

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF


THE AUDITOR-GENERAL

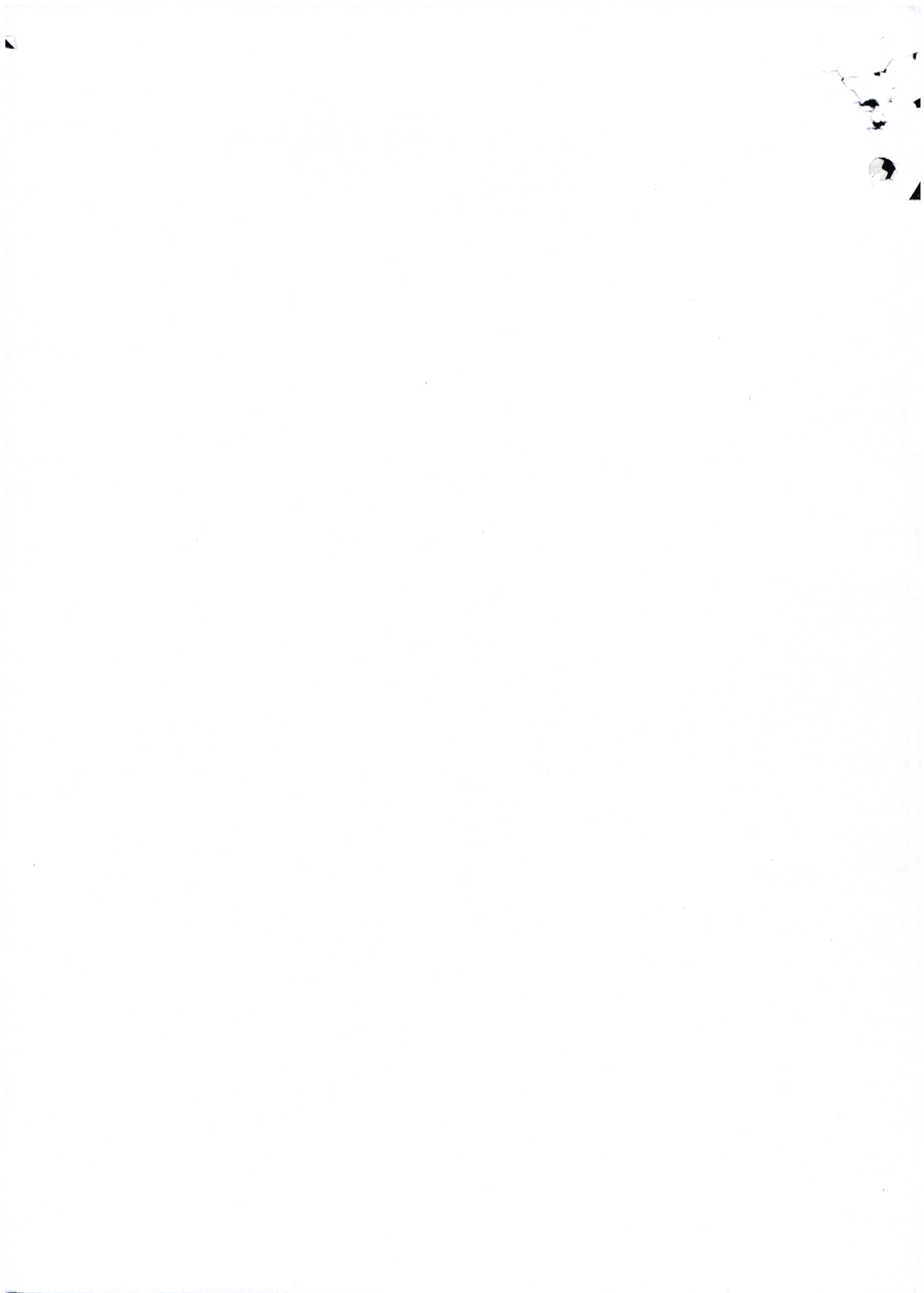
ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
WAJIR SOUTH CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 DEC 2025
	DAY: Wednesday
TABLED BY:	Hon. Naomi Wago, MP
CLERK-AT THE-TABLE:	Gebrudo Cheset





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

WAJIR SOUTH 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 South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committee	vii
4. NG-CDFC Chairman’s Report	ix
5. Statement of Performance Against Predetermined Objectives for FY2024/2025	xii
6. Governance Statement	xiv
7. Management Discussion and Analysis.....	xix
8. Environmental and Sustainability Reporting	xxii
9. Statement of Management Responsibilities	xxviii
10. Report of the Independent Auditor on the NGCDF- Wajir South Constituency.....	xxx
11. Statement of Financial Performance for the Year Ended 30th JUNE 2025	1
12. Statement of Financial Position as at 30th June, 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	4
14. Statement of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 JUNE 2025	6
16. Budget Execution by Sectors and Projects for The Year Ended 30 th JUNE 2025	9
17. Notes to the Financial Statements.....	20
39. Annexes.....	53

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF WAJIR SOUTH 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	Shafee Hassan Odhowa
2.	National Sub-County Accountant	Nasir Ahmed Sheikh
3.	Chairman NGCDFC	Yussuf Abdi Abdullahi
4.	Member NGCDFC	Adan Duale Kadid
5.	Member NG CDFC	Dakan Salat

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Wajir South 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 South Constituency Headquarters

P.O. Box 90-70201
Wajir South NG-CDF Offices
Opposite Habaswein Community Library
Habaswein, KENYA

(e) NGCDF Wajir South Constituency Contacts

Telephone: (254) 729224379
E-mail: cdfwajirsouth@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Wajir South Constituency Bankers

1. National Bank of Kenya
Wajir branch
Account number 5325533770
P.o Box 67-70200
Wajir, Kenya
2. National Bank of Kenya
Wajir branch
Account number 7717708310
P.o Box 67-70200
Wajir, Kenya
3. PMC Bank Accounts
NBK: various
Equity: various
KCB: Various

(g) Independent Auditor

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

(h) Principal Legal Adviser




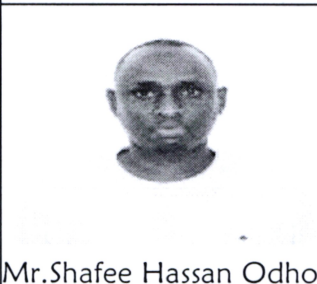
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

3. NGCDF Committee

Name	Details
 Mr. Yussuf Abdi Abdullahi- Chairman	Date of Birth:1960 Academic Qualification: Master's Degree Profession: Teacher Work Experience: over 30 years
 Mr. Aden Duale Kadid-Secretary	Date of Birth:1991 Academic Qualification: Degree Profession: Teacher Work Experience: over 7 years
 Ms. Dakan Salat Muhumed- Member	Date of Birth:1963 Academic Qualification: Typewriter Profession: Typist Work Experience: Over 20 years
 Ms. Binta Haret Hassan-Member	Date of Birth:2002 Academic Qualification: Diploma Profession: Animal Health Production Work Experience: Over 2 years
 Mr. Abdiwahab M. Dahir- Member	Date of Birth:1980 Academic Qualification: KCSE Profession: Business Work Experience: Over 10 years

