through the development of security infrastructure and support for law enforcement operations | construction of more staff houses, the establishment of a magistrate court, and the provision of essential sanitation facilities, including toilets and bathrooms. | increased number of security infrastructure projects completed, and security personnel deployed, reduction in reported crime and security-related incidents and faster response times to emergencies and incidents | During the year under review, the constituency made notable strides in strengthening the security sector through construction of additional staff houses, the establishment of a magistrate court, and the installation of sanitation facilities such as toilets and bathrooms |
| Climate change mitigation activities | To enhance tree cover and environmental protection | planting of more trees, purchase of water | More number of trees planted and surviving, a greater number | During the year under review, the constituency undertook targeted |

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| | | | | |
|-----------|--|---|--|--|
| | through the promotion of afforestation, reforestation and water harvesting initiatives | storage tanks, and installation of gutters for rainwater harvesting. | of functional water harvesting systems installed (e.g., tanks and gutters) and Increase in community awareness and participation in environmental conservation | climate change mitigation efforts by implementing water harvesting through the procurement of water storage tanks, installation of gutter systems and tree planting initiatives in four primary schools to enhance rainwater collection and improve water availability within the schools. |
| Emergency | To provide timely and effective response to emergencies and disasters | renovation of classrooms damaged by strong winds and the support of peacekeeping initiatives in conflict-prone areas. | renovated classrooms damaged, replaced damaged roof and several reconciliation forums conducted | During the year under review, the constituency effectively utilized the emergency fund to respond to urgent and unforeseen situations affecting the community. Notable |

National Government Constituencies Development Fund (NGCDF)
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| | | | | |
|---|---|--------------------------------------|--------------------------------------|--|
| | | | | <p>interventions included the renovation of classrooms damaged by strong winds, the replacement of damaged roofs, and the conduct of several reconciliation forums to promote peace and stability in areas affected by tension or conflict</p> |
| <p>Others - Others-CIT and Youth Empowerment Projects</p> | <p>To empower youth and enhance digital inclusion by providing access to information and communication technology</p> | <p>Ongoing completion of ICT Hub</p> | <p>Ongoing completion of ICT Hub</p> | <p>During the year under review, significant progress was made toward the completion of the ICT hub in the constituency</p> |

6. Governance Statement

Wajir North NG-CDF is governed by a NG-CDFC appointed in accordance with the NG-CDF ACT 2015 as amended in 2016.

Appointment, Tenure, and Removal of NGCDFC Members

The appointment of Members of the National Government Constituencies Development Fund Committee (NGCDFC) follows a transparent and participatory process in accordance with the NGCDF Act and related regulations.

NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

- there is established a National Government Constituency Development Fund Committee for every constituency.
- Constituency Committee Shall comprise of;
- the national government official responsible for co-ordination of national government functions.
- two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
- two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
- one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- one member co-opted by the Board in accordance with regulations made by the Board

- The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

Appointment of the Chairperson and Secretary

A Constituency Committee shall elect the chairperson and secretary of a Constituency Committee during its first meeting and shall notify the Board of the appointment.

The persons appointed are drawn from different groupings as follows:

- Ali Mohamed Salat - Male Adult, Chairman
- Habiba Abdilatif Abdullahi – Female Adult; Secretary
- Adannur Hassan Hussein - Male youth; Member
- Suleka Kulow – Female youth; Member
- Suleiman Gosar - PWD REP
- Adan Issack Ali - CO-opted Member
- Isnina Bishar Alaso - Nominee of constituency Office, Female; Member
- Noor Ali Omar - Nominee of constituency Office, Male; Member

Date of Gazettelement

The current committee was officially **gazetted on 21st May, 2025**, marking the beginning of its operational mandate.

The tenure of members is **two years**, with the possibility of reappointment for an additional term based on performance and compliance. Members may be removed from office for misconduct, non-performance, or breach of ethical standards, following due process.

Roles and Functions of the NGCDFC

- Oversee the planning, approval, and implementation of development projects funded under the NGCDF.

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

- Ensure equitable resource distribution across the constituency's wards.
- Monitor and evaluate project progress and recommend corrective action where necessary.
- Engage stakeholders and ensure transparency in project execution.
- Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 13
- Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- In approving a project and before submitting the to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution
- Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects.

Chairperson

- Carry out consultations with the Officer of the Board seconded to the Constituency and other relevant stakeholders;
- Ensure members and staff of a Constituency Committee are properly trained;
- Encourage a culture of transparency and teamwork among the committee members;
- Be a signatory to the Constituency Fund Account; and
- Co-ordinate the compilation of project status reports every six months

The Secretary shall

- Be responsible for
- Carrying into effect the decisions of a Constituency Committee;
- The day-to-day administration and management of the affairs of a Constituency Committee;
- Supervision of the staff of the Constituency Committee;
- In consultation with the Chairperson and the officer of the Board seconded to the Constituency, convene Constituency Committee meetings;
- Circulate notices and the agenda of meetings;
- Accurately record the proceedings of every Constituency Committee meeting and after confirmation and execution of the minutes transmit the minutes to the officer of the Board seconded to the Constituency for safe custody.
- Provide guidance to a Constituency Committee on management of meetings;
- Ensure minutes are readily available during subsequent meetings; and
- Ensure and facilitate effective communication amongst the members of a Constituency committee.

Induction and Training of Members

Following their appointment, all members underwent **induction and capacity-building training** facilitated by the NG-CDF Board. The training covered topics such

- Overview of NG-CDF Act 2015
- Project planning, identification and implementation
- Records management
- Public Procurement and Asset Disposal Act 2015
- Disability Mainstreaming
- Gender Mainstreaming
- Corruption Eradication/ Governance
- Anti-Corruption and Economics Act
- Public Finance Management Act
- Disaster management

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- Road safety
- HIV/AIDS prevention
- Alcohol & Drug abuse prevention

Committee Meetings Held

The committee held regular meetings to ensure continuous oversight and decision-making. Below is a summary of the meetings held during the reporting period:

| NAME OF ATTENDANCE | DESIGNATION | 11/07/2024 | 24/07/2024 | 5/08/2024 | 29/08/24 | 16/09/2024 | 19/09/2024 | 8/10/2024 | 30/10/2024 | 6/11/2024 | 20/11/2024 | 2/12/2024 | 24/12/2024 |
|----------------------------|-------------|------------|------------|-----------|----------|------------|------------|-----------|------------|-----------|------------|-----------|------------|
| Qabale Molu Guyo | F.A.M | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Ali Mohamed Salat | Chairman | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Habiba Abdiladif Abdullahi | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Noor Ali | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Suleiman Gosar Mohamed | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Adan Isack Ali | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Adan nur | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Isnina Bishar | Chairman | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Sulekha kulownurow | Member | √ | √ | √ | √ | √ | √ | x | √ | x | x | √ | √ |
| DCC Katana | DCC | √ | x | √ | x | x | x | √ | x | x | x | x | √ |

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| NAME OF ATTENDANCE | DESIGNATION | 6/1/2025 | 30/1/2025 | 4/02/2025 | 24/02/25 | 4/03/2025 | 27/03/25 | 2/04/2025 | 30/04/25 | 5/05/2025 | 26/05/25 | 2/06/2025 | 26/06/25 |
|----------------------------|-------------|----------|-----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| Qabale Molu Guyo | F.A.M | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Ali Mohamed Salat | Chairman | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Habiba Abdiladif Abdullahi | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Noor Ali | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Suleiman Gosar Mohamed | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Adan Isack Ali | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Adan nur | Member | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Isnina Bishar | Chairman | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Sulekha kulow nurow | Member | √ | √ | √ | √ | √ | √ | x | √ | x | x | √ | √ |
| DCC Katana | DCC | x | x | √ | x | x | x | √ | x | x | x | x | √ |

Policy on Conflict of Interest

The committee upholds a strict conflict of interest policy. All members are required to declare any personal or financial interest in matters before the committee. During NG-CDFC meetings and sub-committee meetings, the Members are required to declare any conflict of interest during meetings, which whenever declared, would be recorded in the minutes and in the register. Such members are excused from discussions and decision-making processes related to the conflict to ensure objectivity and integrity.

Members' Remuneration Rates

Members receive sitting allowances as approved by the NG-CDF Board. Travel allowances are also provided for official duties, including project monitoring and stakeholder engagements.

Succession Plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members

Ethics and Conduct

All committee members are bound by the Public Officers Ethics Act and the NG-CDF Code of Conduct. They are expected to demonstrate integrity, impartiality, transparency, and accountability in the discharge of their duties. Regular briefings are conducted on ethical standards and public service values.

