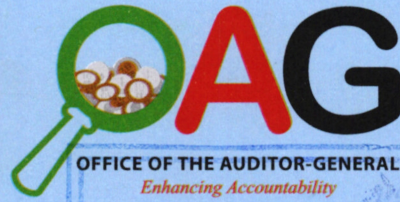


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

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Hon. Baya Owen
CLERK-AT-THE-TABLE: Swerman Halima

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
IJARA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

OFFICE OF THE AUDITOR GENERAL
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

IJARA 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)
Ijara Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the

cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;

- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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 Ijara 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	Mr. Hassan Kassim
2.	National Sub-County Accountant	Mr. Vincent P Musumba
3.	Chairman NGCDFC	Mr. Yunis Arees Shirie
4.	Secretary NG CDFC	Ms. Fardosa Hussein Muhumed

(c) Fiduciary Oversight Arrangements

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

P.O. Box 92-70105
NG-CDF Building Adjacent to Deputy County Commissioner Office Road
Masalani- KENYA.

(e) NGCDF Ijara Constituency Contacts

P.O. Box 92-70105
Telephone: (254) 720520268
E-mail: cdfijara@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Ijara Constituency Bankers

1. Equity Bank Kenya Limited (Operations Bank Account)
Account Number: 0580282740155
P.O. Box 60-70100
Garissa Branch
Garissa- Kenya
2. Equity Bank Kenya Limited (Deposit Bank Account)
Account Number: 0580286648139
P.O. Box 60-80500
Garissa Branch
Garissa- Kenya
3. PMC Bank Accounts
Equity Bank Kenya Limited (PMC Bank Account)
Account Number: Various
P.O. Box 60-70100
Garissa Branch- Kenya




(g) Independent Auditor

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





(h) Principal Legal Adviser

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

3. NG- CDF Committee

	Name	Details
1	 Mr Yunis Arres Shirie	Date of Birth: 06/06/1980 Highest Academic Qualification: KCSE Professional Qualification: Businessman Work Experience: Business Position: NG- CDFC Chairman
2	 Ms. Qureisha Daud	Date of Birth: 10/02/1992 Highest Academic Qualification: KCSE Professional Qualification: Business lady Work Experience: Business Position: NG- CDFC Secretary
3	 Mr. Abdi Hussein	Date of Birth: 01/01/1983 Highest Academic Qualification: KCSE Professional Qualification: Business Work Experience: Business Position: NG- CDFC Member

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4	 <p>Ms. Fardosa Hussein</p>	<p>Date of Birth: 06/04/1997 Highest Academic Qualification: KCSE Professional Qualification: Business Lady Work Experience: Farmer Position: NG- CDFC Member</p>
5	 <p>Ms. Mariam Khalif</p>	<p>Date of Birth: 27/04/1958 Highest Academic Qualification: KCSE Professional Qualification: Business Work Experience: Special Education Position: NG- CDFC Member</p>
6	 <p>Mr. Abdi Issack</p>	<p>Date of Birth: 01/01/1974 Highest Academic Qualification: KCSE Professional Qualification: Retired Police Man Work Experience: Police Position: NG- CDFC Member</p>
7	 <p>Mr. Abdifatah Sambur</p>	<p>Date of Birth: 01/01/1963 Highest Academic Qualification: KCSE Professional Qualification: Boat Craftsman Work Experience: Businessman Position: NG- CDFC Member</p>

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8	 Mr. Bashir Jibril	<p>Date of Birth: 01/01/1962 Highest Academic Qualification: KCSE Professional Qualification: Environmentalist Work Experience: Environment Management Position: NG- CDFC Member</p>
9	 Hassan Khalid Kassim	<p>Date of Birth: 26/3/1991 Highest Academic Qualification: Degree Professional Qualification: Degree Work Experience: Field Financial Services Position: Ex-Officio Member</p>

OUTGOING NG-CDF COMMITTEE

	NAME	DETAILS	PERIOD SERVED
1	Yunis Aress Shirie	Male Youth Representative	2 Years
2	Qureisha Daud	Female Youth Representative	2 Years
3	Abdi Hussein	Male PWDs Representative	2 Years
4	Fardosa Hussein	Female Adult Representative	2 Years
5	Abdifatah Sambur	Male Adult Representative	2 Years
6	Mariam Khalif	Female Adult Representative	2 Years
7	Abdi Issak	Male Adult Representative	2 Years
8	Bashir Jibril	Co - Opted Member	2 Years

4. NG-CDFC Chairman's Report



Mr Yunis Aress Shirie

It's with great pleasure to present the unaudited financial statements for Ijara constituency for the financial year ended 30th June 2025.

Ijara constituency is located in Garissa County lower eastern region in Kenya. The constituency borders Fafi to the North, Lamu to the south and Galole to the West. The constituency has a population of about 150,000 inhabitants with the dominant ethnic groups being the Somali community.

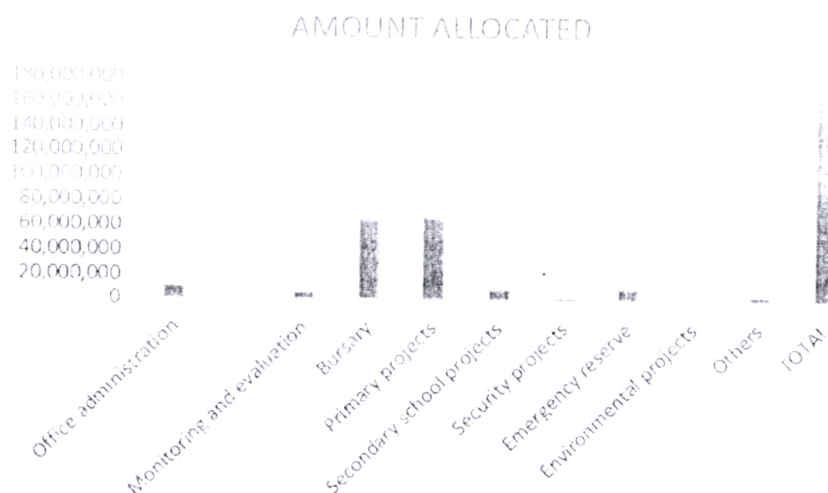
Under the leadership of Hon. Abdi Ali Abdi, Ijara NGCDF has supported the establishment of many primary and secondary schools, supported construction of security projects, water projects, and many students have benefited from the bursary kitty. All these projects have been evenly distributed to all wards across the constituency.

Apart from the constituency been expansive, Ijara also experiences some insecurity caused by bandits' invasion in parts of Bothai, Hulugho and Sangailu. This insecurity has been highly mitigated through provision of fuel to our security agents and opening of the area through road networks.

In the financial year 2024/2025, NG-CDF Ijara Constituency was allocated Kshs. 170,469,857. The following is the summary breakdown of proposed projects for funding during the financial year 2024/2025.