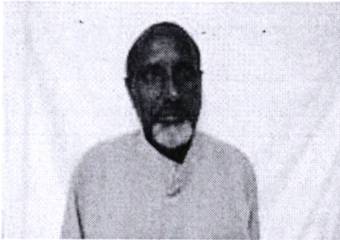
*National Government Constituencies Development Fund (NGCDF)
Wajir South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

	Mr. Ali dhahir Abdullahi--Member	Date of Birth:1968 Academic Qualification: Madarasa Graduate Profession: Business Work Experience: over 10 Years
	Mrs. Nadhifa Muhumed Adan- Member	Date of Birth:1998 Academic Qualification: K.C.S.E Profession: Student Work Experience: over 2 Years
	Mr.Ib rahim Sirat Farah - Mem ber	Date of Birth:1968 Academic Qualification: Diploma Profession: Accountant Work Experience: over 30 years
	Mr.Shafee Hassan Odhowa-FAM	Date of Birth:1988 Academic Qualification: Masters Profession: Finance Work Experience: over 10 years

OUTGOING NG-CDF MEMBER

NAME	DETAILS	PERIOD SERVED
Khalif Sirat Farah	Member	2 years

4. NG-CDFC Chairman's Report

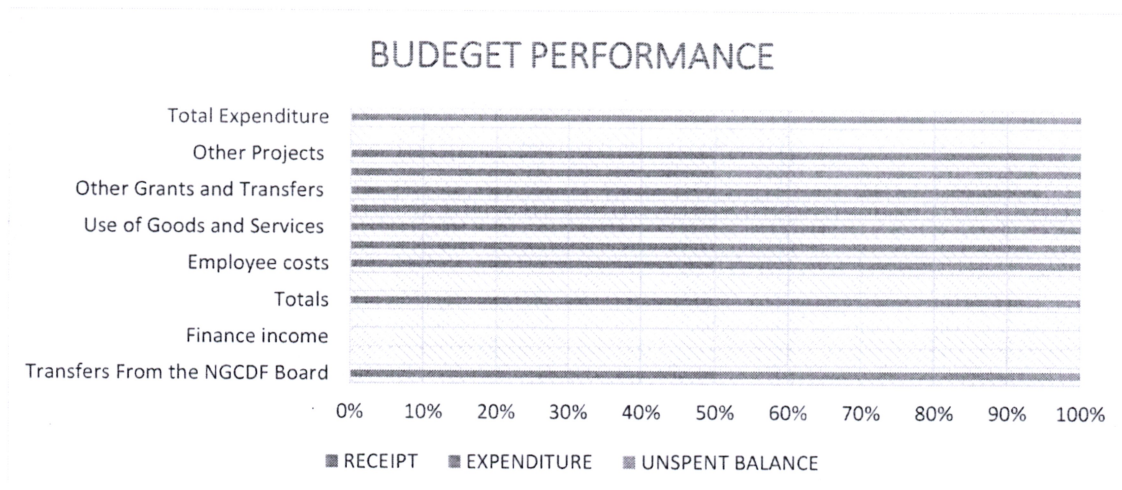


Yussuf Abdi Abdullahi

On behalf of the Constituency Development Fund Committee, I am pleased to present the Chairman's Report for the financial year ended 30 June 2025. The Fund remained committed to delivering impactful development projects aimed at improving the welfare of the people of Wajir South.

Budget Performance

During the year, the Fund was allocated Ksh 197,386,150 but received Ksh 149,000,000, representing 75% of the allocation. The Constituency also received arrears from previous financial years amounting to Ksh 56,396,374, in addition to an unspent balance of Ksh 66,040,114. This brought the total funds available for use during the year to Ksh 319,831,305. Actual expenditure stood at Ksh 211,568,727, leaving an unspent balance of Ksh 108,262,578. The under-expenditure was mainly attributed to delayed disbursements and procurement processes, and the Committee continues to strengthen efficiency in fund absorption and project implementation.



Key Achievements

A total of over Ksh 68 million was disbursed as bursaries, significantly supporting access to education. This continued investment has contributed to higher literacy levels, improved school enrolment, transition, retention, and completion rates across the constituency. In addition, targeted efforts were made to address project execution and reporting challenges.



Senior Chief Ogle Girls Secondary School: Construction to Completion of Dining Hall and Kitchen.

The Committee funded the construction of a 500-capacity dining hall and kitchen at Senior Chief Ogle Girls Secondary School. This project has significantly improved the school's learning environment by providing students with a clean, spacious, and dignified place to take their meals. In addition, the facility serves as a versatile space for co-curricular activities such as drama, plays, and other school events, thereby enriching the overall student experience and fostering talent development alongside academic growth.



Biyamathow Police Station: Construction to completion of Office block and staff Houses

The Committee funded the construction of Biyamathow Police Station from the ground up, transforming it into a fully operational facility. This development has significantly enhanced security in the area, providing residents who have endured a wide range of security challenges for many years with improved safety, quicker response to incidents, and a stronger law enforcement presence.

Challenges and Emerging Issues

The emerging issues facing Wajir South NG-CDF during the 2024/2025 financial year include:

- Delayed disbursement of funds from the NG-CDF Board, which slowed project implementation and resulted in a 66% absorption rate;
- Weak record-keeping and non-compliance with procurement laws by some Project Management Committees.
- Delays in submitting expenditure returns.
- Shortage of technical officers to provide necessary project management support;
- Growing demand for school infrastructure development.

Way Forward to address the challenges and emerging issues

The Committee is addressing these through:

- improved planning, capacity building, stricter compliance enforcement, seeking technical support, and prioritizing urgent infrastructure needs in its strategic plan.

Appreciation

I wish to extend my sincere gratitude to the NG-CDF Board, constituency stakeholders, community leaders, and the residents of Wajir South for their support, oversight, and cooperation. Together, we remain steadfast in our mission to deliver development that transforms lives.



.....
**Name: Mr. Yussuf Abdi Abdullahi
Chairman NGCDF Committee**

5. Statement of Performance Against Predetermined Objectives for FY2024/2025

Introduction

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

The key development objectives of the **NGCDF Wajir South Constituency 2024/2025** plan are to:

- a) To enhance school performance in national examinations by improving the learning environment, including provision of adequate facilities and resources.
- b) To promote youth, women, and persons with disabilities in participation in socio-economic development initiatives within the constituency.
- c) To strengthen local education & security infrastructure through the construction of classrooms, houses, offices resource centers, and other facilities.
- d) To build the capacity of the of the project management committees in planning, implementing, and managing development projects effectively.
- e) To enhance community awareness and capacity on environmental conservation and sustainable practices within public institutions.
- f) To develop ICT infrastructure, such as i-hubs in each ward, for incubation of business ideas, integrated within public libraries and resource centers.