Risk Management

During the training conducted by the Board, members were taken through risk management issues to enable them manage risk at the constituency level. Regular audits, stakeholder consultations, and adherence to procurement laws form part of the mitigation strategies.

7. Management Discussion and Analysis

Over the past five financial years, the Wajir North Constituency Development Fund (NG-CDF) has demonstrated exemplary operational and financial stewardship in delivering development outcomes aligned with community needs. With a strategic focus on education, security, emergency response, water access, and climate adaptation, the Fund has implemented transformative projects aimed at improving livelihoods, strengthening service delivery, and enhancing resilience in a fragile and arid environment.

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The Fund's interventions were anchored in the principles of equity, transparency, and sustainability, driven by robust stakeholder engagement and prudent financial management.

Financial Performance

Between FY 2020/2021 and FY 2024/2025, the Fund received cumulative allocations amounting to approximately **KES 823 million**, with consistently high absorption rates. The table below summarizes allocations, expenditures, and absorption across the five-year period:

The Fund consistently achieved high absorption due to sound planning, efficient procurement, and proactive execution, with minimal unutilized balances attributed to weather disruptions and extended consultations.

| FINANCIAL YEARS | ALLOCATIONS(KSH) |
|------------------------|-------------------------|
| 2020/2021 | 137,088,879 |
| 2021/2022 | 137,088,879 |
| 2022/2023 | 158,832,745 |
| 2023/2024 | 192,897,991 |
| 2024/2025 | 197,386,150 |

Sectoral Allocation and Project Implementation Summary

Over the five-year period, the Fund implemented several development projects, focusing on education, security, health, and emergency response.

Bursary Allocations

A total of approximately KES 181.6 million was disbursed in bursaries, supporting over 9,000 **students** in secondary schools, colleges, and universities. Special consideration was given to students pursuing education, medicine, and aviation, and to orphans and vulnerable learners.

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Project Implementation Breakdown

| FY | Bursary (KES) | Total Projects | Education | Security | Health | Emergency(KES) |
|--------------|--------------------|----------------|------------|-----------|----------|-------------------|
| 2020/2021 | 23,000,000 | 40 | 34 | 6 | - | 7,192,206 |
| 2021/2022 | 20,000,000 | 57 | 47 | 9 | 1 | 7,192,207 |
| 2022/2023 | 55,591,461 | 16 | 9 | 7 | - | 7,636,190 |
| 2023/2024 | 42,000,000 | 36 | 34 | 2 | - | 10,152,526 |
| 2024/2025 | 41,000,000 | 58 | 44 | 14 | - | 10,000,000 |
| Total | 181,591,461 | 207 | 168 | 38 | 1 | 42,173,129 |

Key Achievements by Sector

Education Sector

- Construction and renovation of over 60 classrooms across the seven wards.
- Supply and distribution of 1,500+ desks to primary and secondary schools.
- KES 181.6 million disbursed in bursaries, impacting thousands of learners.

Security Sector

- Construction of 3 staff houses and a fully equipped police post, enhancing law enforcement capacity.
- Support towards the establishment of a magistrate court, improving access to justice and legal services.

Emergency and Water Response

- Drilling and equipping of five (5) boreholes, improving water access in arid settlements.
- Emergency relief including food distribution, water trucking, and flood response across vulnerable areas.

Climate Change and Environmental Interventions

- Community-based tree-planting programs in schools and public spaces.
- Promotion of rainwater harvesting systems to bolster water security in drought-affected areas.

Compliance with Statutory Requirements

The Fund strictly adhered to all governing frameworks, including:

- The Public Finance Management (NG-CDF) Regulations, 2016
- The Public Procurement and Asset Disposal Act, 2015

Key compliance milestones include:

- Timely submission of quarterly and annual reports to relevant oversight bodies.
- Transparent bursary vetting and publication of beneficiary lists.
- Maintenance of procurement documentation and audit trails.
- Adherence to budgetary ceilings for development and recurrent expenditures.

Risks and Mitigation Measures

| Risk | Description | Mitigation Measures |
|-------------|---|---|
| Insecurity | Inter-clan and border conflicts affecting certain project sites | Coordination with local security agencies |

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| | | |
|-------------------------------|--|---|
| Inflation and Budget Pressure | Rising project costs impacting scope and timelines | Prioritization, phased implementation |
| Disbursement Delays | Occasional fund delays from National Treasury | Early procurement planning and contingency allocation |

Material Arrears

As of the end of FY 2024/2025, the Fund had no material arrears in statutory deductions, contractor payments, or employee entitlements. All pending bills fall within normal project cycles and are expected to be cleared in the early part of the next financial year.

Economic and Sectoral Review

The implementation period coincided with national and global macroeconomic challenges, including fuel price volatility, inflationary pressures, and climate-related disasters. Despite these headwinds, the NG-CDF's decentralized framework enabled localized, need-responsive, and timely interventions, with the education sector receiving the largest share of investments in line with national human capital development priorities.

Future Developments and Strategic Direction

The Fund will focus on consolidating gains and exploring innovative, tech-driven, and inclusive development approaches. Key upcoming priorities include:

- Digitization of Monitoring & Evaluation for real-time project oversight.
- Expansion of bursary programs, especially for students in STEM fields.
- Climate-smart infrastructure (e.g., solar-powered boreholes, eco-friendly classrooms).
- Youth empowerment hubs in all seven wards, supporting ICT, vocational training, and entrepreneurship.

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Conclusion

The Wajir North Constituency Development Fund has consistently served as a critical instrument for grassroots development. Through sound financial management, stakeholder participation, and strategic investment in priority sectors, the Fund has positively transformed lives across the constituency. As the Fund looks ahead, it remains committed to innovation, accountability, and partnership to deliver even greater impact.



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Name: QABALE MOLU GUYO
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

Environmental Policy

The Wajir North Constituency Development Fund (NG-CDF) is committed to promoting environmental sustainability across all its development initiatives. The Fund is guided by a policy framework that emphasizes:

- Integration of Environmental Impact Assessments (EIAs) in all infrastructure projects;
- Promotion of green infrastructure, including rainwater harvesting, solar energy adoption, and afforestation;
- Zero tolerance for illegal dumping, with support for sustainable and community-driven waste management systems.

Key Environmental Initiatives and Successes

- **Tree Planting Campaigns:** In collaboration with local schools and community groups, the Fund supports annual tree-planting exercises to promote afforestation and environmental awareness.
- **Biodiversity Management:** Borehole drilling projects are executed in accordance with National Environment Management Authority (NEMA) guidelines to minimize ecological disruption and protect groundwater systems.
- **Rainwater Harvesting:** Installation of rainwater harvesting systems in schools and public institutions has significantly reduced dependence on groundwater sources and improved water security in this arid region.

Shortcomings and Areas for Improvement

- There is limited enforcement capacity for sustainable waste disposal at the community level due to the absence of structured waste collection and management systems.
- Public sensitization on environmental issues remains low, particularly in remote and underserved areas.
- Prolonged droughts and harsh climatic conditions have reduced the survival rate of newly planted trees, necessitating ongoing maintenance, follow-up, and replanting efforts.

Environmental Conservation Among Beneficiaries

Environmental stewardship is promoted among NG-CDF-supported students through regular conservation activities, including:

- Tree planting during each rainy season;
- Clean-up campaigns in school environments and neighboring markets.

These programs foster a culture of responsibility and sustainability among young people and the broader community.

Community Sensitization on Drug Abuse

To address the growing issue of drug and substance abuse among the youth, the NG-CDF organizes annual sensitization forums targeting:

- NG-CDF committee members;
- Project Management Committees;
- NG-CDF staff.

These forums aim to raise awareness, strengthen community engagement, and support prevention efforts across the constituency.

Security Projects Implemented

The NG-CDF has played a key role in enhancing peace and security through infrastructure and community interventions. Between FY 2020/21 and FY 2024/25, the Fund implemented the following:

- Establishment of Police Stations and Posts in strategic locations to improve law enforcement presence and response time;
- Construction of Staff Houses, Toilets, and Bathrooms for security personnel in conflict-prone areas to improve their welfare and encourage long-term deployment;
- Fencing and Lighting of Schools and Public Facilities to boost safety, deter vandalism, and promote secure learning environments;
- Support for the Establishment of a Magistrate Court, which has strengthened local access to justice and helped reduce conflict through timely dispute resolution.