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S/NO	PROPOSED NAME	AMOUNT ALLOCATED
1.	Office administration	10,228,191
2.	Monitoring and evaluation	5,114,096
3.	Bursary	64,955,472
4.	Primary projects	66,900,000
5.	Secondary school projects	8,100,000
6.	Security projects	2,100,000
7.	Emergency reserve	8,972,098
8.	Environmental projects	100,000
9.	Others	4,000,000
	TOTAL	170,469,857



SUMMARY FINAL BUDGET FOR APPROPRIATION STATEMENT 2024/2025

Total actual expenditure for the period was Kshs. 146,238,875. The unutilized funds of Kshs. 95,599,550 include a PMC balance of Kshs. 10,461,856. The slow utilization of the PMC funds resulted from delayed funding and the sluggishness in meeting some approval conditions by the PMC members. All the projects proposed by the committee for approval by the Board have been approved.

ACTUAL UTILIZATION SUMMARY FOR 2024/2025

Section 81 of the Public Finance Management Act, 2012 requires National Government entities to prepare annual reports and financial statements at the end of each financial year. Further, section 81(3) mandates the entities to prepare the annual reports in formats prescribed by the

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Public Sector Accounting Standards (PSAS) Board, further section 39(4) of the NG- CDF Act 2015 as amended in 2023 mandates the NG- CDF Board to submit separate financial statements for the secretariat and constituencies to the Auditor General. The constituency is in compliance with the above legal requirements.

Chart Title



- Employee costs
- Committee expenses
- Use of Goods and Services
- Other Government Units Certified Works
- Other Grants and Transfers
- Digital Hubs Expenses

Further, the National Treasury vide Press statement released on 3rd October, 2024 announced migration from cash-based reporting. The effective date for the accrual basis was set for 1st July, 2024, with the first accrual-based financial statement expected for the financial year ending 30th June, 2025. This financial statement is a transition from cash-based to accrual based financial reporting.

PERENIAL ISSUES

Ijara Constituency suffers from pre-independence challenges of:

- i) Diseases, illiteracy and poverty
- ii) Lack of roads hampers free transport in the constituency.
- iii) Insecurity caused by terrorists.

As a result, the fund has continuously endeavored to lead in the fight against illiteracy by supporting education 100% through infrastructure development and students' bursary sponsorship, construction of security facilities notable chief's offices and police posts in every village of the constituency and more so insecurity hot spots.

EMERGING ISSUES

- i. Climatic changes causing droughts, unpredictable heavy rainfall causing floods.
- ii. High rural-urban migration by youth due to joblessness thus stripping the constituency of much needed man-power for development

Despite a few challenges here and there, NGCDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were living in despair and ravaging poverty.

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

Emerging Issues, Challenges and way forward

The main emerging issue during the year under review was a delay in the release of funds by the NGCDF Board. This slowed down the wheels of development to the constituents. Forty-two million out of one hundred and seventy million was not received as at 30th June 2025. This constituted 25% of the budget. In addition, sixty-two million shillings was received in the sunset days of the financial year and could not be utilized. That is why the absorption of funds stood at 82%. As a way forward, the National Constituencies Development Fund Board should ensure that funds allocated in the approved budgets of the Constituencies are released in time.

In conclusion, let me take this opportunity to sincerely register my appreciation to all those who have worked relentlessly in the entire financial statements' preparation process. In particular, I would thank the Fund Account Manager, Ijara who has taken a lead role in the process and the support provided by the Sub-County Treasury, Ijara.

Achievements during the financial year

- NGCDFC Ijara managed to curb drought through distribution of water.
- NGCDF Ijara managed to improve transition of students from both primary and secondary schools by issuing bursary to 3,500 students from Ijara.

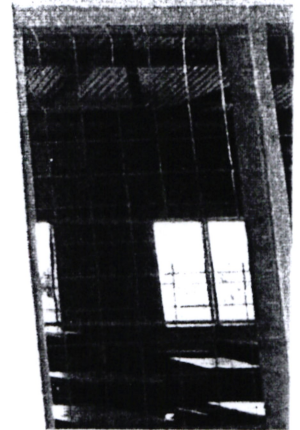
KEY ACHIEVEMENTS

In terms of bursaries, 90% of the allocation was disbursed to approximately 3,500 beneficiaries. This resulted to increased retention rates of the school going children within the year hence

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posting improved performance index among the beneficiaries. In the financial year 2024-25 quite a number of infrastructures were developed by the aid of the Constituency Development Fund.


NG-CDF IJARA
SOPHIA GIRLS SEC. SCHOOL
CONSTRUCTION OF 2NO CLASSROOMS
FUNDED BY IJARA NG-CDF
FY 2023/2024




Construction of 2no classrooms at Sophia Girls Secondary School



Renovation of 3no classrooms at Kotile Primary School

During 2024/2025 financial year, few projects were implemented (administration, monitoring and bursary) due to late release of funds from the board.


.....

Name: Mr. Yunis Arres Shirie
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024/25

Introduction

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

NG-CDF Ijara Constituency Vision Statement, "Equitable socio-economic development constituency wide".

NG-CDF Ijara Constituency Mission Statement, "To provide leadership for effective and efficient management of the allocated funds and Implementation of approved development projects and initiatives in Ijara Constituency"

NG-CDF Ijara Constituency Core Values:

- 1) Integrity
- 2) Transparency
- 3) Accountability
- 4) Professionalism
- 5) Teamwork
- 6) Commitment to Inclusion and Diversity

The key development objectives of the NGCDF Ijara Constituency 2023-2027 plan are to:

The following are the strategic goals that will provide the strategic direction for the 2023-2027 LEC Strategic Plan:

- 1) Attained conducive learning environment in primary and secondary schools
- 2) Reduction in cases of school and college dropout due to lack of school fees
- 3) Equipped security agents with appropriate security infrastructure and resources for preservation of peace, prevention and detection of crime, and maintenance of law and order
- 4) Enhance clean environment, conservation, preservation and protection of biodiversity to mitigate impacts of climate change and disasters
- 5) Youths empowered, engaged, and their talents harnessed and developed enabling them to make contributions to national development.

To ensure the effective implementation and application of the development objectives across various sectors, each goal was defined to be Specific, Measurable, Achievable, Realistic, and

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Time-bound (SMART) and translated into clear development outcomes. We also established key indicators to monitor progress and evaluate performance. Below, we outline the progress made in reaching these objectives:

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	<ul style="list-style-type: none"> ○ Enhance school enrolment ○ Improve academic performance in national examination ○ Accessibility to school fees for bright and needy students ○ 100% transition to secondary and tertiary institutions 	<ul style="list-style-type: none"> ○ Increased enrolment in primary schools ○ improved transition to secondary schools and tertiary institutions ○ Improved bursary award and allocations ○ Reward good performance 	<ul style="list-style-type: none"> ○ Bursary/scholarships in Secondary schools, colleges, universities, technical and vocational institutions, and special needs ○ Increased Primary Schools, JSS and Senior Schools development infrastructure ○ Improved intake in university level 	<ul style="list-style-type: none"> ○ Through Bursary there was an increase in scholarship awards, teaching program, TVETs awards and Life Guard Trainees. ○ Enhanced learning environment by putting up 4 perimeter wall in 4 different schools. ○ Completed stalled laboratories to enable learners inculcate the practical experience in learning
Security	<ul style="list-style-type: none"> ○ Equipped security agents with appropriate 	<ul style="list-style-type: none"> ○ Heightened security within the constituenc 	<ul style="list-style-type: none"> ○ Number of police posts constructed and furnished 	<ul style="list-style-type: none"> ○ Enhanced security by constructing more police