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:

Sector	Objective	Outcome	Indicator	Performance
Education	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 - we increased number of classrooms, toilets laboratories by 22 - Bursary beneficiaries in the financial were approximately

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

				4000 in number
Emergency Support	To improve preparatory and response mechanisms in the constituency	Catering for any unforeseen occurrences in the constituency (e.g., Renovation of Classrooms)	Number of rehabilitated structure in the constituency	The number of rehabilitated classrooms increases by 13
Environment	To promote environmental sustainability in the constituency	Purchase of tree seedlings and their planting/Organizing tree planting days	Numbers trees in various public institution	A forestation and environmental conservation
Security	To enhance security in the constituency	Construction/renovation of offices/houses for chiefs and Ass. Chiefs, police, Administration offices	Number of office & houses	In FY 2024/25 - we increased number of staff houses, toilets offices etc. from 18 to 24
Tracking of results	To strengthen performance measurement mechanisms	Monitoring and Capacity Building of NG-CDFC's and PMC's	Number of Routine monitoring & capacity Building exercise undertaken	Decreased number of PMCs/projects audit related issue

6. Governance Statement

Process of Appointment

Section 43 of the National Government Constituency Development Fund Committee Act 2015 amended 2022 states that, there is established a National Government Constituency Development Fund Committee for every constituency.

The seven persons shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The Board to the National Assembly for approval shall submit the names of the persons selected before appointment and gazettelement by the Board. The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or the Board may approve as. Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency by the Board. The quorum of the Constituency Committee shall be one-half of the total membership.

Appointment process of Wajir South NG-CDF Committee

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

Out of the total 10 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees.

NOMINEES OF THE SELECTION PANEL

NO	NAME	CATERGORY	WARD
1	Yussuf Abdi Abdullahi	Man(Adult)	Habaswein
2	Adan Duale Kadid	Man(Youth)	Burder
3	Dakan Salat Muhumed	Woman(Adult)	Dadajabula
4	Binta Haret Hassan	Woman(Youth)	Ibrahim Ure
5	Ali dahir Abdullahi	Man(Adult)	Banane
6	Nadhifa Muhumed Adan	Woman(Youth)	Ibrahim ure

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

NOMINEE OF BODY REPRESENTING PERSON WITH DISABILITY

NO	NAME	NATURE OF DISABILITY	NOMINATING ORGANIZATION	REMARKS
1	Abdiwahab Muhumed Dahir	Physical	Diff Disable Youth Group	Able to attend meetings without an aid

The NG-CDFC members were gazetted on 21st May 2025. The members had their inaugural meeting on 26th May 2025. The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position -Mr. Yussuf Abdi Abdullahi
2. Secretary position –Adan Duale Kadid

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

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

The following were appointed to the different committees

i. Bursary committee

1. Ibrahim Sirat Sheikh - Member
2. Dakan Abdullahi - Member
3. Nadhifa Muhumed - Member

ii. Complaints resolution committee

1. Ali Dahir Abdullahi - Member
2. Abdiwahab Muhumed - Member
3. Adan Duale Kadid - Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

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

Removal of NGCDFC Members,

A member of the Constituency Committee may be removed from office on any one or more of the following grounds— (a) lack of integrity; (b) gross misconduct; (c) embezzlement of public funds; (d) bringing the committee into disrepute through unbecoming personal public conduct; (e) promoting unethical practices; (f) causing disharmony within the committee; (g) physical or mental infirmity. A decision to remove a member shall be made through a

resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection 13 and 14 shall be filled in the manner set and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

Roles and Functions of the Committee

- i. Capacity builds Project Management Committees.
- ii. Consider all project proposals from all wards.
- iii. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
- iv. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
- v. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
- vi. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;
- vii. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- viii. Ensure labelling of projects as per guidelines issued by the Board;
- ix. Recruit staff as per Section 45 of the Act.

Induction and Training of Members.

In consultation with the NGCDF Board and the performance contract signed for the F/Y 2024/2025, the Board came up with a comprehensive training program, which covered various topics of importance in the daily management of the funds at the constituency level. In the financial year 2024/2025 the NG-CDF Wajir county constituency organized training for members.

NG-CDFC members for Wajir South Constituency were among the committee members trained on 26th June 2025 at Garissa. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF wajir South

Number of Meetings Held & Members Remuneration

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. The SRC and board circular remunerate the members as per the issued guidelines. Chairperson Ksh 7,000 per sitting and members' Ksh 5,000 per sitting.

During the financial year 2024/2025 the NG-CDFC Wajir South held 12 meetings and One subcommittee meetings and the attendance was as follows

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

S/NO.	NG-CDF COMMITTEE MEMBERS	JUL 16 th 2024	AUG 20 th 2024	SEP 16 th 2024	OCT 10 th 2024	DEC 12 th 2024	JAN 15 th 2025	FEB 10 th 2025	MAR 27 th 2025	APR 22 nd 2025	May 26 th 2025
1	Yussuf Abdi Abdullahi- chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Adan Duale Kaddi - Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Nadhifa Muhumed - member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dakan Abdullahi - Member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Abdiwahab M. Dahir - member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Ali Dahir Abdullahi member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Ibrahim Sirat Sheikh -member										✓
8	Binta Haret Hassan - member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Shafee Hassan odhow -FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Hillary Koech-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

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

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

- iii. Leadership- NG-CDFC members should promote leadership in the constituency.

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

Disclose Policy On Conflict of Interest

At the start of every meeting and having the agendas of the meeting circulated before, the members sign the conflict of interest disclosure. This will prevent the member to discuss the agenda or made any contribution towards it.

Risk management

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

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

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

7. Management Discussion and Analysis

Establishment and Management of the Fund

Section 4 of the Act states that: There is established a fund to be known as the National Government Constituencies Development Fund which shall—(a) Be a National Government Fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;

The Fund Account Manager shall hold the authority to incur expenditure of the funds at the constituency account. Further, projects under this Act shall only be in respect of works and services falling within the exclusive functions of the national government as provided in the Constitution. However, the administration of the fund is done through the Constituency Committee.

NG- CDF Wajir South Constituency, pursuant to Section 34 of the Act, was allocated Ksh. 826,793,027.23 Between FY 2020/2021 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,088,879.31
2021/2022	137,088,879.00
2022/2023	158,832,745.00
2023/2024	196,396,374.00
2024/2025	197,386,149.92

The current Strategic Plan (2022/2023–2026/2027) outlines various strategies along with their corresponding implementation matrix. Over the past three financial years, the matrix has been supported through sectoral allocations, approved and funded under Section 24 of the Act. The education sector has been the largest beneficiary, primarily through bursaries and school infrastructure development. The table below presents the distribution of funds.:

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	47,388,447	5.8%
Monitoring and Evaluation	22,837,976	2.8%
Constituency Oversight	1,588,000	0.2%
Bursary	233,000,646	

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

		28.6%
Capital Grants to Primary Schools	174,643,383	21.4%
Capital Grants to Secondary Schools	161,280,000	19.8%
Capital Grants to Tertiary Institutions & Universities	18,300,000	2.2%
Climate Change Mitigation Activities	14,080,000	1.7%
Emergency	42,561,875	5.2%
Security	86,975,760	10.7%
NG-CDF office	6,900,000	0.8%
sport	6,100,000	0.7%
Others (Strategic Plan)	2,320,000	0.3%