3. Employee welfare

We invest in providing the best working environment for our employees. Wajir North constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system are 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. Wajir North constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices

Wajir North Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Wajir North Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects. Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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

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Name: QABALE MOLU GUYO

Fund Account Manager.

9. Statement Of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF Wajir North Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya. In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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


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Name: ALI MOHAMED SALAT
Chairman – NGCDF Committee


.....

Name: QABALE MOLU GUYO
Fund Account Manager

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR NORTH 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 the 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 the Lawfulness and Effectiveness in 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 the 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Wajir North Constituency set out on pages 1 to 63 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes net assets, 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Wajir North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Wajir North Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.309,217,498 and Kshs.260,831,348 respectively resulting in an under-funding of Kshs.48,386,150 or 16% of the budget. Similarly, the Fund spent a total of Kshs.214,447,821 against actual receipts of Kshs.260,831,348 resulting in an under-utilization of Kshs.46,383,527 or 18% 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 these matters.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved:

| No. | Financial Year | Audit Issue |
|-----|----------------|---|
| 1 | 2023/2024 | Unconfirmed Value and Ownership of Land |
| 2 | 2023/2024 | Budgetary Control and Performance |
| 3 | 2023/2024 | Delay in Implementation of Projects |

2. Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.137,420,653 to sixty-eight (68) projects across various sectors including emergency, security, climate, digital hubs, and education. Review of the Project Implementation Status Report revealed that forty-seven (47) projects valued at Kshs.91,788,000 were completed, while twenty-one (21) projects with a budget of Kshs.45,632,653 had not started.

The delay in implementation of projects has negatively affected service delivery to the constituents.

Other Information

The Management is responsible for the Other Information set out on page iii to xlviii 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 the 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Remittance of Statutory Deductions

The statement of financial performance reflects employees' costs of Kshs.8,026,417 as disclosed in Note 7 to the financial statements. However, an amount of Kshs.117,900 in respect of Affordable Housing Levy deductions from employees' salaries and the employer's portion of contributions was not remitted to the Housing Levy Fund. In addition, deductions made from employees' salaries in respect of the National Social Security Fund (NSSF) amounting to Kshs.316,800 and Social Health Insurance Fund (SHIF) amounting to Kshs.73,700 for the period July, 2024 to May, 2025 were remitted to the respective statutory bodies after the statutory deadlines. This was contrary to Section 19(4) of the Employment Act, 2007 which requires an employer who deducts an amount from an employee's remuneration to pay the amount so deducted in accordance with the time period and other requirements specified in the law.

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

2. Failure to Report Utilization of Emergency Funds

The statement of financial performance reflects grants and transfers' expenditure of Kshs.80,182,550. Included in this amount is Kshs.2,763,954 in respect of emergency projects. However, the Management did not provide evidence that the use of the emergency funds was reported to the Board within thirty (30) days of the occurrence of an emergency, as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, which provide 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 circumstance, the Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 is 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

6 November, 2025

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

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

| | Note | Period ended June 2025 |
|---|------|------------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Transfers from the NGCDF Board | 6 | 197,386,150 |
| Total revenue | | 197,386,150 |
| Expenses | | |
| Employee costs | 7 | 8,026,417 |
| Committee expenses | 8 | 6,107,400 |
| Use of Goods and Services | 9 | 18,454,631 |
| Other Government Units Actual expenditure | 10 | 97,862,306 |
| Other Grants and Transfers Actual expenditure | 11 | 80,182,550 |
| Depreciation and amortization expense | 12 | 297,800 |
| Digital Hubs Actual expenditure | 13 | 500,115 |
| Total expenses | | 211,431,219 |
| Other gains/(losses) | | |
| Surplus/(Deficit) for the year | | (14,045,069) |

The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:



Chairman NG-CDF
Committee

Name: ALI MOHAMED
SALAT



National Sub-County
Accountant

Name: RASHID AHMED
MOHAMED
ICPAK M/No: 17483



Fund Account Manager

Name: QABALE MOLU
GUYO

National Government Constituencies Development Fund (NGCDF)
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(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

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

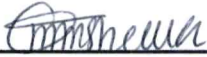
12. Statement Of Financial Position as at 30th June, 2025

| | Note | Period as at June 30 th 2025 | Opening Statement 1st July 2024 |
|---|------|--|------------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash And Cash Equivalents | 14 | 46,383,527 | 49,512,650 |
| Receivables from Non-Exchange Transactions | 15 | 48,386,150 | 62,318,698 |
| Total Current Assets | | 94,769,677 | 111,831,348 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 16 | 694,867 | - |
| Total Non- Current Assets | | 694,867 | - |
| Total Assets (A) | | 95,464,544 | 111,831,348 |
| Liabilities | | | |
| Current Liabilities | | | |
| Third-Party Deposits | 17 | - | 1,300,000 |
| Gratuity provision | 18 | 1,023,000 | 2,044,735 |
| Total Current Liabilities | | 1,023,000 | 3,344,735 |
| Non-Current Liabilities | | - | - |

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

| | | | |
|-----------------------|--|------------|-------------|
| Total Liabilities (B) | | 1,023,000 | 3,344,735 |
| | | | |
| Net Assets (A-B) | | 94,441,544 | 108,486,613 |
| Represented by: | | | |
| Accumulated Surplus | | 94,441,544 | 108,486,613 |

The Constituency financial statements set out on pages 1 to 17 approved by NG CDFC on _____ 2025 and signed by:



 Chairman NG-CDF

Committee
 Name: ALI MOHAMED
 SALAT



 National/Sub-County

Accountant
 Name: RASHID AHMED
 MOHAMED
 ICPAK M/No: 17483



 Fund Account Manager

Name: QABALE MOLU
 GUYO

National Government Constituencies Development Fund (NGCDF)
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

| Description | Reserves | Accumulated surplus/Deficit | Total |
|--|--------------------|-----------------------------|--------------------|
| | Kshs | Kshs | Kshs |
| As at 30 th June 2024 (cash basis) | 41,498,216 | - | 41,498,216 |
| Adjustments: (to recognize assets and liabilities) | | | |
| Add Assets | 70,333,132 | | 70,333,132 |
| Less Liabilities | 3,344,735 | | 3,344,735 |
| As at July 1, 2024 | 108,486,613 | | 108,486,613 |
| | | | |
| Surplus/(Deficit) For the Period | (14,045,069) | | (14,045,069) |
| Revaluation Gain/Loss | - | - | - |
| As at 30th June (current year) | 94,441,544 | - | 94,441,544 |

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

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

| | Notes | Period ended June 2025 |
|--|-------|---------------------------|
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from the NGCDF Board | | 211,318,698 |
| Total Receipts | | 211,318,698 |
| Payments | | |
| Employee costs | | 9,048,152 |
| Committee expenses | | 6,107,400 |
| Use of Goods and Services | | 18,454,631 |
| Other Government Units Certified Works | | 99,162,306 |
| Other Grants and Transfers | | 80,182,550 |
| Digital Hubs Expenses | | 500,115 |
| Total Payments | | 213,455,154 |
| Net Cash Flows from/ (used in) Operating Activities | 19 | (2,136,456) |
| | | |
| Cash flows From Investing Activities | | |
| Purchase of PPE | | (992,667) |
| Purchase of Intangible assets | | - |
| Proceeds From Sale of PPE | | - |
| Net Cash Flows from Investing Activities | | (992,667) |
| Cash Flows from Financing Activities | | |
| Lease payment | | - |
| Net Cash Flows from Financing Activities | | - |
| Net Changes in Cash & Cash Equivalents | | (3,129,123) |

National Government Constituencies Development Fund (NGCDF)
WAJIR NORTH Constituency
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| | | |
|---|----|------------|
| Cash and cash equivalents at Period Start | 14 | 49,512,650 |
| Cash and cash equivalents at Period End | 14 | 46,383,527 |

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

| | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|---------|-------------------|--|---|-------------------|----------------------------|-------------------------------|------------------|
| | Kshs | Kshs | | Kshs | Kshs | Kshs | |
| | a | b | | C=(a+b) | d | e=(c-d) | f=d/c*100 |
| | Insert current FY | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding disbursements | Insert current FY | Insert current FY | | |
| Revenue | | | | | | | |