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	security infrastructure and resources for preservation of peace, prevention and detection of crime, and maintenance of law and order	y that guarantees safe working environment and peaceful co-existence of communities and improved service delivery to the citizens	o Number of chiefs offices constructed and furnished	station as gazetted by the Government and reinforcing them with better facilities for better service delivery.
Climate Change Mitigation Activities	Enhance clean environment, conservation, Preservation and protection of biodiversity to mitigate impacts of climate change and emergency/disasters	Restoration of tree nurseries and forest Tree growing and nurturing Restoration from degradation and pollution	Number of tree seedlings planted, gabions constructed, water harvesting facilities initiated and pit-latrines constructed	Climate Change Mitigation activities were tree planting in line with the changes in the Act and the President initiative of planting 15 Billion tree seedlings by 2032. The committee through various PMCs will plant at least 2,000 seedlings in the financial year.
Emergency	To cater for unforeseen Occurrence in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	Working with other units and departments dealing with emergency response in the constituency to ensure quick identification and response.
Others (NG-CDF Office)	Enhancing healthy and	Capacity building,	Renovating the Office, keeping a	o Improved the working

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	conducive working environment	Equipping and having an enabling working environment for staff and Committee.	clean and sanitized environment and purchasing of working equipment	environment by putting up the cabro and planting trees <ul style="list-style-type: none"> ○ Water harvesting and gardening the compound ○ Recruitment of competent staff in all key offices
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6. Governance Statement

Appointment and removal of Constituency Committee members:

The Current NG- CDF Ijara Constituency Committee was appointed in the year 2022 and their tenure has come to an end. However, they are in transition as the appointment and gazettelement of new committee is in process.

Regulation 5(2) creates a vacancy in the Office of Constituencies Committees, in the manner provided. Section 48(8) of the Act is succinct on the expiry of the term of the Committee. Further, Section 43(3) of the NG-CDF Act, 2015 as amended in 2023, the seven persons referred to in Sub-section (2) (b), (c), (d), (e), (f) and (g) shall be selected in the manner prescribed in the Regulations. Regulation 5 and 6 of the NG- CDF Act, 2025 as amended in 2023, provide for the eligibility criteria and procedures for nomination.

Section 43 (13) (a), (b), (c), (d), (e), (f) and (g) provides the manner in which a member of the Constituency Committee may be removed from office, Section 44 of the Act elaborates the manner a Constituency Committee shall be dissolved, Regulation 10 lists the procedure for removal of a Constituency Committee Member and Regulation 5 (2) describes circumstance in which a vacancy may occur in the constituency committee.

SCHEDULE OF NG- CDFC MEETINGS

NO	NAMES COMMITTEE MEMBERS	OF	CATEGORY	WARD	MEETINGS HELD	SUB- MEETINGS HELD
1	Yunis Aress Shirie		Male Youth Representative	Masalani	14	-
2	Qureisha Daud		Female Youth Representative	Ijara	14	-
3	Abdi Hussein		Male PWDs Representative	Sangailu	14	-
4	Fardosa Hussein		Female Adult Representative	Hulugho	14	-

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NO	NAMES COMMITTEE MEMBERS	OF	CATEGORY	WARD	MEETINGS HELD	SUB- MEETINGS HELD
5	Abdifatah Sambur		Male Adult Representative	Masalani	14	-
6	Mariam Khalif		Female Adult Representative	Sangailu	14	-
7	Abdi Issack		Male Adult Representative	Hulugho	14	-
8	Bashir Jibril		Co - Opted Member	Ijara	14	-

Convening of Constituency Meetings

Section 43 (6) state that, "The first meeting of the Constituency Committee shall be convened within one hundred and twenty 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."

After appointment of members of the NG- CDF Committee through publication in the Kenya Gazette, and within 120 days of the commencement of the thirteenth parliament, the Deputy County Commissioner (or in his/her absence) the Fund Account Manager shall convene the first meeting of the NG- CDF Committee, during which the members will elect the Chairperson and the Secretary. The Officer of the Board will then submit to the Board the names of the elected Chairperson and Secretary, attaching a certified copy of form four certificate and the academic certificates for the highest level of education attained and the minutes of the NG- CDF Committee that approved the appointment. As the management of NG- CDF Ijara Constituency we complied with the Act and its regulations.

Tenure of the Constituency Committee

As per the provision of Section 43 (8) and (9) of the NG- CDF Act, the tenure of the members of NG- CDF Committee shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act and regulations, while the Fund Account Manager remain the custodian of all the records and equipment of the constituency. As per Regulation 24 of

the Act, once the new committee members have been appointed, the Fund Account Manager in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG- CDF Committee members. To facilitate this, the Fund Account Manager prepares a comprehensive handover report on behalf of the outgoing committee.

Functions and Operations of the Constituency Committee

Regulation 11 of NG- CDF Act outlines the functions of the Constituency Committee. Implementation of projects through the Projects Management Committees at the community level is one of the mandates. In addition, effective and efficient project management is cardinal achievement of the Fund's objective of poverty reduction while ensuring equitable development across the Constituency. In order to achieve this objective, the Fund Account Manager through the Board, continuously trains the NG- CDF Committee, the staff and the technical officers from relevant government departments on various projects management, pertinent issues to enable them facilitate Project management Committees. Regulation 11 (1) (a) is the function of the Constituency Committee to build capacity of the Project Management Committees and sensitize the community on the operations of the Fund.

Section 43 (11) of the Act provides that 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.

Conflict of Interest, Ethics and Conduct of NGCDFC

The NGCDFCs are required to provide evidence of compliance with Chapter Six of the Constitution on Leadership and Integrity. Non-compliance translates to rejection of the person to be a member of the NGCDFC. Each member of Ijara NGCDFC was vetted through Chapter six before appointment. They are also trained on other statutes including the Leadership and Integrity Act 2012 and the Public Officer Ethics Act 2003. They are also guided by the code of conduct of the NGCDF Board. There were no case of misconduct and conflict of interest from Ijara NGCDFC during the period under review.

Risk Management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they

carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

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

Management of Transition and Handing over

Pursuant to Section 43 (8) and (9) of the NG- CDF Act 2025 as amended in 2023, the tenure of the members of NG-CDFCs shall expire upon the appointment of a new Constituency Committee in the manner provided in the Act and Regulations, while the Officer of the Board shall remain the custodian of all the records and equipment of the Constituency. Therefore, the officer of the Board shall play an important role of ensuring the assets of the constituency are protected and preserved, and ensure smooth transition between the committees.

Upon appointment of the new committee, the officer of the Board in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG-CDF members. To facilitate this, the Officers of the Board are required to prepare a comprehensive handover report on behalf of the outgoing committee. The handover report must be signed by the Chairpersons (or a member acting in such capacity), secretary (or a member acting in such capacity) and witnessed by the Officer of the Board.