Bursary Sector

Over the past three years, the committee has successfully allocated bursaries to more than 12,000 learners each financial year. The steadily growing population in the Constituency has continued to impact the bursary award process. Nevertheless, the committee has remained committed to providing scholarships based on school performance and the specific needs of individual learners, assessed on a case-by-case basis. In addition, several students have been awarded education scholarships through the bursary program to pursue teaching courses, with the aim of addressing the shortage of teaching staff in the future

Grants to Primary and Secondary Schools

In recent years, the committee has made significant efforts to eliminate the use of temporary classrooms in Wajir South, particularly in Habaswein Ward, Burder Ward, and Diif Ward. To this end, over 60 permanent classrooms and laboratories have been constructed, alongside renovations of several schools that were in bad condition

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

Additionally, the committee is currently constructing three Girls Secondary School. This facility aims to address challenges such as early pregnancies, long walking distances to school, and to create a more conducive learning environment for girls from underprivileged families.

Security

The committee has facilitated the construction and completion of police stations and Assistant County Commissioner offices to ensure that the security sector receives adequate funding and support.

.....
Name: Mr. Shafee Hassan Odhwa
Fund Account Manager



8. Environmental and Sustainability Reporting

Wajir South NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and capacity Building program. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Wajir South 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 and Evidence

The constituency is guided by an environmental policy that promotes sustainable use of natural resources, conservation of biodiversity, and reduction of environmental degradation in all NG-CDF-supported projects. The policy is anchored in national environmental regulations and is implemented through integration of green practices in project design. Evidence of this policy includes project documentation requiring Environmental Impact Assessments (EIA) before construction and the inclusion of tree-planting programs in school projects.

Successes and Shortcomings

Key successes include increased tree cover in schools and public institutions, establishment of environmental clubs in selected schools, and adoption of waste segregation in some facilities. Shortcomings include inadequate funding for large-scale biodiversity protection, low community participation in waste management, and limited enforcement of environmental regulations at the local level.

Biodiversity and Waste Management Efforts

Biodiversity is managed through school tree nurseries, fencing of degraded areas to prevent overgrazing, and awareness campaigns on indigenous plant preservation. Waste management efforts include installation of waste bins in schools, promotion of proper waste disposal practices, and pilot recycling initiatives in selected centers. NG-CDF projects also aim to minimize environmental impact by using eco-friendly construction materials and promoting water harvesting systems.

Student Environmental Conservation Activities

NG-CDF-supported students participate in environmental conservation at least once per academic year, with tree-planting exercises during rainy seasons being the most common. These activities are often coordinated through school environmental clubs and supported by local forestry officers.

Drug Abuse Sensitization

Youth and community sensitization on the impact of drug and substance abuse is carried out through workshops, school mentorship programs, and public forums. These initiatives involve collaboration with local leaders, health workers, and law enforcement to reduce drug abuse and promote healthy lifestyles.

Security Activities

To enhance security, NG-CDF has supported the construction and completion of police stations, police posts, and residential houses for officers in strategic locations. These facilities improve response time, increased police presence, and promote safety in the constituency.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Wajir South 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.

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

4. Marketplace practices-

Wajir South 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 South 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 South Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

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

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 NG CDF 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.

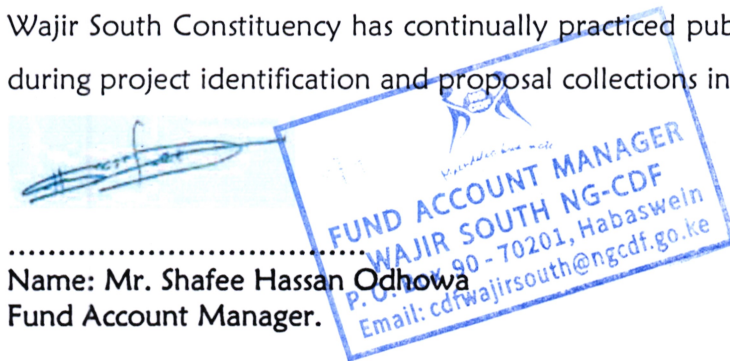
The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

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

.....
Name: Mr. Shafee Hassan Ochowa
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 South 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 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 South 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 South 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.

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

The Accounting Officer in charge of the NGCDF Wajir South 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 South Constituency financial statements were approved and signed by the Accounting Officer on 5th November 2025.



.....
Name: Mr. Yussuf Abdi Abdullahi
Chairman – NGCDF Committee



.....
Name: Mr. Shafee Hassan Odhwa
Fund Account Manager



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR SOUTH 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 South Constituency set out on pages 1 to 59, 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 South 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 South 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.319,831,305 and Kshs.271,445,155 respectively, resulting in an under-funding of Kshs.48,386,150 or 15% of the approved budget. Similarly, the Fund spent a total of Kshs.208,966,223 against actual receipts of Kshs.271,445,155, resulting in an under-absorption of Kshs.62,478,932 or 23% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the prior year audit report, three issues were raised under Report on Financial Statements, Emphasis of Matter and Other Matter respectively. These include value and

ownership of land, budgetary control and performance and delay in implementation of projects. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

2. Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.209,174,266 to one hundred and sixteen (116) projects across various sectors including education, emergency, security and environment. Review of the Project Implementation Status Report revealed that fifty-seven (57) projects valued at Kshs.116,413,000 were completed, while fifty-nine (59) projects with a budget of Kshs.92,761,266 had not started.

The delay in completing projects may have impacted negatively on service delivery to the constituents.

Other Information

The Management is responsible for the Other Information set out on page iii to xxix 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, 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 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Double Allocation of Bursary Funds by the County Government and the Fund

Review of bursary disbursements to tertiary institutions revealed that four hundred and thirty five (435) students received bursary from both the County Government and the Fund, amounting to Kshs.4,482,000 and Kshs.6,621,000 respectively during the same period of study. Allocation of bursaries to same beneficiaries by two (2) Government entities for the same period of study indicates lack of coordination between the two (2) funding entities, potentially leading to an inequitable distribution of resources. As a result, eligible and deserving students, particularly those from vulnerable backgrounds may have been unfairly excluded from accessing bursary support.

In the circumstances, the effectiveness of internal controls and governance structure for management of bursary disbursements could not be confirmed.