*National Government Constituencies Development Fund (NGCDF)
 WAJIR NORTH Constituency
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| | | | | | | | |
|---|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|------------|
| Transfers From the NGCDF Board | 197,386,150 | 49,512,650 | 62,318,698 | 309,217,498 | 260,831,348 | 48,386,150 | 84% |
| Totals | 197,386,150 | 49,512,650 | 62,318,698 | 309,217,498 | 260,831,348 | 48,386,150 | 84% |
| Expenses | | | | - | | - | |
| Employee costs | 5,602,500 | 3,445,652 | - | 9,048,152 | 9,048,152 | (0) | 100% |
| Committee expenses | 2,208,000 | 3,899,400 | - | 6,107,400 | 6,107,400 | - | 100% |
| Use of Goods and Services | 9,954,252 | 7,414,590 | 1,085,790 | 18,454,632 | 18,454,631 | 0 | 100% |
| Other Government Units Certified Works | 122,950,000 | 31,732,542 | 61,232,908 | 215,915,450 | 132,166,420 | 83,749,030 | 61% |
| Other Grants and Transfers | 55,388,745 | 2,510,932 | - | 57,899,677 | 48,171,103 | 9,728,574 | 83% |
| Digital Hubs Expenses | 1,282,654 | 509,534 | - | 1,792,188 | 500,115 | 1,292,073 | 28% |
| Total Expenditure | 197,386,150 | 49,512,650 | 62,318,698 | 309,217,498 | 214,447,821 | 94,769,677 | 69% |

National Government Constituencies Development Fund (NGCDF)
WAJIR NORTH Constituency
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| | | | | | | | |
|------------------------|--|--|--|--|--|--|--|
| Surplus for the period | | | | | | | |
|------------------------|--|--|--|--|--|--|--|

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|------------|
| Description | Amount |
| Budget utilization difference totals | 94,769,677 |
| Less undisbursed funds receivable from the Board as at 30th June, 2025 | 48,386,150 |
| Cash and Cash Equivalents at the end of the 30th June 2025 | 46,383,527 |

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

Explanatory Notes.

The overall utilization rate was below 90% in some project categories, mainly due to delays in fund disbursements from the Board,

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|--------------|
| Description | Amount |
| Budget utilisation difference totals | 94,769,677 |
| Less undisbursed funds receivable from the Board as at 30 th June 2025 | (48,386,150) |
| Cash and Cash Equivalents at the end of the 30 th June 2025 | 46,383,527 |

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 _____ 2025 and signed by:



Fund Account Manager



National Sub-County
 Accountant



Chairman NG-CDF
 Committee

Name: QABALE MOLU
 GUYO

Name: RASHID AHMED
 MOHAMED
 ICPAK M/No: 17483

Name: ALI MOHAMED
 SALAT

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

16. Budget Execution by Sectors and Projects for The Year Ended 30th June 2025

| Programme/Sub-program | Original Budget | | | Final Budget | Actual on | |
|---|-------------------|---|---|-------------------|-------------------|--------------------|
| | | | | | comparable basis | Budget utilization |
| | | Adjustments | | | | |
| | | 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 | 5,602,500 | 3,445,652 | | 9,048,152 | 9,048,152 | (0) |
| 1.2 Committee allowances | 1,128,000 | 3,461,400 | | 4,589,400 | 4,589,400 | - |
| 1.3 Use of goods and services | 5,112,667 | 2,930,004 | | 8,042,671 | 8,042,671 | - |
| Sub-total | 11,843,167 | 9,837,056 | - | 21,680,223 | 21,680,223 | (0) |
| 2.0 Monitoring and evaluation | | | | - | | - |
| 2.1 Capacity building | 3,280,000 | 366,455 | 1,085,790 | 4,732,245 | 4,732,245 | - |

National Government Constituencies Development Fund (NGCDF)
WAJIR NORTH Constituency
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| | | | | | | |
|--|-------------------|------------------|------------------|-------------------|-------------------|------------------|
| 2.2 Committee allowances | 1,080,000 | 438,000 | | 1,518,000 | 1,518,000 | - |
| 2.3 Use of goods and services | 1,561,585 | 4,118,131 | | 5,679,716 | 5,679,715 | 0 |
| Sub-total | 5,921,585 | 4,922,586 | 1,085,790 | 11,929,961 | 11,929,960 | 0 |
| 3.0 Emergency | | | | - | | - |
| unutilized | 10,388,745 | | | 10,388,745 | 4,106,988 | 6,281,757 |
| Sub-total | 10,388,745 | - | - | 10,388,745 | 4,106,988 | 6,281,757 |
| 4.0 Bursary and Social Security | | | | - | | - |
| 4.1 Primary Schools | | | | - | | - |
| 4.2 Secondary Schools | 16,500,000 | 1,089,932 | | 17,589,932 | 16,185,000 | 1,404,932 |
| 4.3 Tertiary Institutions | 24,500,000 | 1,401,000 | | 25,901,000 | 25,901,000 | - |
| 4.4 special needs | | | | - | | - |
| 4.5 Education Support Programmes | | | | - | | - |
| 4.6 Social Security | | | | - | | - |
| Sub-total | 41,000,000 | 2,490,932 | - | 43,490,932 | 42,086,000 | 1,404,932 |
| 5.0 Environment | | | | - | | - |
| Fullo Primary | 500,000 | | | 500,000 | 500,000 | - |
| Surayu Primary | 500,000 | | | 500,000 | 478,115 | 21,885 |
| Dadacha Dera primary | 500,000 | | | 500,000 | 500,000 | - |
| Welmure primary | 500,000 | | | 500,000 | 500,000 | - |
| Sub-total | 2,000,000 | - | - | 2,000,000 | 1,978,115 | 21,885 |
| 6.0 Primary Schools Projects | | | | - | | - |
| Suraya Primary | 6,000,000 | | | 6,000,000 | | 6,000,000 |
| Janjale Primary | 2,900,000 | | | 2,900,000 | | 2,900,000 |
| Libi Primary | 2,900,000 | | | 2,900,000 | 2,764,150 | 135,850 |
| Welmure primary | 2,900,000 | | | 2,900,000 | 2,742,290 | 157,710 |

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

| | | | | | | |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fagodud Primary | 2,900,000 | | | 2,900,000 | 2,763,230 | 136,770 |
| Sirey Primary | 4,100,000 | | | 4,100,000 | | 4,100,000 |
| Basanicha Primary | 2,900,000 | | | 2,900,000 | | 2,900,000 |
| Kunchure primary | 800,000 | 1,600,000 | 4,000,000 | 6,400,000 | 6,363,737 | 36,263 |
| Gulani Primary | 1,500,000 | | | 1,500,000 | | 1,500,000 |
| Lesanyu Primary | 3,000,000 | 279 | | 3,000,279 | 2,870,236 | 130,043 |
| Haradula Primary | 1,500,000 | 560 | | 1,500,560 | 1,429,493 | 71,067 |
| Ingirir Primary | 4,000,000 | | | 4,000,000 | 3,862,115 | 137,885 |
| Karduse Primary | 5,000,000 | 800,000 | 2,000,000 | 7,800,000 | 7,798,608 | 1,392 |
| Unsile primary | 500,000 | | | 500,000 | 477,980 | 22,020 |
| Dadacha Dera primary | 2,000,000 | | | 2,000,000 | 1,892,120 | 107,880 |
| Harade Primary | 1,200,000 | | | 1,200,000 | 1,143,885 | 56,115 |
| Malaba Primary | 2,900,000 | 588 | 2,305,130 | 5,205,718 | 5,205,718 | 0 |
| Kulanta Primary | 500,000 | | | 500,000 | 476,954 | 23,046 |
| Golbo Primary | 1,200,000 | | | 1,200,000 | - | 1,200,000 |
| Jarte primary | 2,400,000 | | | 2,400,000 | - | 2,400,000 |
| Elmisanwenye primary | 1,200,000 | 134 | | 1,200,134 | 1,144,031 | 56,104 |
| Watiti primary | 4,500,000 | 802,914 | 970,000 | 6,272,914 | 2,971,872 | 3,301,042 |
| Malkagufu Primary | 5,000,000 | 1,254,949 | | 6,254,949 | 1,745,300 | 4,509,649 |
| Korondille primary | 4,000,000 | 1,300,419 | 2,062,155 | 7,362,574 | 3,362,574 | 4,000,000 |
| Fullo Primary | 1,200,000 | 816,000 | 912,656 | 2,928,656 | 2,928,656 | - |
| Buna Primary | | 2,007,831 | 1,031,078 | 3,038,909 | 3,038,381 | 528 |
| Duhuma Primary | | 1,000,425 | | 1,000,425 | 1,000,425 | - |
| HOTE PRIMARY SCHOOL | | 500,489 | | 500,489 | 498,740 | 1,749 |
| Garade primary | | 800,000 | 2,000,000 | 2,800,000 | 2,800,000 | - |