7. Management Discussion and Analysis

Establishment and Management of the Fund

Section 4 of the Act state 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 Ijara Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 477,835,293 between FY 2022/2023 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	138,215,033
2021/2022	138,215,033
2022/2023	138,215,033
2023/2024	169,150,403
2024/2025	170,469,857

Sectorial allocation over the period as per the approved code list and Section 24 of the Act, the highest beneficiary being education sector through bursary and school's infrastructural development. The table below shows how the funds were distributed:

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	28,670,111.58	6%
Monitoring and Evaluation	14,335,058.79	3%
Bursary	176,799,058.4	37%
Capital Grants to Primary Schools	90,788,705.67	19%

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Capital Grants to Secondary Schools	85,916,468.6	16%
Capital Grants to Tertiary Institutions & Universities	9,556,705.86	2%
Climate Change Mitigation Activities	4,778,352.00	1%
Sports	2,750,000.00	1%
Security	8,050,000.00	2%
Constituency Innovation and Digital Hubs	13,630,832.00	3%
NG- CDF Assets and Renovations	13,960,000.00	3%
Others (Huduma Centre and Strategic Plan)	28,600,000.00	6%

Bursary Sector

The committee over the last 3 years managed to allocate bursary to over 4,000 learners in every financial year. In addition, the committee achieved to train 120 learners through TVET scholarship, 20 teachers through scholarship, and Trained 150 learners on life skills among other awards. Further, the committee allocated Kshs. 25,000 to learners pursuing a degree program, Kshs. 20,000 to learners pursuing diploma and certificate courses. With respect to Secondary Schools, learners were allocated Kshs. 16,000 to boarders, Kshs. 8,000 to day scholars and Kshs. 7,000 to learners in school within the constituency.

Grants to Primary and Secondary Schools

Poor academic performance in the constituency is contributed by lack of proper school infrastructure, such as laboratories and laboratory apparatus, a shortage of dormitories in several schools, insufficient classrooms at the primary level, and unsecured school compounds that are invaded by domestic animals like donkeys, along with uncontrolled movements by outsiders.

As a committee, we are currently establishing boundary walls for some schools. Moreover, the committee is finalizing a dormitory and laboratory for several secondary schools to allow students to take advantage of the amenities.

Sanitary units have been a priority for the committee whereby several toilets are on-going. These will enhance public health and hygiene at the learning institutions.

Grants to Tertiary Institution

The committee equipped Ijara TVC with ICT equipment to enhance digital learning for the youths at the institution and the Constituency at large. In addition, 2 ablution blocks and water harvesting and storage unit were constructed to meet the water shortage at the area. Since then, the institution has experienced increased numbers in admission and retention of learners.

Security

The committee has ensured completion of a chief's office at Hulugho and is planning to do more security infrastructure in the area.

Future Development

To ensure the existence of NG-CDF into the future the NG-CDF Act may be re-amended to align more explicitly with the 2010 Constitution. Stronger delineation of roles between legislators and fund management is expected. The fund management should be digitized for better tracking of projects, payments, procurement, and public engagement.

There is need to place more emphasis on inclusive participatory processes, ensuring that projects meet actual community needs, especially youth and women. In addition, the NG-CDF is expected to align with government priorities under the Bottom-Up Economic Transformation Agenda (BETA), focusing more on empowering grassroots education and social services.



**FUND ACCOUNT MANAGER
IJARA NG-CDF
P.O. Box 92-78106, MASALANI**

**Name: Hassan Kassim
Fund Account Manager**

8. Environmental and Sustainability Reporting

The Ijara Constituency NG-CDF is dedicated collecting, analyzing, and disclosing information about the institution's environmental and sustainability performance. This reporting helps the committee track its environmental impact, demonstrate accountability to stakeholders, and improve sustainability practices.

1. Sustainability strategy and profile -

To ensure the sustainability of NG- CDF Ijara Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** NG- CDF Ijara 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, NG- CDF Ijara Constituency 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 Ijara Constituency has allocated part of its budget to climate change mitigation activities such as afforestation, re-afforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Environmental protection is a core initiative of the Ijara NG-CDF. We consider caring for the environment a fundamental responsibility and a crucial aspect of our operational approach. Our commitment to environmental stewardship is deeply integrated in our strategic plan.

As the committee, we are waiting for guidelines from the Board in line with the changes in the NG-CDF Act 2015 as amended in 2023. These will guide the in coming up with future strategies in handling climate change mitigation matters.

Despite that, the committee has allocated sufficient funds fir tree planting at schools. In order to ensure sustainability and survival of the tree growing activity, the committee is constructing perimeter walls for all the schools.

3. Employee welfare

We invest in providing the best working environment for our employees. NG- CDF Ijara 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. NG- CDF Ijara Constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices-

NG- CDF Ijara 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.

NG- CDF Ijara Constituency 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-

NG- CDF Ijara 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.

6. Public Participation in Project Identification, Implementation, and Monitoring

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

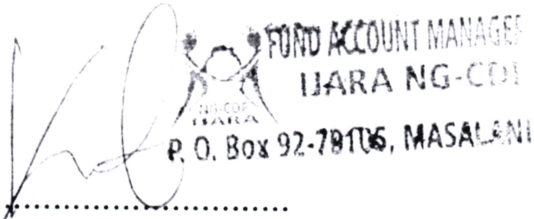
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

7. 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.

NG- CDF Ijara Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



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

The Accounting Officer in charge of the NGCDF- Ijara 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 NG- CDF Ijara 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.

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The Accounting Officer in charge of the NG- CDF Ijara 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 NG- CDF Ijara Constituency financial statements were approved and signed by the Accounting Officer on 24th October 2025.



.....
Name: Mr. Yunis Aress Shirie
Chairman – NGCDF Committee



FUND ACCOUNT MANAGER
IJARA NGCDF
P. O. Box 92-79106, MASARANI

.....
Name: Mr. Hassan Kassim
Fund Account Manager

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Ijara Constituency set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund - Ijara 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 the National Government Constituency Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Bursary Payments

The statement of financial performance reflects other grants and other transfers expenditure of Kshs.59,694,685 as disclosed in Note 11 to the financial statements. Included in the amount are bursary payments of Kshs.34,665,700 and Kshs.18,629,100 for secondary schools and tertiary institutions respectively. However, review of bursary disbursement records revealed that Kshs.5,670,000 disbursements were not supported with acknowledgements receipts or letters from the recipient institutions.

In the circumstances, the accuracy and authenticity of the bursary disbursements balance of Kshs.5,670,000 for the year could not be confirmed.

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

Emphasis of Matter

Budget Performance and Control

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects a final receipts budget of Kshs.241,838,426 and actual receipts of Kshs.199,368,569, resulting in an under-funding of Kshs.42,469,857, which represents approximately 18% of the budgeted receipts. Similarly, the Fund spent Kshs.146,238,875

against actual receipts of Kshs.199,368,569, resulting in an under-absorption of Kshs.53,129,694, which is approximately 27% of the actual receipts.

The under-funding and under absorption affected the implementation of planned activities and may have negatively impacted on service delivery to the residents of Ijara Constituency.

My opinion is not modified in respect to this matter.

Key Audit Matters

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

Other Matter

1. Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.156,200,525 to sixty-one (61) projects in various sectors including emergency, security, environment and education. Review of the project implementation status revealed that twenty-six (26) projects with an allocation of Kshs.71,528,227 were complete, three (3) projects with an allocation of Kshs.11,000,000 were on-going and thirty-two (32) projects with an allocation of Kshs.64,700,000 had not started.