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

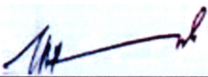
20 November, 2025

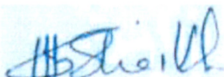
*National Government Constituencies Development Fund (NGCDF)
Wajir South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

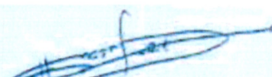
11. Statement of Financial Performance for the Year Ended 30th JUNE 2025

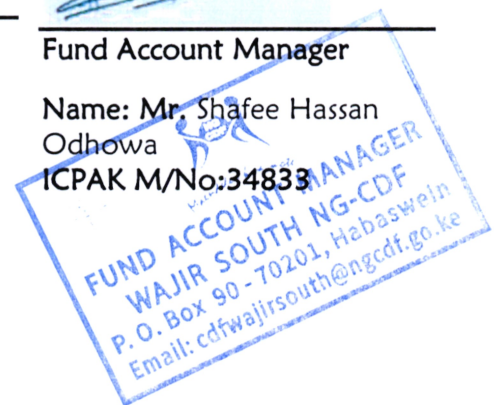
	Note	Period ended June 2025
		Ksh
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	1	197,386,150
Revenue from exchange transactions		
Total revenue		197,386,150
Expenses		
Employee costs	2	4,808,896
Committee expenses	3	4,682,000
Use of Goods and Services	4	5,889,893
Other Government Units Actual expenditure	5	98,925,740
Other Grants and Transfers Actual expenditure	6	95,778,036
Total expenses		210,084,566
Surplus/(Deficit) for the year		(12,698,416)

The Constituency financial statements were approved by the NGCDFC on 5th November 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Mr. Yussuf Abdi
 Abdullahi


 National Sub-County
 Accountant
 Name: Mr. Nasir Sheikh
 Ahmed


 Fund Account Manager
 Name: Mr. Shafee Hassan
 Odhwa
 ICPAK M/No:34833



National Government Constituencies Development Fund (NGCDF)
Wajir South 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 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	7	62,478,933	66,048,781
Receivables from Non-Exchange Transactions	8	48,386,150	56,396,374
Total Current Assets		110,865,082	122,445,155
Non-Current Assets			
Total Non- Current Assets		-	-
Total Assets (A)		110,865,082	122,445,155
Liabilities			
Current Liabilities			
Gratuity provision	9	2,567,581	1,449,238
Total Current Liabilities		2,567,581	1,449,238
Non-Current Liabilities			
Total Liabilities (B)		2,567,581	1,449,238
Net Assets (A-B)		108,297,501	120,995,917
Represented by:			

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

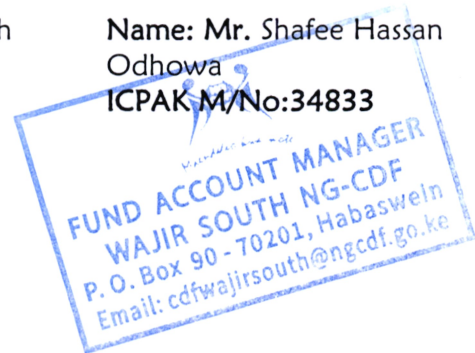
Accumulated Surplus		108,297,501	120,995,917
---------------------	--	-------------	-------------

The Constituency financial statements set out on pages 1 to 19 approved by NG CDFC on 5th November 2025 and signed by:

**Chairman NG-CDF
Committee**
Name: Mr. Yussuf Abdi
Abdullahi

**National Sub-County
Accountant**
Name: Mr. Nasir Sheikh
Ahmed

Fund Account Manager
Name: Mr. Shafee Hassan
Odhwa
ICPAK M/No:34833



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

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

Description	Accumulated surplus/Deficit	Reserve	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	66,040,114		66,040,114
Adjustments			
Recognition of Assets	56,405,041		56,405,041
Recognition of Liabilities	1,449,238		1,449,238
As at July 1, 2024	120,995,917		120,995,917
Surplus/(Deficit) For the Period	(12,698,416)		(12,698,416)
Revaluation Gain/Loss	-		-
As at June 30, 2025 (current year)	108,297,501		108,297,501

National Government Constituencies Development Fund (NGCDF)
Wajir South 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 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		205,396,374
Total Receipts		205,396,374
Payments		
Employee costs		3,690,553
Committee expenses		4,682,000
Use of Goods and Services		5,889,893
Other Government Units Certified Works		98,925,740
Other Grants and Transfers		95,778,036
Total Payments		208,966,223
Net Cash Flows from/ (used in) Operating Activities	10	(3,569,849)
Cash flows From Investing Activities		
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		(3,569,849)
Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities		(3,569,849)
Cash and cash equivalents at Period Start	7	66,048,781
Cash and cash equivalents at Period End	7	62,478,933

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

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

	Original Budget			Final Budget	Actual on	Budget	% of Utilization
		Adjustments			comparable basis	utilization difference	
	Kshs		Kshs	Kshs	Kshs	Kshs	
	a		b	C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	197,386,150	66,048,781	56,396,374	319,831,305	271,445,155	48,386,150	85%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	197,386,150	66,048,781	56,396,374	319,831,305	271,445,155	48,386,150	85%
Expenses							
Employee costs	4,996,156	5,591,141	-	10,587,297	3,690,553	6,896,744	35%

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

Committee expenses	4,548,632	907,493	-	5,456,125	4,682,000	774,125	86%
Use of Goods and Services	8,122,617	7,259,181	-	15,381,799	5,889,893	9,491,905	38%
Other Government Units Certified Works	86,980,000	43,941,569	44,796,374	175,717,943	98,925,740	76,792,203	56%
Other Grants and Transfers	87,738,745	8,009,597	11,600,000	107,348,342	95,459,036	11,889,306	89%
12.0 Acquisition of assets	5,000,000	-	-	5,000,000		5,000,000	0%
Other Projects	-	339,800	-	339,800	319,000	20,800	94%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	197,386,150	66,048,781	56,396,374	319,831,305	208,966,223	110,865,082	65%
Surplus for the period							


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

Explanatory Notes.

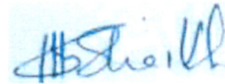
[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	110,865,082
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	62,478,933

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 5th November 2025 and signed by:



Chairman NG-CDF Committee
Name: Mr. Yussuf Abdi Abdullahi



National Sub-County Accountant
Name: Mr. Nasir Sheikh Ahmed



Fund Account Manager
Name: Mr. Shafee Hassan Odhwa
ICPAK M/No:34833



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

Budget Execution by Sectors and Projects for The Year Ended 30th JUNE 2025

Program/Sub-program	Original Budget			Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Adjustments			
Previous Years' Outstanding Disbursements						
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,996,156	5,591,141		10,587,297	3,690,553	6,896,744
1.2 Committee allowances	2,644,396	907,493		3,551,889	3,551,889	-
1.3 Use of goods and services	4,202,617	3,447,981		7,650,599	3,804,693	3,845,905
Sub-total	11,843,169	9,946,616	-	21,789,785	11,047,135	10,742,649
2.0 Monitoring and evaluation						
2.1 Capacity building	2,900,000	2,161,200		5,061,200	2,085,200	2,976,000
2.2 Committee allowances	1,904,236			1,904,236	1,130,111	774,125
2.3 Use of goods and services	1,020,000	1,650,000		2,670,000		2,670,000
Sub-total	5,824,236	3,811,200	-	9,635,436	3,215,311	6,420,125