National Government Constituencies Development Fund (NGCDF)

WAJIR NORTH Constituency

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| | | | | | | |
|--|--------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| GARKILO PRIMARY SCHOOL | | 5,663 | | 5,663 | - | 5,663 |
| Beramo Primary | | 1,349,764 | 3,594,369 | 4,944,133 | 1,149,764 | 3,794,369 |
| Rabsu Primary School | | 1,999,885 | | 1,999,885 | 1,999,603 | 282 |
| Ajawa Primary | | 3,928 | 5,005,000 | 5,008,928 | 5,000,115 | 8,813 |
| FUNANBUA PRIMARY SCHOOL | | 649 | | 649 | 247 | 402 |
| BUTE ARID ZONE PRIMARY SCHOOL | | 401,259 | | 401,259 | 395,740 | 5,519 |
| BUTEHELU MIXED DAY AND BOARDING PRIMARY SCHOOL | | 499,885 | | 499,885 | 499,115 | 770 |
| IDO ROBLE PRIMARY SCHOOL | | 1,085 | | 1,085 | 247 | 838 |
| CHALALQA PRIMARY SCHOOL | | 614 | | 614 | 373 | 241 |
| GODOMA PRIMARY | | 351,486 | | 351,486 | 350,367 | 1,119 |
| Sub-total | 67,000,000 | 15,147,320 | 23,880,388 | 106,027,708 | 68,325,696 | 37,702,012 |
| 7.0 Secondary Schools Projects | (List all the Projects) | | | - | | - |
| Danaba Mixed Secondary | 4,450,000 | 2,783,800 | 7,000,000 | 14,233,800 | 9,383,800 | 4,850,000 |
| Danaba Girls sec | 10,100,000 | | | 10,100,000 | 5,543,766 | 4,556,234 |
| Hon. Takaw sec | 1,200,000 | 280,355 | | 1,480,355 | 279,855 | 1,200,500 |
| Butehelu Secondary | 2,000,000 | 429 | 7,000,000 | 9,000,429 | 7,000,367 | 2,000,062 |
| Gurar Sec | | 1,001,739 | | 1,001,739 | 998,000 | 3,739 |
| Qarsa Bulla Sec School | | 850 | 4,000,000 | 4,000,850 | 4,000,729 | 121 |
| BUTE BOYS SECONDARY SCHOOL | | 805,180 | | 805,180 | 800,740 | 4,440 |
| BUTE MIXED SECONDARY SCHOOL | | 504,279 | | 504,279 | 500,872 | 3,408 |
| | | | | - | | - |
| Sub-total | 17,750,000 | 5,376,632 | 18,000,000 | 41,126,632 | 28,508,128 | 12,618,505 |

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

| | | | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 8.0 Security Projects | | | | - | | - |
| Tula Roba Police | 11,100,000 | | | 11,100,000 | 4,880,432 | 6,219,568 |
| Danaba Police | 5,500,000 | | | 5,500,000 | - | 5,500,000 |
| Korondille Police | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| Gurar Police | 2,000,000 | | | 2,000,000 | | 2,000,000 |
| Danaba ACC's office | 3,000,000 | | | 3,000,000 | | 3,000,000 |
| Batalu ACC | 800,000 | | | 800,000 | | 800,000 |
| Batalu Police | 2,000,000 | | | 2,000,000 | | 2,000,000 |
| Korondille Margistrate court | 7,500,000 | | | 7,500,000 | | 7,500,000 |
| Korondille DCC's toilet | 800,000 | | | 800,000 | - | 800,000 |
| Qarari police | 500,000 | 149 | | 500,149 | 149 | 500,000 |
| Ajawa Police | | 1,001,425 | | 1,001,425 | 1,000,575 | 850 |
| Dadacha Dera Rapid Defense Unit | | 8,600,481 | 9,350,000 | 17,950,481 | 17,950,481 | - |
| Elboruidho police station | - | 1,502,089 | 5,000,000 | 6,502,089 | 6,500,230 | 1,859 |
| Korondille DCC office | | 100,000 | | 100,000 | | 100,000 |
| Sakuno Police station | | 2,675 | 5,002,520 | 5,005,195 | 5,000,482 | 4,713 |
| NYATTA POLICE STATION | | 885 | | 885 | | 885 |
| AJAWA CHIEF OFFICE | | 885 | | 885 | 247 | 638 |
| | | | | - | | - |
| Sub-total | 38,200,000 | 11,208,589 | 19,352,520 | 68,761,109 | 35,332,596 | 33,428,514 |
| 9.0 Others | | | | - | | - |
| Buna ICT | 1,282,654 | 509,534 | - | 1,792,188 | 500,115 | 1,292,073 |
| | | | | - | | - |
| Subtotal | 1,282,654 | 509,534 | - | 1,792,188 | 500,115 | 1,292,073 |

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

| | | | | | | |
|------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| NG-CDF office | 2,000,000 | - | - | 2,000,000 | | 2,000,000 |
| Strategic plan | | 20,000 | - | 20,000 | | 20,000 |
| Sub-total | 2,000,000 | 20,000 | - | 2,020,000 | - | 2,020,000 |
| Total | 197,386,150 | 49,512,650 | 62,318,698 | 309,217,498 | 214,447,821 | 94,769,677 |

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

17. Notes to the Financial Statements

1. General information

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

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 PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (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.

3. Adoption of New and Revised Standards

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

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

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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43: Leases | <p>Applicable 1st January 2025</p> <p>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.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not Applicable</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p>Not applicable</p> |

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|---|---|
| <p>IPSAS 45: Property Plant and Equipment</p> | <p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g., valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Applicable 1st July, 2025</p> <p>IPSAS 45 will require the Entity to apply clearer rules for valuing and accounting for infrastructure assets. This may lead to identifying previously unrecorded assets, revaluing existing ones, and adjusting for under-maintenance.</p> |
| <p>IPSAS 46: Measurement</p> | <p>Applicable 1st January 2025</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>Not Applicable</p> |

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| | |
|--|--|
| <p>IPSAS 47: Revenue</p> | <p>Applicable 1st January 2026</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>Applicable from 1st January,2026</p> |
| <p>IPSAS 48: Transfer Expenses</p> | <p>Applicable 1st January 2026</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>Not applicable</p> |
| <p>IPSAS 49: Retirement Benefit Plans</p> | <p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p> |
| <p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p> | <p>Applicable 1st January 2027</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. |

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| | |
|--|--|
| | <p>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.</p> <p>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> <p>Not applicable</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.

Budget information

The original budget was approved by Parliament on 30 June 2025 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 schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

b) 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.

c) 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.

d) 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.

e) 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 Entity'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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 18

b) Financial liabilities

Classification

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

f) 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.

g) 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

h) 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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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.

i) 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.

j) 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.

k) Employee benefits

Retirement benefit plans

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

obligation. 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 Wajir North 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 Wajir North 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.

l) 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.

m) 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.

n) 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.

o) Comparative figures

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

p) 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.