The delay in completion of projects may have impacted negatively on service delivery to the residents of Ijara Constituency.

2. Unresolved Prior Year Matters

In the prior years' audit reports, eight issues were raised under the Report on Financial Statements. Review of the status during audit of the Institute in 2024/2025 revealed that the following matters remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Bursary Payments
2	2023/2024	Unsupported Project Management Committee Account Balances
3	2023/2024	Land Without Ownership Records
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Delay In Implementation of Projects
6	2023/2024	Failure to Open Deposit Holding Account
7	2023/2024	Non-Remittance to NSSF Contributions
8	2023/2024	Emergency Reserve Payments

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Construction of Four Classrooms and Two Door-Toilet at Bothai Secondary School

The statement of financial performance reflects Kshs.59,842,856 in respect of other government units' actual expenditure as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.13,624,351 in respect of secondary schools' actual expenditure.

During the year under review, the Fund disbursed a total of Kshs.5,600,000 to the Project Management Committee (PMC) of Bothai Secondary School for the construction to completion of four classrooms and two door-toilet with one chamber catering for persons with disabilities. The project cost was Kshs.5,320,000. However, physical inspection carried out on 25 September, 2025 revealed that one (1) chamber meant for persons with

disability did not include accessibility ramps to be used by the people with disability as specified on bill of quantities. This was contrary to Section 48(4b) of Public Procurement and Disposal Act, 2015 states that the inspection and acceptance committee shall ensure that the goods, works or services meet the technical standards defined in the contract.

In the circumstance, the management of the Fund was in breach of the law.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and National Government Constituency Development Fund Committee

The 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 it 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 Funds' ability to continue as a going concern, disclosing, as applicable, matters related to sustainability of services and using the applicable 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 Constituency Development Committee is responsible for overseeing the Constituency'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

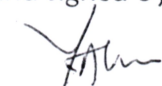
14 November, 2025

*National Government Constituencies Development Fund (NGCDF)
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Total revenue		170,469,857
Expenses		
Employee costs	7	6,408,465
Committee expenses	8	2,894,800
Use of Goods and Services	9	4,544,938
Other Government Units Actual expenditure	10	73,467,207
Other Grants and Transfers Actual expenditure	11	59,694,685
Total expenses		147,010,095
Surplus/(Deficit) for the year		23,459,762

The Constituency financial statements were approved by the NGCDF on 22nd October 2025 and signed by:



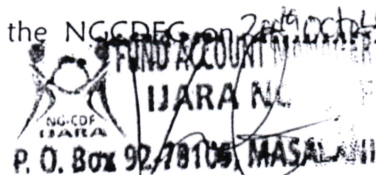
Chairman NG- CDF Committee

Name: Mr Yunis Aress Shirie



National Sub-County
Accountant

Name: Vincent P Musumba



NGCDF
IJARA N.C.
P. O. Box 92, 70105, MASALAI

Fund Account Manager

Name: Mr. Hassan Kassim


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

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


	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	12	53,129,694	32,218,166
Receivables from Non-Exchange Transactions	13	42,469,857	39,150,403
Total Current Assets		95,599,551	71,368,569
Total Assets (A)		95,599,551	71,368,569
Liabilities			
Current Liabilities			
Trade and Other Payables	14	543,219	-
Gratuity Provision	15	228,000	-
Total Current Liabilities		771,219	-
Total Liabilities (B)		771,219	-
Net Assets (A-B)		94,828,332	71,368,569
Represented by:			
Accumulated Surplus		94,828,331	71,368,569
Total Net Assets		94,828,331	71,368,569

Note: The Opening balance of the Kshs.32,218,166 includes balance carried forward from previous year as per cash book of Kshs. 19,070,676 and PMC opening bank balance of Kshs. 13,147,490 while the closing balance of Kshs. 53,129,694 includes cash book closing balance of Kshs. 42,439,838 and PMC closing balance of Kshs. 10,461,856 and Kshs. 228,000 in the staff gratuity deposit account.

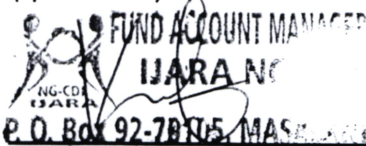
The Constituency financial statements set out on pages 1 to 13 approved by NG- CDFC on 24th October 2025 and signed by:


Chairman NG-CDF Committee

Name: Mr. Yunis Aress Shirie


National Sub-County Accountant

Name: Vincent P Musumba


Fund Account Manager

Name: Mr. Hassan Kassim

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	-	19,070,676	19,070,676
Adjustments			
Recognition of Assets	-	52,297,893	52,297,893
Recognition of Liabilities	-		-
As at July 1, 2024	-	71,368,569	71,368,569
Surplus/(Deficit) For the Period	-	23,459,762	23,459,762
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	-	94,828,331	94,828,331

Note: The Adjustment on Recognition of assets of Kshs. 52,297,893 includes PMC opening balance of 13,147,490 and disbursement owing from the NG-CDF Board for last year of Kshs. 39,150,403.

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		167,150,403
Total Receipts		167,150,403
Payments		
Employee costs		5,637,246
Committee expenses		2,894,800
Use of Goods and Services		4,544,938
Other Government Units Certified Works		73,467,207
Other Grants and Transfers		59,694,685
Total Payments		146,238,876
Net Cash Flows from/ (used in) Operating Activities	16	20,911,528
Net increase/(decrease) in cash & Cash equivalents		20,911,528
Cash and cash equivalents at 1 July 2024	19	32,218,166
Cash and cash equivalents at 30 June 2025	19	53,129,694

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	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	170,469,857	32,218,166	39,150,403	241,838,426	199,368,569	42,469,856	82%
Totals	170,469,857	32,218,166	39,150,403	241,838,426	199,368,569	42,469,856	82%
Expenses							
Employee costs	7,155,355	741,131	568,943	8,465,429	5,637,246	2,828,183	67%
Committee expenses	2,728,000	206,300	-	2,934,300	2,894,800	39,500	99%
Use of Goods and Services	5,458,932	120,421	3	5,579,356	4,544,938	1,034,418	81%
Other Government Units Certified Works	75,000,000	25,347,490	37,881,457	138,228,947	73,467,207	64,761,741	54%
Other Grants and Transfers	80,127,570	5,802,824	700,000	86,630,394	59,694,685	26,935,709	69%
Funds Pending Approval**							

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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Total Expenditure	170,469,857	32,218,166	39,150,403	241,838,426	146,238,875	95,599,550	61%
Surplus for the period							

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

Explanatory Notes.

- 1) Employee costs: During budgeting process the committee had realized a saving with the employee cost brought forward from the FY 2023/2024 Of Kshs. 741,311
- 2) Use of Goods and Services: During budgeting process the committee had realized a saving with the cost brought forward from the FY 2023/2024 of Kshs. 206,300.
- 3) Other Government Units Certified Works: In addition to delayed funding, the committee had several multiyear/Multiphase projects which did not have sufficient funding for implementation to commence.
- 4) Other Grants and Transfers; the committee has several security projects.
- 5) Acquisition of Assets: The was no budget for office since it had already been done in the previous year
- 6) Digital Hubs Expenses: Delayed disbursement from the Board hindered implementation/commence of the Digital Hubs.