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

4.0 Emergency				-		-
Unutilized	10,388,745	221,766		10,610,511	10,218,323	392,188
Sub-total	10,388,745	221,766	-	10,610,511	10,218,323	392,188
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	23,000,000	258,841		23,258,841	23,255,700	3,141
5.3 Tertiary Institutions	45,000,000			45,000,000	44,530,000	470,000
5.6 Social Security				-		-
Sub-total	68,000,000	258,841	-	68,258,841	67,785,700	473,141
7.0 Environment				-		-
7.1 Leheley Girls Secondary School	3,000,000			3,000,000		3,000,000
7.2 Diff Police Station	3,000,000			3,000,000		3,000,000
Habaswein Boys Secondary School		1,080,000		1,080,000	1,079,725	275
Sub-total	6,000,000	1,080,000	-	7,080,000	1,079,725	6,000,275
7.0 Sports Activities				-		-
Sports Activities		14,000		14,000		14,000
Sub-total	-	14,000	-	14,000	-	14,000

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

8.0 Primary Schools Projects						
Muqdere Primary School				-		-
	1,000,000			1,000,000		1,000,000
Qordoba Primary School						
	1,400,000			1,400,000		1,400,000
Eyrib Primary School						
	2,200,000			2,200,000		2,200,000
Abaqijaba Primary School						
	1,100,000			1,100,000		1,100,000
Fulay boor Primary School						
	1,100,000			1,100,000		1,100,000
Qarurah Primary School						
	1,100,000			1,100,000		1,100,000
Matatase Primary School						
	1,400,000			1,400,000		1,400,000
Diff Primary School						
	1,000,000			1,000,000		1,000,000
Diff Primary School						
	2,000,000			2,000,000		2,000,000
Matawarsesa Primary School						
	1,200,000			1,200,000		1,200,000
Warder Primary School						
	1,400,000			1,400,000		1,400,000
Gumarjerin Primary School						
	2,200,000			2,200,000		2,200,000
Gadudow Primary School						
	1,400,000			1,400,000		1,400,000
Buruka Primary School						
	1,400,000			1,400,000		1,400,000
Furmati Primary School						
	2,200,000			2,200,000		2,200,000
Shebasheba Primary School						
	1,100,000			1,100,000		1,100,000

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

Diff oldam Primary School	300,000			300,000		300,000
Meri Primary School	300,000			300,000		300,000
Leheley Primary School	300,000			300,000		300,000
Qanjara Primary School	1,100,000			1,100,000		1,100,000
Qodqod Primary School	2,200,000			2,200,000		2,200,000
Towfiq Primary School	1,400,000			1,400,000		1,400,000
Daresalam Primary School	1,400,000			1,400,000		1,400,000
Alidumal Primary School	1,400,000			1,400,000		1,400,000
Shimbirbul Primary School	2,200,000			2,200,000		2,200,000
Sukela Primary School	300,000			300,000		300,000
Fini Primary School	2,200,000			2,200,000		2,200,000
Waradarasime primary School	2,500,000			2,500,000		2,500,000
Habaswein Primary School	2,500,000			2,500,000		2,500,000
Abaqmadobe Primary School		2,500		2,500		2,500
Machesa Primary Schoo		65,000		65,000		65,000
Shabeel Duula Primary School		65,000		65,000		65,000
Fini Primary Schools		50,000		50,000		50,000

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

Noleye Primary School		70,000		70,000	70,000	-
Jilalow Primary School		80,000		80,000		80,000
Madhahbaqay Primary School		600,000		600,000	600,000	-
Hambalash Primary School		300,000		300,000		300,000
Alidumali Primary School		130,000		130,000	130,000	-
Ohiyo Primary School		70,000		70,000	70,000	-
Warsan Primary school		2,300,000		2,300,000	2,183,000	117,000
Rababale Primary School		2,000,000		2,000,000	2,000,000	-
Jiriqa Primary School		2,300,000		2,300,000	2,299,000	1,000
Waregder Primary School		2,300,000		2,300,000	2,299,955	45
Shildley Primary School		2,000,000		2,000,000	1,999,033	967
Dilmanyale Primary School		4,000,000		4,000,000	3,998,771	1,229
Aktalehel Primary School		2,000,000		2,000,000		2,000,000
Karu Primary School		2,000,000		2,000,000	1,998,208	1,792
Shomagari Primary School		2,000,000		2,000,000	1,999,997	3
Madahbaqay Primary School		300,000		300,000	250,000	50,000
Kibilay Girls Primary School		1,950,000		1,950,000	1,950,000	-

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

Kibilay Girls Primary School		1,495,000		1,495,000	1,495,000	-
Meri Primary School		2,000,000		2,000,000	1,999,789	211
Abaqdere Primary School			2,498,383	2,498,383	2,000,000	498,383
Ndege Primary School			2,000,000	2,000,000	1,899,166	100,834
Sala Primary School			4,000,000	4,000,000	3,999,725	275
Banane-Shantara Primary School			2,000,000	2,000,000	1,999,300	700
Midnimo Primary School			2,000,000	2,000,000	1,998,805	1,195
Chief Ibrahim Kassim Primary School			2,000,000	2,000,000	2,000,000	-
Adheyder Primary School			2,000,000	2,000,000	1,999,000	1,000
Alanus Primary School			1,300,000	1,300,000	1,299,225	775
Algoley Primary School			2,300,000	2,300,000	2,184,380	115,620
Daryoley Primary School			2,300,000	2,300,000	2,299,159	842
Mathahlibah Primary School			2,000,000	2,000,000	1,999,300	700
Abaqijaba Primary School			1,300,000	1,300,000	1,299,725	275
Leheley Primary School			1,498,383	1,498,383	1,497,670	713
Bron Primary School			2,000,000	2,000,000	1,900,000	100,000
Habaswein Primary School		3,000,000		3,000,000	2,998,320	1,680

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

Dahabley Primary School		415		415		415
Ajof Primary School		462		462		462
Biyamathow Primary School		1,000		1,000		1,000
Ildalata Primary School		300		300		300
Sukela Primary School		500		500		500
Sub-total	41,300,000	31,080,177	29,196,766	101,576,943	56,716,528	44,860,415
9.0 Secondary Schools Projects (List all the Projects)						
Leheley Girls Secondary School	2,000,000			2,000,000		2,000,000
Sarif Secondary School	2,000,000			2,000,000		2,000,000
Leheley Girls Secondary School	1,500,000			1,500,000		1,500,000
Diff Secondary School	1,500,000			1,500,000		1,500,000
Senior Chief Ogle Girls Secondary School	5,000,000			5,000,000	4,999,000	1,000
Dadajabula Secondary School	2,200,000			2,200,000		2,200,000
Diff Girls Secondary School	2,500,000			2,500,000		2,500,000
Burder Girls Secondary School	2,500,000			2,500,000		2,500,000
Abakore Girls Secondary School	2,500,000			2,500,000		2,500,000
Machesa Secondary School						