(Include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from the NGCDF Board

| Description | Period ended June 2025 |
|--|---------------------------|
| NGCDFB Transfers (Allocation for the FY) | 197,386,150 |
| TOTAL | 197,386,150 |

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7. Employee's cost

| Description | Period ended June 2025 |
|--|------------------------|
| | Kshs |
| NG-CDFC Basic staff salaries | 6,368,317 |
| Gratuity to contractual employees | 1,023,000 |
| Employer Contributions Compulsory national social security schemes | 517,200 |
| Employer Contributions Compulsory Housing levy | 117,900 |
| Total | 8,026,417 |

8. Committee Expenses

| Description | Period ended June 2025 |
|--------------------------|------------------------|
| | Kshs |
| Sitting allowance | 1,518,000 |
| Other Committee expenses | 4,589,400 |
| Total | 6,107,400 |

9. Use of Goods and services

| Description | Period ended June 2025 |
|--------------------------------------|------------------------|
| | Kshs |
| Utilities, supplies and services | 420,000 |
| Communication, supplies and services | 125,600 |
| Domestic travel and subsistence | 1,035,400 |

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| | |
|---|-------------------|
| Printing, advertising and information supplies & services | 152,232 |
| Training expenses | 4,732,245 |
| Hospitality supplies and services | 1,182,000 |
| Office and general supplies and services | 7,780,829 |
| Fuel, oil & lubricants | 1,950,000 |
| Bank Charges | 46,325 |
| Total | 18,454,631 |

10. Other Government Units Certified Works

| Description | Period ended June 2025 |
|--------------------------------------|------------------------|
| | Kshs |
| Primary Schools Actual expenditure | 70,654,178 |
| Secondary Schools Actual Expenditure | 27,208,128 |
| Total | 97,862,306 |

11. Other Grants and Other transfers

| Description | Period ended June 2025 |
|---------------------------------------|------------------------|
| | Kshs |
| Bursary – secondary schools | 16,185,000 |
| Bursary – tertiary institutions | 25,901,000 |
| Security projects Actual Expenditure | 35,332,596 |
| Emergency projects Actual Expenditure | 2,763,954 |
| Total | 80,182,550 |

12. Depreciation and Amortization Expenses

| Description | Period ended June 2025 |
|------------------------------|------------------------|
| | Kshs |
| Property Plant and Equipment | 297,800 |
| Total | 297,800 |

13. Digital Hubs Expenses

| Description | Period ended June 2025 |
|---|------------------------|
| | Kshs |
| Construction/ renovation/Actual Expenditure | 500,115 |
| Total | 500,115 |

14. Cash and Cash Equivalents

| Name Of Bank and Account No. | Period ended June 2025 | Opening Statement 1st July 2024 |
|--|------------------------|---------------------------------|
| | Kshs | Kshs |
| Bank Accounts (Cash Book Bank Balance) | | |
| Name Of Bank, Account No. (Operations account) | 10,447,523 | 41,498,216 |
| Name of Bank, account No. (PMC's account) | 35,936,005 | 8,014,434 |
| Total | 46,383,527 | 49,512,650 |

15. Receivables from Exchange Transactions

| Description | Period ended 30 th June 2025 | Opening Statement 1st July 2024 |
|-----------------------|--|------------------------------------|
| | Kshs | Kshs |
| Transfers from NGCDFB | 48,386,150 | 62,318,698 |
| Total | 48,386,150 | 62,318,698 |

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16. Property, Plant and Equipment

| Cost | Lan d | Build ings | Motor vehicl es | Infrastruc ture assets | Furnitur e and fittings | Comp uters & ICT Equip ment | Work in progr ess | Service concessi on assets | Total |
|---|----------|---------------|-----------------------|------------------------------|-------------------------------|---|----------------------------|----------------------------------|---------|
| Opening Bal as at 1st July 2024 | - | - | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | 992,667 | - | - | 992,667 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustments | - | - | - | - | - | - | - | - | - |
| As At 30.06.2025 | - | - | - | - | - | 992,667 | - | - | 992,667 |
| Depreciation And Impairment | | | | | | | | | - |
| Opening bal accumulated depreciation 1st July 2024 | - | | | | | - | - | - | - |
| Depreciation | - | - | - | - | - | 297,800 | - | - | 297,800 |
| Disposals | - | | | | | - | - | - | - |
| As At 30.06.2025 | - | - | - | - | - | 297,800 | - | - | 297,800 |
| Net Book Values | | | | | | | | | - |
| Opening Bal as at 1st July 2024 | - | - | - | - | - | - | - | - | - |
| As At 30.06.2025 | - | - | - | - | - | 694,867 | - | - | 694,867 |

17. Third-Party Deposits

| | Period ended 30 th June 2025 | Opening Statement 1st July 2024 |
|---------------------------------------|--|------------------------------------|
| Retention as at start of the period | 1,300,000 | 1,300,000 |
| Retention held during the period | 6,340,000 | - |
| Retention paid during the period | 7,640,000 | - |
| Closing Retention as at period | - | 1,300,000 |

18. Gratuity provision

| Description | Period ended 30 th June 2025 | Opening Statement |
|---|--|----------------------|
| Gratuity at the beginning of the period | 2,044,735 | - |
| Gratuity held during the period | 1,023,000 | 2,044,735 |
| Gratuity paid during the period | 2,044,735 | - |
| Total Gratuity provision | 1,023,000 | 2,044,735 |

19. Cash Generated from Operations

| | Period ended June 2025 |
|--|------------------------|
| Surplus for the period before tax | (14,045,069) |
| Adjusted for: | |
| Depreciation | 297,800 |
| Non-cash grants received | - |
| Contributed assets | - |
| Impairment | - |
| Gains and losses on disposal of assets | - |
| Contribution to provisions | - |
| Contribution to impairment allowance | - |

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| | |
|--|--------------------|
| Working capital adjustments | |
| Changes in inventory | - |
| Changes in receivables | 13,932,548 |
| Changes in deferred income | - |
| Changes in Third party deposits | (1,300,000) |
| Changes in gratuity provision | (1,021,735) |
| Changes in payments received in advance | |
| Net cash flow from operating activities | (2,136,456) |

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

6. 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 program 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:

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 (2024-2025) | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 48,386,150 | 48,386,150 | - | - |
| Bank balances | 46,383,527 | 46,383,527 | - | - |
| Total | 94,769,677 | 94,769,677 | - | - |
| As at 30 June (2023-2024) | | | - | - |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 62,318,698 | 62,318,698 | - | - |
| Bank balances | 49,512,650 | 49,512,650 | - | - |
| Total | 111,831,348 | 111,831,348 | - | - |

(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

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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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due from NGCDF Board. 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 | Between 1-3 | Over 5 | Total |
|---|-------------|-------------|------------------|------------------|
| | month | months | months | |
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June (2024-2025) | | | | |
| Trade payables | - | - | - | - |
| Current proportion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |
| Gratuity Provision | - | - | 1,023,000 | 1,023,000 |
| Total | - | - | 1,023,000 | 1,023,000 |
| As at 30th June (2023-2024) | | | | |
| Trade payables | - | - | - | - |
| Current portion of borrowings | - | - | - | - |

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| Description | Less than 1 | Between 1-3 | Over 5 | Total |
|--------------------|-------------|-------------|------------------|------------------|
| | month | months | months | |
| | Kshs | Kshs | Kshs | Kshs |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |
| Gratuity Provision | - | - | 2,044,735 | 2,044,735 |
| Total | - | - | 2,044,735 | 2,044,735 |

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 transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected

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payments. The carrying amount of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2024-2025

| Description | In Kshs | Other currencies | Total |
|---|---------|------------------|-------|
| | Kshs | Kshs | Kshs |
| As at 30 th June (2024-2025) | | | |
| Financial Assets | | | |
| Investments | - | - | - |
| Cash | - | - | - |
| Debtors | - | - | - |
| Total Financial Assets | - | - | - |
| Financial Liabilities | | | |
| Trade And Other Payables | - | - | - |
| Borrowings | - | - | - |
| Total Financial Liabilities | - | - | - |
| Net Foreign Currency Asset/(Liability) | - | - | - |

Foreign currency sensitivity analysis

2024-2025

| Description | In Kshs | Other currencies | Total |
|---|---------|------------------|-------|
| | Kshs | Kshs | Kshs |
| As at 30th June (2024-2025) | | | |
| Financial Assets | - | - | - |
| Investments | - | - | - |
| Cash | - | - | - |
| Debtors | - | - | - |
| Total Financial Assets | - | - | - |
| Financial Liabilities | - | - | - |
| Trade And Other Payables | - | - | - |
| Borrowings | - | - | - |
| Total Financial Liabilities | - | - | - |
| Net Foreign Currency Asset/(Liability) | - | - | - |

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 |
| Current FY | | | |
| Euro | 10% | - | - |
| USD | 10% | - | - |
| Previous FY | | - | - |

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| | | | |
|------|-----|---|---|
| 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.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year

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.