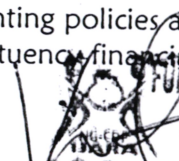
National Government Constituencies Development Fund (NGCDF)

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,599,550
Less undisbursed funds receivable from the Board as at 30 th June 2025	42,469,856
Cash and Cash Equivalents at the end of the 30 th June 2025	53,129,694

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 24th October 2025 and signed by:


FUND ACCOUNT MANAGER
IJARA NG-CDF
P.O. Box 92-7805, MASALANI
Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Mr. Hassan Kassim

Name: Vincent P Musumba

Name: Mr. Yunis Aress Shirie

*National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,155,355	741,131	568,943	8,465,429	5,637,246	2,828,183
1.2 Committee allowances	1,128,000	200,000		1,328,000	1,294,800	33,200
1.3 Use of goods and services	1,944,836	115,321		2,060,157	1,944,938	115,219
Sub-total	10,228,191	1,056,452	568,943	11,853,586	8,876,984	2,976,602
2.0 Monitoring and evaluation						
2.1 Capacity building	1,250,000	-	-	1,250,000	700,000	550,000
2.2 Committee allowances	1,600,000	6,300	-	1,606,300	1,600,000	6,300
2.3 Use of goods and services	2,264,096	5,100	3	2,269,199	1,900,000	369,199
Sub-total	5,114,096	11,400	3	5,125,499	4,200,000	925,499
3.0 Emergency						
Unutilized	8,972,098	-	-	8,972,098	-	8,972,098
Sub-total	8,972,098	-	-	8,972,098	-	8,972,098
4.0 Bursary and Social Security						
4.1 Secondary Schools	34,955,472	1,950		34,957,422	34,665,700	291,722
4.2 Tertiary Institutions	30,000,000	874		30,000,874	18,629,100	11,371,774
Sub-total	64,955,472	2,824	-	64,958,296	53,294,800	11,663,496

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
5.0 Climate Change Mitigation						
5.1 Hulugho Boys Secondary School	100,000			100,000		100,000
5.2 Hulugho Boys Secondary School			100,000	100,000		100,000
Sub-total	100,000	-	100,000	200,000	-	200,000
6.0 Primary Schools Projects						
Adamajare Primary School	2,500,000			2,500,000		2,500,000
Bisikor Primary School	2,500,000			2,500,000		2,500,000
Bultohama Primary School	1,800,000			1,800,000		1,800,000
Daaro Primary School	2,500,000			2,500,000		2,500,000
Dabarmatan Primary School	2,500,000			2,500,000		2,500,000
Damac Primary School	2,500,000			2,500,000		2,500,000
Doi Primary School	600,000			600,000		600,000
Doi Primary School	2,500,000			2,500,000		2,500,000
Elmaan Primary School	1,800,000			1,800,000		1,800,000
Garabey Primary School	2,500,000			2,500,000		2,500,000
Gumarey Primary School	2,500,000			2,500,000		2,500,000
Handaro Primary School	1,800,000			1,800,000		1,800,000
Hodhan Primary School	2,500,000			2,500,000		2,500,000

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Programme/sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years Outstanding Disbursements			
		Kshs	Kshs			
Ijara Girls Primary School	600,000			600,000		600,000
Koranhindi Primary School	3,000,000			3,000,000		3,000,000
Maah Primary School	2,500,000			2,500,000		2,500,000
Masalani Girls Primary	5,000,000			5,000,000		5,000,000
Matarba Primary School	2,400,000			2,400,000		2,400,000
Muhumed Dahir Primary School	1,200,000			1,200,000		1,200,000
Qardob Primary School	2,500,000			2,500,000		2,500,000
Sagar Primary School	2,500,000			2,500,000		2,500,000
Shabeley Primary School	1,200,000			1,200,000		1,200,000
Torabora Primary School	2,500,000			2,500,000		2,500,000
Wakhabarey Primary School			1,000,000	1,000,000		1,000,000
Masalani Special School			3,000,000	3,000,000		3,000,000
Masalani Primary School		2,000,000		2,000,000	1,999,800	200
Kotile Pri School		500		500	-	500
Gesireb Pri School		500		500	-	500
Mufti Pri School	-	1,000		1,000	-	1,000
Sabenal Primary Sch	-	-	2,200,000	2,200,000	2,199,635	365
Masalani Jss Sch	-	-	5,113,366	5,113,366	5,112,567	799
Hulugho Primary School	-	5,400,125		5,400,125	5,400,006	119

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Programme/sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Korahindi Primary School	-	425	1,200,000	1,200,425	1,199,421	1,004
Gololdere Primary School	-	-	2,200,000	2,200,000	2,035,949	164,051
Alijarire Primary School	-	1,500,000		1,500,000	1,499,850	150
Abdigure Pry	2,500,000	1,000,000		3,500,000	3,499,880	120
Hadi Primary	-	-	2,200,000	2,200,000	2,198,535	1,465
Sarira Pry	-	-	2,200,000	2,200,000	2,199,885	115
Elkambere Pry	-	1,000,000		1,000,000	999,880	120
Shekhow Pry School	-	-	5,000,000	5,000,000	4,999,850	150
Wakhabarey Pry	2,500,000	-	-	2,500,000	998,880	1,501,120
Korisa Pry	-	1,800,000	-	1,800,000	1,799,880	120
Maderdho Pry	-	-	2,200,000	2,200,000	2,199,524	476
Sinai Primary School	2,500,000	220	-	2,500,220	2,500,000	220
Nasib Primary School	2,500,000	6,141,000	-	8,641,000	5,640,213	3,000,787
Boma Primary School	2,500,000	120	-	2,500,120	2,500,006	114
Dabar Matan Primary School	-	-	-	-	-	-
Wacha Primary School	2,500,000	-	-	2,500,000	2,256,825	243,175
Gerille Primary School	-	1,500,000	-	1,500,000	1,353,750	146,250
Sarman Primary School	-	-	2,800,000	2,800,000	2,799,885	115
Danai Primary School	-	-	2,200,000	2,200,000	2,146,524	53,476

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Tumtish Primary School	-	103,000	2,200,000	2,303,000	2,302,110	890
Ijara Girls Primary School		200		200	-	200
Sub-total	66,900,000	20,447,090	33,513,366	120,860,456	59,842,856	61,017,601
7.0 Secondary Schools Projects						
Sophia Mix Secondary School	2,500,000			2,500,000		2,500,000
Sophia Girls Sec School		2,500,000		2,500,000	2,499,500	500
Shurie Secondary School		700,000	2,200,000	2,900,000	2,202,875	697,125
Hulugho Boys Secondary School		1,700,400	2,168,091	3,868,491	3,867,976	515
Bothai Secondary School	5,600,000	-		5,600,000	5,054,000	546,000
Sub-total	8,100,000	4,900,400	4,368,091	17,368,491	13,624,351	3,744,140
8.0 Security Projects						
Ijara ACCs Office	700,000			700,000		700,000
Ruqa ACCs Office	700,000		-	700,000		700,000
Sangailu ACCs Office	700,000			700,000		700,000
Masalani AP Camp		2,100,000	600,000	2,700,000	2,700,000	-
Hulugho Chiefs Camp		3,000,000		3,000,000	2,999,885	115
Sub-total	2,100,000	5,100,000	600,000	7,800,000	5,699,885	2,100,115
9.0 Others						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Masalani Digital Hub	4,000,000.00	-	-	4,000,000		4,000,000
Strategic Plan		700,000.00	-	700,000	700,000	-
Sub total	4,000,000	700,000	-	4,700,000	700,000	4,000,000
10.0 Funds pending approval**						
13.1 Unapproved projects	-	-	-	-	-	-
13.2 AIA	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Total	170,469,857	32,218,166	39,150,403	241,838,426	146,238,875	95,599,550