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

	2,500,000			2,500,000		2,500,000
Ibrahim ure Secondary School	2,200,000			2,200,000		2,200,000
Leheley Girls Secondary School	300,000			300,000		300,000
Elado Secondary School	2,200,000			2,200,000		2,200,000
Biyamthow Secondary School	1,280,000			1,280,000		1,280,000
Abakore Mixed Day Secondary School	1,500,000			1,500,000	1,499,900	100
Habaswein Boys Secondary School	3,000,000			3,000,000		3,000,000
Senior chief Ogle Girls Secondary School	3,000,000			3,000,000		3,000,000
Habaswein Mixed Day Secondary School	4,000,000			4,000,000	3,799,993	200,008
Abakore Mixed Day Secondary School	4,000,000			4,000,000	3,999,800	200
Habaswein mixed Day secondary		10,000		10,000		10,000
Inshaallah High School		200,000		200,000		200,000
Inshaallah High School		200,000		200,000		200,000
Diff Secondary School		300,000		300,000	299,000	1,000
Senior Chief Ogle Girls Secondary School		1,600,392		1,600,392	1,600,392	-
Machesa Secondary School		2,000,000		2,000,000	1,998,208	1,792
Sheikh omar Girls Secondary School		3,000,000		3,000,000	3,000,000	-

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

Ndege Girls Secondary School		2,000,000	2,600,000	4,600,000	4,598,725	1,275
Leheley Girls Secondary School			2,500,000	2,500,000	2,498,944	1,056
Sarif Secondary School			2,500,000	2,500,000	2,499,100	900
Dadajabula Girls Secondary School			2,600,000	2,600,000	2,469,058	130,942
Senior Chief Ogle Girls Secondary School			2,399,608	2,399,608	2,399,608	-
Sabuli mixed Day Secondary School		3,150,000		3,150,000	3,149,300	700
Diff Secondary School		1,000		1,000		1,000
Sub-total	45,680,000	12,461,392	12,599,608	70,741,000	38,811,028	31,929,973
10.0 Tertiary institutions Projects (List all the Projects)						
Habaswein Sub- County Education Office			3,000,000	3,000,000	2,998,185	1,815
Wajir South Technical & Vocational College		400,000		400,000	400,000	-
Sub-total	-	400,000	3,000,000	3,400,000	3,398,185	1,815
11.0 Security Projects						
Sarif Assistant County Commissioner Office	2,000,000			2,000,000		2,000,000
Habaswein Police station	1,350,000		-	1,350,000	1,349,386	614

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

Biyamathow Police Post			2,000,000	2,000,000	1,999,947	53
Biyamathow Police Post			3,600,000	3,600,000	3,600,000	-
Lehelely Police Station		-	3,000,000	3,000,000	2,998,000	2,000
Diff Police Station			3,000,000	3,000,000	2,997,955	2,045
Diff Police Unit		130,000		130,000	130,000	-
brahim Ure Police station	-	100,000	-	100,000	100,000	-
brahim Ure Police station		300,000		300,000	300,000	-
Habaswein AP Camp		3,000,000		3,000,000		3,000,000
Sabuli Deputy County Commissioner Residence		2,900,000		2,900,000	2,900,000	-
Habaswein DCC office		1,025		1,025		1,025
Ibrahim Ure Police PMC		1,000		1,000		1,000
Abakore Police Post		2,000		2,000		2,000
Habaswein Police Station		195		195		195
Sabuli Sub-county DCC resident		770		770		770
Sub-total	3,350,000	6,434,990	11,600,000	21,384,990	16,375,288	5,009,702
12.0 Acquisition of assets						-

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

12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings						-
12.2 Construction of CDF office						-
12.3 Renovation of CDF office	5,000,000		-	5,000,000		5,000,000
Sub-total	5,000,000	-	-	5,000,000	-	5,000,000
13.0 Others						-
Habaswein Social Development office		320,000	-	320,000	319,000	1,000
Wajir NG-CDF Strategic Plan		19,800	-	19,800		19,800
Sub-total	-	339,800	-	339,800	319,000	20,800
Funds pending approval**						-
Sub-total	-	-	-	-	-	-
Total	197,386,150	66,048,781	56,396,374	319,831,305	208,966,223	110,865,082

16. 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 South Constituency principal activity is to facilitate social development in the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with PFM and international public sector accounting standard (IPSA). The NG- CDF Wajir South has taken advantage of the transitional provision under IPSA 33 and adopted phased approach; therefore, this is the first transitional financial statements.

The NG- CDF Wajir South has recognized all financial asset which includes cash and cash equivalent for operational account, deposit account and PMC balance receivable (owing from the board and others), prepayment, PPE and intangible assets acquired in financial year 2023/2024 to date of reporting. Liabilities recognized include trade and other payables, third party deposit and gratuity provision. Recognition of all other non-financial asset acquired in

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

financial prior to 2023/2024 to be recognized in third year of transition after identification and valuations have been done.

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, NG-CDF Regulations 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

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

- 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 cash flows 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>IPSAS 43 is not applicable at the constituency</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>

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

	IPSAS 44 is not applicable at the constituency
IPSAS 45: Property Plant and Equipment	<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>IPSAS 45 is applicable effective 1st July,2025</p>
IPSAS 46: Measurement	<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>IPSAS 46 is applicable effective 1st July,2025</p>
IPSAS 47: Revenue.	<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</p>

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

	<p>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>IPSAS 47 is applicable effective 1st July,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>IPSAS 48 is not applicable at the constituency</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>IPSAS 49 is not applicable at the constituency</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> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

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

	IPSAS 50 is not applicable at the constituency
--	--

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

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

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at 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 cash flows 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.

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current

replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity 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.

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the

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

reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

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

o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

1. Transfers from the NGCDF Board

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

2. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	3,381,834
Gratuity to contractual employees	1,118,343
Employer Contributions Compulsory national social security schemes	206,048
Employer Contributions Compulsory Housing levy	102,671
Total	4,808,896

3. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	745,000
Other Committee expenses	3,937,000
Total	4,682,000

4. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	25,200
Communication, supplies and services	209,900
Printing, advertising and information supplies & services	1,800,000
Training expenses	2,085,200
Specialized materials and services	740,000
Office and general supplies and services	1,000,000
Bank Charges	29,593
Total	5,889,893

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

5. Other Government Units Certified Works

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	56,716,528
Secondary Schools Actual Expenditure	38,811,028
Tertiary Institutions Actual Expenditure	3,398,185
Total	98,925,740

6. Other Grants and Other transfers

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	23,255,700
Bursary – tertiary institutions	44,530,000
Security projects Actual Expenditure	16,375,288
Climate change mitigation projects	1,079,725
Emergency projects Actual Expenditure	10,218,323
Others specify	319,000
Total	95,778,036

7. Cash and Cash Equivalent

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
National Bank of Kenya Account No. 5325533770 (Operations account)	59,867,761	66,040,114
National Bank of Kenya Account No. 7717708310 (Deposit account)	2,567,581	
Equity, NBK, KCB, Various. (PMC accounts)	43,591	8,667
Total	62,478,933	66,048,781

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

8. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	48,386,150		56,396,374.00	
Total	48,386,150		56,396,374	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	48,386,150	100%	56,396,374	100%
Between 1-2 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	48,386,150	100%	56,396,374	100%

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

9. Gratuity Provision

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 st of July	1,449,238
Gratuity held during the year	1,118,343
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	2,567,581

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

10. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	(12,698,416)
Adjusted for:	
Working capital adjustments	
Changes in receivables	8,010,224
Changes in gratuity provision	1,118,343
Net cash flow from operating activities	(3,569,849)

11. 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:

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from non-exchange transactions	48,386,150	48,386,150	-	-
Bank balances	59,867,761	59,867,761	-	-
Total	108,253,911	108,253,911	-	-
As at 30 June 2024				
Receivables from non-exchange transactions	56,396,374	56,396,374	-	-
Bank balances	66,040,114	66,040,114	-	-
Total	122,438,488	122,438,488	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Gratuity Provision	-	-	2,567,581	2,567,581
Total	-	-	2,567,581	2,567,581
As at 30th June 2024				
Total	-	-	-	-

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

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

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 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:

Foreign currency sensitivity analysis

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.