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- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Entity considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

| Description | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30 June (2024-2025) | | | | |
| Financial Assets | | | | |
| Quoted Equity Investments | - | - | - | - |
| Non- Financial Assets | | | | |
| Investment Property | - | - | - | - |
| Land And Buildings | - | - | - | - |
| Total | - | - | - | - |
| As at 30th June (2023-2024) | | | | |
| Financial Assets | | | | |
| Quoted Equity Investments | - | - | - | - |
| Non- Financial Assets | | | | |
| Investment Property | - | - | - | - |
| Land And Buildings | - | - | - | - |
| Total | - | - | - | - |

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

iv) Capital Risk Management

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

| Description | 2024-2025 | Opening Statement 1 st July 2024 |
|--|-------------------|---|
| | Kshs | Kshs |
| Revaluation Reserve | 94,441,544 | 108,486,613 |
| Retained Earnings | (14,045,069) | - |
| Capital Reserve | - | - |
| Total Funds | 80,396,475 | 108,486,613 |
| Total Borrowings | - | - |
| Less: Cash and Bank Balances | 46,383,527 | 49,512,650 |
| Net Debt/ (Excess Cash and Cash Equivalents) | 34,012,948 | 58,973,963 |
| Gearing | 0% | 0% |

7. Related Party Disclosures

| | 2024-2025 | Opening Statement 1 st July 2024 |
|--|--------------------|---|
| | Kshs | Kshs |
| Committee Members Remuneration | | |
| Sitting allowance of committee Members during the year | 6,107,400 | - |
| | | |
| Transaction with the NGCDF Board | | |
| Transfers from the NGCDF Board during the year | 197,386,150 | - |
| Total | 197,386,150 | - |

8. 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)

9. Contingent Assets and Contingent Liabilities

Contingent Assets

| Description | 2024-2025 | Opening Statement 1 st July 2024 |
|--|-----------|---|
| | 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 | - | - |

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 | - | - |

10. 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).

11. Events after the Reporting Period

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

12. Ultimate And Holding Entity

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

13. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

| CO UN TY | CONSTITUENCY | ASSET NAME DESCRIPTION | ASSET CATEG ORY | ASSET TAG. NO | SERIAL NUMBER | ACQUI SITION DATE | PURC HASE COST |
|--------------------------------|----------------|----------------------------|-----------------------|------------------|------------------|-------------------------|-----------------------|
| BUILDING AND STRUCTURES | | | | | | | |
| Waji r | Wajir North | 1 acre of land | Office Land | | | | |
| | | building and structures | office block | CDF/WN/033/ 0 | | | 5,000, 000 |
| waji r | Wajir North | underground water tank | Tank | | | | 300,0 00 |
| Sub total | | | | | | | 5,300, 000 |

| ICT EQUIPMENT, SOFTWARE AND OTHER ICT ASSETS | | | | | | | |
|---|----------------|--|----------------------|------------------------|-------------------------|---------------|------------|
| waji r | Wajir North | printer | ict equipme nt | CDF/WN/034/ PR/01 | | 15/9/20 08 | 20,00 0 |
| waji r | Wajir North | Digital camera | ict equipme nt | CDF/WN/034/ DGT/01 | 4137008 | 15/9/20 08 | 16,000 |
| waji r | Wajir North | one computer and its Accessories | ict equipme nt | CDF/WN/034/ CP/01 | 00045425- 476-015 | 15/9/20 08 | 46,00 0 |
| waji r | Wajir North | safaricom modem | ict equipme nt | CDF/WN/MD M/001-002 | HSPA/USBTIC K/-E1750 | 16/6/20 10 | 12,000 |

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| | | | | | | | |
|-------|-------------|--------------------|---------------|-----------------------|-----------------------|------------|--------------|
| wajir | Wajir North | 1laptops | ict equipment | CDF/WN/LPT/01-02 | 250GB TOSHIBA X90198R | 16/06/2010 | 90,000 |
| wajir | Wajir North | 1laptops | ict equipment | CDF/WN/LPT/01-02 | 250GB TOSHIBA X90198R | 16/06/2010 | 90,000 |
| wajir | Wajir North | Printer | ict equipment | CDF/WN/034/PRT/01 | CNC JGU43887 | 16/4/2010 | 20000 |
| wajir | Wajir North | 1 Desktop computer | ict equipment | NGCDF/WN/2024-2025/A1 | NGCDF/WN/2024-2025/A1 | 23/5/2025 | 267.000 |
| wajir | Wajir North | 2 laptop computers | ict equipment | NGCDF/WN/2024-2025/A2 | NGCDF/WN/2024-2025/A2 | 23/5/2026 | 553391 |
| wajir | Wajir North | 1 laser printer | ict equipment | NGCDF/WN/2024-2025/A3 | NGCDF/WN/2024-2025/A3 | 23/5/2027 | 129,948 |
| wajir | Wajir North | 1 Harddrive 1TB | ict equipment | NGCDF/WN/2024-2025/A4 | NGCDF/WN/2024-2025/A4 | 23/5/2028 | 13,328 |
| wajir | Wajir North | 4 Mouse | ict equipment | NGCDF/WN/2024-2025/A5 | NGCDF/WN/2024-2025/A5 | 23/5/2029 | 5000 |
| wajir | Wajir North | 6 Power Banks | ict equipment | | | | 24000 |
| | | | | | | subtotal | 1,286,667.00 |

OFFICE EQUIPMENT
FURNITURES AND FITTINGS

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| | | | | | | | |
|-----------|----------------|---------------------------|--------------------------|----------------------------------|-----------|---------------|----------------|
| waji r | Wajir North | Executive Table | furniture | CDF/WN/EXT- 001 | | 15/9/20 08 | 32,00 0.00 |
| waji r | Wajir North | 12 Seminar chairs | furniture | CDF/WN/SM/C H/01-12 | | 15/9/20 08 | 66,00 0.00 |
| waji r | Wajir North | Two executive table | furniture | CDF/WN/034- EXT-001-002 | | 15/9/20 08 | 20,00 0.00 |
| waji r | Wajir North | Ten office chairs | furniture | CDF/WN/CH/2 011/20-12/001 | | 20/5/2 012 | 75,00 0.00 |
| waji r | Wajir North | Two executive | furniture | CDF/WN/ECH/ 001-002 | | 20/5/2 012 | 150,00 0.00 |
| waji r | Wajir North | Two OFFICE DESK | furniture | CDF/WN/DESK S/001-002 | | 20/5/2 012 | 70,00 0.00 |
| waji r | Wajir North | One CONFERENCE | furniture | CDF/WN/CT/0 01 | | 20/5/2 012 | 65,00 0.00 |
| waji r | Wajir North | 3 cabinets | office equipme nts | CDF/WN/WJR/ CBNT/001/- 003 | | 15/9/20 08 | 72,00 0.00 |
| waji r | Wajir North | One cabinet | office equipme nt | CDF/WN/034- 004 | | 15/9/20 08 | 25,00 0.00 |
| waji r | Wajir North | Solar power controller | office equipme nt | CDF/WN/034/ SP-001 | 12 Vol-6a | 15/9/20 08 | 5,000. 00 |
| waji r | Wajir North | One cabinet | office equipme nt | CDF/WN/CBT/ 005 | | 16/6/20 10 | 25,00 0.00 |
| waji r | Wajir North | THREE CABINETS | office equipme nt | CDF/WN/CBN T/005-008 | | 20/5/2 012 | 156,00 0.00 |
| | | | | | | SUB | 761,00 |
| | | | | | | TOTAL | 0.00 |

**OTHER MACHINERIES
AND EQUIPMENT**

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| | | | | | | | |
|----------------------------|-------------|---------------------|---------------|-------------------|------------|--------------------|--------------------------|
| Wajir | Wajir north | solar panel | other machine | CDF/WN/034/SP/011 | 0745ch0391 | 15/09/2008 | 26.00 0.00 |
| wajir | Wajir North | Generator2200 | other machine | CDF/WN/GNR T/001 | SH 4600EX | 16/06/2010 | 124.00 0.00 |
| | | | | | | SUB TOTAL | 150.00 0.00 |
| TRANSPORT EQUIPMENT | | | | | | | |
| wajir | Wajir North | Toyota land cruiser | VEHICLE | CDF/WN/01/10 | GK A063V | 6/10/2010 | 3,400,000.0 0 |
| | | | | | | SUB TOTAL | 3,400,000.0 0 |
| | | | | | | GRAND TOTAL | 10,897,667 |

| Asset class | Historical Cost/valuation cost balance brought forward (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End |
|--------------------------|---|----------------------------------|----------------------------------|------------------------------------|
| Land | | | | |
| Buildings and structures | 5,300,000 | | | 5,300,000 |
| Transport equipment | 3,400,000 | | | 3,400,000 |

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| Asset class | Historical Cost/valuation cost balance brought forward (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End |
|---|--|---|--|---|
| Office equipment, furniture, and fittings | 761000 | | | 761000 |
| ICT Equipment and Other ICT Assets | 294,000 | 992,667 | | 1,286,667.00 |
| Other Machinery and Equipment | 150,000 | | | 150,000.00 |
| Intangible assets | | | | |
| Total | 9,905,000 | 992,667 | | 10,897,667 |