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Ijara Constituency principal activity is to target grassroots development, funding Education, Security Institutions, Health facilities, Bursary and Community initiatives

2. Statement of Compliance and Basis of Preparation

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

The Financial Statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The NG-CDF Ijara has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach: Therefore, this is the 1st transitional financial statements. (The NG-CDF Ijara has recognised all financial Assets which includes cash and cash equivalent for operational account, deposit account and PMC balances, Receivables (owing from the Board and Others), Prepayments, PPE and intangible assets acquired in FY 2023/2024 to date of reporting. Liabilities recognised includes trade and other payables, third party deposits and gratuity provisions. Recognition of all other non-financial assets acquired in the FY prior to 2023/2024 to be recognised in the third year of transition after identification and valuations have been done).

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: 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>This IPSAS is not applicable to the constituency this F/Y</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</p>

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	<p>discontinued operations to be presented separately in the statement of financial performance.</p> <p>This IPSAS is not applicable to the constituency this F/Y</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The IPSAS will be adopted effective 1st July 2025</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The IPSAS is not relevant this F/Y</p>
<p>IPSAS 47:</p>	<p>Applicable 1st January 2026</p>

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Revenue	<p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The IPSAS was not applicable this F/Y</p>
IPSAS 48: Transfer Expenses	<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>The IPSAS was not applicable this F/Y</p>
IPSAS 49: Retirement Benefit Plans	<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 not applicable at the Constituency</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<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

	<p>mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>IPSAS not applicable at the Constituency</p>
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iii. **Early adoption of standards**

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's

net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

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

b) Budget information

The original budget was approved by Parliament on 5th March 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual 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).

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 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

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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.

6. Transfers from the NGCDF Board

Description	2024-2025 KSh
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

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7. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	5,861,935
Gratuity to contractual employees	228,000
Employer Contributions Compulsory national social security schemes	318,530
Total	6,408,465

8. Committee Expenses

	2024-2025
	Kshs
Sitting allowance	686,000
Other Committee expenses	2,208,800
Total	2,894,800

9. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	50,000
Communication, supplies and services	122,200
Domestic travel and subsistence	1,752,400
Hospitality supplies and services	118,000
Office and general supplies and services	168,000
Fuel, oil & lubricants	370,000
Bank charges	25,838
Other operating expenses	1,938,500
Total	4,544,938

10. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	59,842,856
Secondary Schools Actual expenditure	13,624,351
Total	73,467,207

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11. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	34,665,700
Bursary – tertiary institutions	18,629,100
Security projects Actual expenditure	5,699,885
Others (Strategic plan)	700,000
Total	59,694,685

12. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Ijara NG-CDF, Ac No; 1590261644233. (Operations account)	42,439,838	19,070,676
Ijara NG-CDF Deposit Account, Ac No. 1590285382602. (Deposit account)	228,000	-
Name of Bank, account No. (PMC accounts) Various.	10,461,856	13,147,490
Total	53,129,694	32,218,166

(A schedule of all reconciled PMC bank balances as at the end of the period is provided)

13. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,469,857		39,150,403	
Total	42,469,857		39,150,403	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	42,469,857	100%	39,150,403	100%
Total	42,469,857	100%	39,150,403	100%

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14. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Employee payables	543,219		-	
Other payables	-		-	
Total trade and other payables	543,219		-	
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	1st July 2024	% of the Total
Under one year	543,219	10%	-	0%
1-2 years	-	%	-	0%
2-3 years	-	%	-	0%
Over 3 years	-	%	-	0%
Total (tie to above total)	543,219	10%	-	0%

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15. Gratuity Provision

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 st of July 2024	-
Gratuity held during the year	228,000
Gratuity paid during the year	-
Total Gratuity Provision as at 30th June 2025 (A+B-C)	228,000

16. Cash Generated from Operations

	2024-2025
	Kshs
Surplus/Deficit for the year	23,459,762
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	-
Increase/decrease in receivables	(3,319,454)
Increase/decrease in third party deposits	(228,000)
Increase/decrease in payables	(543,219)
Net cash flow from operating activities	20,911,528

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

17. Financial Risk Management

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

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

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with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024-2025				
Receivables from non-exchange transactions	42,469,857	42,469,857	-	-
Bank balances	53,129,694	53,129,694	-	-
Total	95,599,551	95,599,551	-	-
As at 30 June 2023-2024				
Receivables from non-exchange transactions	39,150,403	39,150,403	-	-
Bank balances	32,218,166	32,218,166	-	-
Total	71,368,569	71,368,569	-	-

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 no significant concentration of credit risk. 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

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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				
Employee Payables	543,219			
Gratuity Provision	-	-	228,000	228,000
Total	543,219	-	228,000	228,000

iii) Market risk

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

a) Foreign currency risk

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

manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

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

iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Accumulated surplus	94,828,331	71,368,569
Retained Earnings	23,459,762	-
Capital Reserve	-	-
Total Funds	118,288,093	71,368,569
Total Borrowings	-	-
Less: Cash and Bank Balances	(53,129,694)	(32,218,166)
Net Debt/(Excess Cash And Cash Equivalents)	65,158,399	39,150,403
Gearing	55%	55%

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18. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,894,800	-
Total	2,894,800	
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	167,150,403	-
Total	167,150,403	-

19. Events after the Reporting Period

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

20. Ultimate And Holding Entity

The Ijara 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.

21. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	13,450,000	-	-	13,450,000
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	2,171,174	-	-	2,171,174
ICT Equipment and Other ICT Assets	660,000	-	-	660,000
Other Machinery and Equipment	5,865,700	-	-	5,865,700
Intangible assets	-	-	-	-
Total	22,146,874	-	-	22,146,874

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

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Masalani Girls Pri School	Equity Bank Garissa Branch	580285487259	200	2,000,000
Kotile Pri School	Equity Bank Garissa Branch	580285414975	500	500
Gesireb Pri School	Equity Bank Garissa Branch	580285406760	500	500
Mufti Pri School	Equity Bank Garissa Branch	580285400474	1,000	1,000
Sabenal Primary Sch	Equity Bank Garissa Branch	580285954750	365	
Masalani Jss Sch	Equity Bank Garissa Branch	580285931396	799	
Hulugho Primary School	Equity Bank Garissa Branch	580284330896	119	125
Korahindi Primary School	Equity Bank Garissa Branch	580285395014	1,004	425
Gololdere Primary School	Equity Bank Garissa Branch	580286259100	164,051	
Alijarire Primary School	Equity Bank Garissa Branch	580285667163	150	
Abdigure Pry	Equity Bank Garissa Branch	580285766710	120	
Hadi Primary	Equity Bank Garissa Branch	580285857120	1,465	
Sarira Pry	Equity Bank Garissa Branch	580285776537	115	
Elkambere Pry	Equity Bank Garissa Branch	580285696366		