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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (Current FY: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (Current FY – Kshs -)

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

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

obtained from independent sources; unobservable inputs reflect the Entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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:

12. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	745,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	205,396,374	-
Total	205,396,374	-

13. 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)

14. Contingent Assets and Contingent Liabilities

Contingent Assets

Contingent Liabilities

15. Capital Commitments

(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).

16. Events after the Reporting Period

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

17. Ultimate and Holding Entity

The Wajir South 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.

18. Currency

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

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

19. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At Year/period End
Land				
Buildings and structures	9,200,000			9,200,000
Transport equipment				-
Office equipment, furniture, and fittings	1,748,670			1,748,670
ICT Equipment and Other ICT Assets	1,304,470			1,304,470
Other Machinery and Equipment	1,553,500			1,553,500
Intangible assets				-
Total	13,806,640			13,806,640

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

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

PMC	Bank	Account number	Bank Balance 2024-2025	Opening Statement 1st July 2024
Abaqijaba Primary School	NBK	7700354448	275	
Jiriqa Primary School	NBK	7717484498	1,000	
Mathahlibah Primary School	NBK	7717510065	700	
Adheyder Primary School	NBK	7717510103	1,000	
Banane shantalar Primary School	NBK	7716404954	700	
Alagoley Primary School	NBK	7717526875	620	
Dilmanyale Primary School	NBK	1050255951300	1,229	
Karu Primary School	NBK	1022255746300	1,792	
Meri Primary School	NBK	7717471531	211	
Midnimo Primary School	NBK	1553266280900	1,195	
Shidley Primary School	NBK	7717065967	967	
Leheley Primary School	NBK	1050258442800	330	
Sala Primary School	NBK	7717409364	275	
Shomagari Primary School	NBK	7717510219	3	
Waragder Primary School	NBK	7717046903	45	
Habaswein Primary School	NBK	7717430061	1,680	
Warsan Primary School	NBK	7717134136	2,000	
Ndege Primary School	NBK	1553234514800	834	
Daryoloyy Primary School	NBK	7717081563	842	
Alanus Primary School	NBK	7717486644	775	
Machesa Secondary School	NBK	7716477293	1,792	
Sarif Secondary School	NBK	7717594293	900	
Diff Secondary School pmc	NBK	7711607652	1,000	
Ndege Secondary School	NBK	7717327945	1,275	
Sabuli Mixed Day Secondary School	NBK	7716963945	700	

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

Leheley Secondary School	NBK	1522236835400	1,056	
Abakore Mixed Day Secondary School	KCB	10303705230	100	
Dadajabula Girls Secondary School	NBK	7717567776	942	
Abakore Mixed Day Secondary School	KCB	10303705230	200	
Habaswein Mixed Day Secondary School	EQUITY	1030277518920	8	
Senior Chief Ogle Girls Seondary Schoo	NBK	7717600994	1,000	
Habaswein Sub-county Educcation	NBK	7717541459	1,815	
Habaswein Police Station	NBK	7711572891	195	
Leheley Police Station	NBK	7717659093	2,000	
Diff Police Station PMC	NBK	7717667045	2,045	
Biyamathow Police Post PMC	Equity	1030285903401	53	
Habaswein Boys Secondary School	NBK	7717566389	275	
Habaswein Mixed Day Secondary School	NBK	1030277518920	500	
Burder Mixed Day Secondary School	NBK	7700200750	987	
Abakore Mixed Day Secondary School	NBK	10303705230	190	
Habaswein Social Development PMC	NBK	7717099152	1,000	
Ajof Primary School	NBK	01050255975700	415	415
Biyamathow Primary School	NBK	010553231901400	462	462
Ildalat Primary School	NBK	010553266160900	1,000	1,000
Sukela Primary School	NBK	010553264623900	300	300
Luqungoroya Primary School	NBK	010553265192700	500	500
Diff Secondary School	NBK	01553266122200	1,000	1,000
Habaswein DCC office	NBK	010553266367600	1,025	1,025

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

Ibrahim Ure Police PMC	NBK	010553264437100	1,000	1,000
Abakore Police Post	NBK	0105532363847600	2,000	2,000
Habaswein Police Station	NBK	0105532362276300	614	195
Sabuli Sub-county DCC resident	NBK	0105532366377800	770	770
Total			43,591	8,667

*National Government Constituencies Development Fund (NGCDF)
Wajir South Constituency*

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

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budget and Budgetary Control	The summary statement of appropriation reflects final receipt budget and actual on comparable basis of Kshs.328,692,253 and Kshs.272,295,879 respectively, resulting to under-funding of Kshs.56,396,374 or 17% of the approved budget. Similarly, the Fund spent Kshs.206,255,765 against actual receipt of Kshs.272,295,879,	The under-funding was caused by delays in the disbursement of funds from the NG-CDF Board to the National Government Constituency Development Committee. Similarly, the underutilization of the received funds resulted from their release at the tail end of the financial year, leaving insufficient time for effective disbursement	Resolved	

National Government Constituencies Developments Fund (NGCDF)

Wajir South 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)
	resulting to an under- utilisation of Kshs.66.040,114 or 24%.			
Summary of Fixed Assets Register	Annex 4 of the financial statements reflects summary of fixed assets register with a balance of Kshs. 13,806,640 as at 30 June, 2024. Included in the amount are buildings and structures disclosed at Kshs. 9,200,000. However, the value of the land to which the buildings and structures are built on was not disclosed in the Annex and the fixed assets register. Further, ownership documents were not provided for audit.	The land on which the Fund's offices are built was government-owned and provided at no cost to the Wajir South National Government Constituency Fund Development Committee. At the time of transfer, the parcel of land was not valued. However, the committee is in the process of engaging government land valuers to assess and estimate its value. II. The land on which the Fund's offices are built has a valid allotment letter registered under the office's name, which is provided herewith. Additionally, the committee is in the process of acquiring a title deed for the property.	Resolved	

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



 ELIUD ACCOUNT M
 Name: Shafee Hassan Odhwa
 Fund Account Manager
 P.O. Box 90 - 70201
 Email: cdf@kepf.ac.ke