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Annex 2 –PMC Bank Balances As At 30th June 2025

| PMC | Bank | Account number | Bank Balance 24-25 | Bank Balance 23-24 |
|--|------|----------------|--------------------|--------------------|
| ELMISANWAYNE PRIMARY SCHOOL | KCB | 1319624294 | 56,104 | 134 |
| KORONDILE PRIMARY SCHOOL | KCB | 1320101771 | 4,000,000 | 500,419 |
| LENSAYU PRIMARY SCHOOL | KCB | 1326617303 | 130,043 | 279 |
| BERAMO PRIMARY SCHOOL | KCB | 1327566125 | - | 349,764 |
| MALABA PRIMARY SCHOOL | KCB | 1261779509 | 148,405 | 588 |
| FUNANBUA PRIMARY SCHOOL | KCB | 1326683780 | 402 | 649 |
| WATITI NEP PRIMARY SCHOOL. | KCB | 1239580010 | 3,301,042 | 802,914 |
| BUTE ARID ZONE PRIMARY SCHOOL | KCB | 1259208761 | 5,519 | 401,259 |
| BUNA PRIMARY SCHOOL | KCB | 1311007679 | 528 | 552,767 |
| BUTEHELU MIXED DAY AND BOARDING PRIMARY SCHOOL | KCB | 1326580760 | 770 | 499,885 |
| MALKAGUFU PRIMARY SCHOOL | KCB | 1326474022 | 1,029 | 199,885 |
| IDO ROBLE PRIMARY SCHOOL | KCB | 1138337552 | 838 | 1,085 |
| GARKILO PRIMARY SCHOOL | KCB | 1239775539 | 5,663 | 5,663 |
| HOTE PRIMARY SCHOOL | KCB | 1172770298 | 1,749 | 500,489 |
| CHALALQA PRIMARY SCHOOL | KCB | 1153908190 | 241 | 614 |
| RABSU PRY | KCB | 1327795205 | 282 | 399,885 |
| KARADUSE PRIMARY | KCB | 1326497448 | 1,392 | |
| GODOMA PRIMARY | KCB | | 1,119 | 351,486 |
| KUNJURE PRIMARY | KCB | 1326511556 | 36,263 | |
| FULLO JSS | KCB | 1324559446 | 66,655 | |

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| PMC | Bank | Account number | Bank Balance 24-25 | Bank Balance 23-24 |
|-----------------------------------|------|----------------|--------------------|--------------------|
| DUHUMA PRIMARY | KCB | 1319636381 | - | 425 |
| GARADE PRIMARY | KCB | 1322594643 | - | |
| INGIRIR PRIMARY | KCB | 1337531111 | 137,885 | |
| SURAYU PRIMARY | KCB | 1340267675 | 3,021,885 | |
| DATACHA DERA PRIMARY | KCB | 1324748389 | 107,880 | |
| WELMUR PRIMARY | KCB | 1339809958 | 157,710 | |
| HARADE MIXED PRIMARY | KCB | 1339795515 | 56,115 | |
| FARGADUD PRIMARY | KCB | 1340810018 | 136,770 | |
| LIBI PRIMARY | KCB | 1340805804 | 135,850 | |
| HARADULA PRIMARY | KCB | 1240158920 | 71,067 | 560 |
| UNSILE PRIMARY | KCB | 1337530859 | 22,020 | |
| KULANTA PRIMARY | KCB | 1339795493 | 23,046 | |
| GOLBO PRIMARY | KCB | 1337556807 | 1,200,000 | |
| AJAWA PRIMARY | KCB | 1167357744 | 3,813 | 3,928 |
| JARTE PRIMARY | KCB | 1325482765 | 2,400,000 | |
| BASANINCHA PRY | KCB | 1340399482 | 2,400,000 | |
| HON. TAKAW GIRLS SECONDARY SCHOOL | KCB | 1319624243 | 2,200,500 | 280,355 |
| BUNA GIRLS SECONDARY SCHOOL | KCB | 1324730943 | - | - |
| DANABA MIXED DAY SECONDARY SCHOOL | KCB | 1327537826 | - | 1,830,800 |
| BUTE BOYS SECONDARY SCHOOL | KCB | 1105768678 | 4,440 | 805,180 |
| BUTE MIXED SECONDARY SCHOOL | KCB | 1167543580 | 3,408 | 504,279 |
| QARSA ABULA SECONDARY | KCB | 1259682714 | 121 | 850 |

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| PMC | Bank | Account number | Bank Balance 24-25 | Bank Balance 23-24 |
|---------------------------------|------|----------------|--------------------|--------------------|
| SCHOOL | | | | |
| BUTEHELU SECONDARY | KCB | 1320667465 | 800,062 | 429 |
| GURAR MIXED SECONDARY | KCB | 1297126432 | 3,739 | 1,739 |
| DANABA GIRLS SECONDARY | KCB | 1340729091 | 3,756,234 | |
| QARARI POLICE STATION | KCB | 1319671411 | 638 | 149 |
| AJAWA CHIEF OFFICE | KCB | 1319947638 | - | 885 |
| DADACHA DERA RAPID DEFENCE UNIT | KCB | 1331394716 | 2,193 | 481 |
| SAKUNO POLICE STATION | KCB | 1319669778 | 6,219,568 | 2,675 |
| TULU ROBA POLICE STATION | KCB | 1319670946 | (498,141) | |
| ELBORUIDO POLICE STATION | KCB | 1320117481 | 800,000 | 2,089 |
| KORONDILLE DCC | KCB | 1341327329 | 885 | |
| NYATTA POLICE STATION | KCB | 1319669255 | 850 | 885 |
| AJAWA POLICE STATION | KCB | 1319947638 | 5,000,000 | 1,425 |
| DANABA POLICE STATION | KCB | 1341907082 | - | |
| BUNA ICT | KCB | 1319670350 | 9,419 | 9,534 |
| | | | | |
| | | | | |
| Total | | | 35,936,005 | 3,441,755 |

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) |
|--|---|---|-----------------------------------|---|
| | <p>Unconfirmed value and ownership of land.</p> <p>Review of the Asset register maintained revealed that the Fund owns one (1) acre parcel of land where its office sits. However, the title deed for the land was not provided for audit verification.</p> | <p>Following the review, we have obtained a formal recommendation for the issuance of the title deed from the area chief, alongside minutes from the land committee confirming the allocation and rightful ownership of the land by the Fund. We are currently liaising with the county</p> | <p>Not Resolved</p> | <p>In Consultation with the auditor and awaiting appearance before the Decentralized funds accounts committee of the National Assembly.</p> |

*National Government Constituencies Development Fund (NGCDF)
 WAJIR NORTH 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) |
|--|---|---|---|---|
| | In the circumstance, the accuracy and ownership of land of the fixed assets could not be confirmed. | government of Wajir to finalize the process of title deed issuance. The obtained documents serve as interim proof of ownership of the land by the Fund. | | |
| | Budgetary control and performance, The summary statement of appropriation reflects final receipts budget and actual on comparable basis of kshs 341,652,449 and kshs 279,333,751 | The delayed release of funds resulted in an 18% shortfall of Kshs. 62,318,698 against the budget for the financial year, limiting our ability to fully implement planned projects within the financial year. | Not Resolved | In Consultation with the auditor and awaiting appearance before the Decentralized funds accounts committee of the National Assembly. |

*National Government Constituencies Development Fund (NGCDF)
 WAJIR NORTH 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>respectively resulting to underfunding of 62,318,698 or 18% of the budget. Similarly, the fund spent kshs 237,835,535 against an actual receipt of kshs 279,333,751 resulting to a budget under performance of kshs 41,498,216 representing 15% of the actual receipt budget.</p> | <p>We have also maintained close communication with the NGCDF Board, providing regular updates on how funding delays are affecting project timelines and requesting timely fund releases.</p> <p>Management supports the recommendation that the NGCDF Board and National Treasury expedite the disbursement process to align with project</p> | | |

National Government Constituencies Development Fund (NGCDF)
WAJIR NORTH 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) |
|--|---|---|---|--|
| | | timelines. Timely fund allocation is critical to reducing delays, ensuring continuity, and maintaining quality in public service delivery for the constituency. | | |
| | | | Not Resolved | In Consultation with the auditor and awaiting appearance before the Decentralized funds accounts committee of the National Assembly. |

QABALE

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Name: QABALE MOLU GUYO
Fund Account Manager.