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
			120	
Shekhow Pry School	Equity Bank Garissa Branch	580285718236	150	
Wakhabarey Pry	Equity Bank Garissa Branch	580285768742	1,120	
Korisa Pry	Equity Bank Garissa Branch	580285791544	120	
Maderto Pry	Equity Bank Garissa Branch	580286022891	476	
Sinai Primary School	Equity Bank Garissa Branch	580286256002	220	220
Nasib Primary School	Equity Bank Garissa Branch	580285780554	787	3,141,000
Boma Primary School	Equity Bank Garissa Branch	580286480870	114	120
Dabar Matan Primary School	Equity Bank Garissa Branch	580286522366	2,500,000	
Wacha Primary School	Equity Bank Garissa Branch	580286286499	243,175	
Gerille Primary School	Equity Bank Garissa Branch	580286408997	146,250	
Sarman Primary School	Equity Bank Garissa Branch	580286356870	115	
Danai Primary School	Equity Bank Garissa Branch	580286243415	53,476	
Tumtish Primary School	Equity Bank Garissa Branch	580285780573	890	103,000
Ijara Girls Primary School	Equity Bank Garissa Branch	580284444826	600,200	200
Sagar Primary School	Equity Bank Garissa Branch	580286496134		

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
			2,500,000	
Sophia Girls Sec School	Equity Bank Garissa Branch	580286256002	500	2,500,000
Shurie Sec	Equity Bank Garissa Branch	580284128149	697,125	700,000
Hulugho Boys Sec	Equity Bank Garissa Branch	580284324037	515	1,700,000
Bothai Secondary School	Equity Bank Garissa Branch	580286480867	546,000	
Masalani Ap	Equity Bank Garissa Branch	580285667175	-	
Hulugho Chiefs Camp	Equity Bank Garissa Branch	580286428544	3,000,115	3,000,000
Total			10,461,856	13,147,490

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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)
1	<p>Unsupported Bursary Payments The statement of receipts and payments reflects other grants and other transfers of Kshs.90,109,409 which includes Kshs.33,565,000 and Kshs.35,620,209 disbursed to secondary schools and tertiary institutions respectively as disclosed in Note 6 to the financial statements. However, examination of payment vouchers revealed that bursary amounting to Kshs.2,487,000 for tertiary institutions and Kshs.3,500,000 for secondary schools were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions. It was therefore not possible to confirm whether the bursary was paid to the intended beneficiaries. Further, cheque dispatch register was not maintained to record cheques issued out to the beneficiaries. in the circumstances, the accuracy of bursary payments of Kshs.5,987,000 could not be confirmed.</p>	<p>We acknowledged the bursaries.</p>	<p>Not Resolved</p>	<p>Date to be provided by DFAC.</p>
2	<p>Unsupported Project Management Committee (PMC) Account Balances Annex 3 of the financial statements reflects Project Management Committees (PMC) bank balances totaling Kshs.4,502,000 as at 30 June, 2024. However, Management did not provide for audit bank statements, bank reconciliation statements, bank statements and certificates of bank balances for five (5) PMC bank accounts disclosed in the Annex to confirm the balances.</p>	<p>The management has provided the PMC's bank statements.</p>	<p>Not Resolved</p>	<p>Date to be provided by DFAC.</p>

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Reference No on the external audit	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and existence of Project Management Committee account balances of Kshs.4,502,000 could not be confirmed.			
3	<p>Land Without Ownership Documents Annex 2 of the financial statements reflects summary of fixed assets register with assets historical cost balance of Kshs.25,146,874 as at 30 June 2024. Included in the balance is land disclosed at Kshs.3,000,000. However, ownership documents for the land were not provided for audit. In addition, the fixed assets register maintained did not contain all the necessary information including Identification or serial numbers, accumulated depreciation and net book values. In the circumstances, ownership of land disclosed at Kshs.3,000,000 could not be confirmed</p>	The NGCDF land lies on a communal land and doesn't have a title deed	Not Resolved	Date to be provided by DFAC.
4	<p>Delay in Implementation of Projects During the year under review, the Fund allocated Kshs.88,351,319 to thirty-five (35) projects in various sectors including emergency, security and education. Review of the Project Implementation Status report revealed that twenty-six (26) projects costing Kshs.67,121,180 were completed, two (2) projects costing Kshs.8,000,000 were ongoing and seven (7) projects with an allocation of Kshs.13,230,139 had not started. Delay in implementation of projects denied the residents of the Constituency the expected services.</p>	This is due to delay in disbursement of funds from NGCDF board.	Not Resolved	Date to be provided by DFAC.
4	<p>Unresolved Prior Year Matters In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of</p>	All unresolved prior year matters raised by the	Not Resolved	Date to be

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Public Resources. However, Management has not resolved the issues or given any explanation for the failure to resolve them. In addition, all the prior year issues were not disclosed under Progress on Follow up of Auditor Recommendations section of the financial statements.</p> <p>Further, Management did not submit its report on how it has addressed the recommendations and findings of the previous year's audit report contrary to Section 31(1)(a) of the Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit the report.</p>	<p>Auditor General during the period under review have been addressed by the committee and the supporting documents are available for review and clearance by DFAC</p>		provided by DFAC.
5	<p>Failure to Open a Deposit Holding Account Section 12(1A) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) provides that each Constituency shall open one (1) deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the Constituency for which it is opened. Management did not open a deposit holding account as required.</p>	<p>The management has opened a deposit account.</p>	Not Resolved	Date to be provided by DFAC.
6	<p>Non-Remittance of National Social Security Fund (NSSF) Contributions The statement of receipt and payment reflects compensation of employees of Kshs.6.163,321. Review of documents provided for the audit revealed that Management did not remit NSSF contributions deducted from the employee salaries and the</p>	<p>The management has provided the remittances.</p>	Not Resolved	Date to be provided by DFAC.

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Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>employer contribution for the months of April - June 2024 amounting to Kshs.156,942. This was contrary to Section 27(1) of the National Social Security Fund Act, 2013 states that, if any contributions for which a contributing employer is required to pay to the Fund is not paid within one (1) month after the end of the month in which the last day of the contribution period to which it falls, a sum equal to five per cent (5%) of the amount of that contribution shall be added to the contribution for each month or part of a month that the amount due remains unpaid.</p>			
<p>Emergency Reserve payments The statement of receipts and payments reflects other grants and transfers balance of Kshs.90,109,409 as disclosed in Note 6 to the financial statements. Included in the amount is an expenditure of Kshs.5,400,000 incurred from emergency reserve. Management did not report to the National Government Constituencies Development Fund Board the utilization of emergency reserve within (30) days of occurrence of the emergency as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.</p>	<p>The management has reported the emergencies to the NGCDF board.</p>	<p>Not Resolved</p>	<p>Date to be provided by DFAC.</p>

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FUND ACCOUNT MANAGER
IJARA

Name: M.O. Hassan
Fund Account Manager.

