

REPUBLIC OF KENYA



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REPORT

OF

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CLERK-AT-THE-TABLE:	OBIERU

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND**

TURKANA SOUTH CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

TURKANA SOUTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committee	vii
4. NG-CDFC Chairman's Report	x
6. Governance Statement	xvi
7. Management Discussion and Analysis	xxi
8. Environmental and Sustainability Reporting	xxiii
9. Statement Of Management Responsibilities	xxvii
10. Report Of the Auditor General on the NGCDF- Turkana South Constituency	xxix
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement Of Financial Position As At 30th June, 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	3
14. Statement Of Cash Flows for The Year Ended 30th June 2025	4
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	5
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	7
17. Notes to the Financial Statements	13
18. Annexes	46

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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/revisions of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

(d) NGCDF Turkana South Constituency Headquarters

Next to DCC OFFICE
Along Kenya Power Road
Lokichar KENYA.

(e) NGCDF Turkana South Constituency Contacts

P.O. Box 267-30500
Telephone: (254) 0741185766
E-mail: ngcdfturkanasouth@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Turkana South Constituency Bankers

1. Bank A. (Operations Account). *Kenya Commercial Bank.*
Lodwar Branch
P.O. Box 135-30500-Lodwar
2. Bank B. (Deposit account). *Kenya Commercial Bank.*
Lodwar Branch
P.O. Box135-30500-Lodwar
3. Bank C. (PMC Accounts) *Kenya Commercial Bank*
Lodwar Branch
P.O. Box 135-30500

(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

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 Turkana South Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management



The key management personnel who held office during the financial year ended 30th June 20XX and who had direct fiduciary responsibility were:

1.	AIE holder	Kwena Stephen
2.	National Sub-County Accountant	Joshua Meeme
3.	Chairman NGCDFC	Michael Loreng
4.	Member NGCDFC	Jemoster Silale
5.	Member NG CDFC	Peter Lowoi





(c) Fiduciary Oversight Arrangements

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

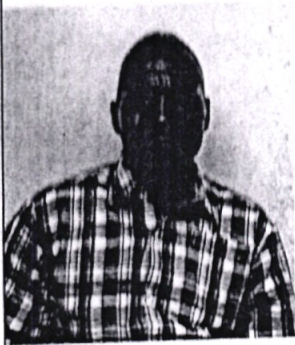
3. NGCDF Committee

	<p>Born in January , 1979 Holds a Kenya Secondary School Leaving Certificate from Katilu Boys PTE Primary Teachers Education from Kaimosi Teachers Training College and Bachelors degree from University Nairobi</p>
<p>Michael Loreng Chairman</p>	<p>Born on 21 June, 1977. Holder of Bachelor of Education in Early Childhood Studies Mount Kenya University 2012 - 2013 : Diploma in Education Management Kenya Education Management Institute 2009 - 2010 : Diploma in Early Childhood Studies St. Michael College - Eregi 2001- 2002 : Primary Teacher Education (PTE) Machakos Teachers College</p>
	<p>Born 1980 Academic Qualification: Adult education Business woman and local activist</p>
<p>Peter Maraka Lowoi Secretary</p>	<p>Christine Nabenyo Female Adult</p>

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

	<p>Born in 1987 Academic Qualification: Adult education Business woman</p>
<p>Ann Nakali Female Adult</p>	<p>Date of birth: 1969 Academic Qualification: Adult Education holder Professional qualification: Business Man</p>
	<p>Date of birth:1991 Academic Qualification: KCSE Business Woman Work Experience</p>
<p>Peter Aropa Male Adult-</p>	<p>Date of birth: 1998 Academic Qualification: KCSE Professional qualification: Bachelor Business administration from Cooperative college Work Experience: none</p>
	<p>Martha Long'or Akorot Female Youth</p>
	<p>Jemoster Silale Male Youth</p>

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



Ekadeli Ebei
PWD Representative

Date of birth: 1963
Born A PWD and with an adult education
Business man

4. NG-CDFC Chairman's Report



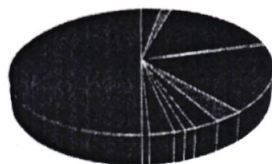
*Michael Loreng
NGCDF Chairman*

Turkana South national government constituency development funds as mandated by NG-CDF act, prioritized on projects for funding during the financial year 2024/2025.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval. As summarized below

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	10,766,517.27	6.0
2.	Monitoring and evaluation	5,383,259.00	3.0
3.	Bursary	61,000,000.00	34.0
4.	Primary projects	2,100,000.00	1.2
5.	Secondary school projects	60,547,865.00	34
6.	Security projects	10,500,000.00	6
7.	Emergency reserve	9,444,313.39	5
8.	ICT HUB	4,000,000.00	2
9.	Environmental projects	4,000,000.00	2
10.	Assets	9,000,000.00	5
11.	Others	2,700,000.00	2
	TOTAL	179,441,954.66	100

AMOUNT ALLOCATED



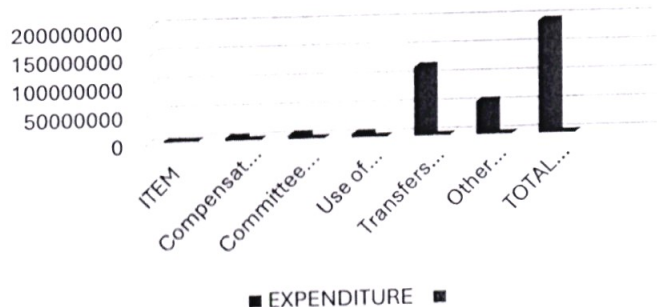
- 1. Office administration
- 2. Monitoring and evaluation
- 3. Bursary
- 4. Primary projects
- 5. Secondary school projects
- 6. Security projects
- 7. Emergency reserve
- 8. ICT HUB
- 9. Environmental projects
- 10. Assets
- 11. TOTAL

With the emphasis on education infrastructure and paying fees on implementation

The constituency had budget of Kshs 242,324,470 which included Kshs 179, 441,955 for the F/Y 2024/2025 Kshs 57,280,743 and 5,601,732 for the previous years

ITEM	AMOUNT SPENT	%
Compensation of employees	5,373,578	80%
Committee Expenses	7,126,900	196%
Use of goods and services	7,904,246	69%
Transfers to Other Government Units	94,837,866	75%
Other grants and transfers	73,208,318	120%
TOTAL PAYMENTS	188,450,907	78%

EXPENDITURE DURING THE YEAR



Emerging issues

- 1. Delayed funding delays project implementation leading to rising costs to projects. hence value for money not being realized in good time*
- 2. Bursary beneficiaries do not meet academic capacity hence funds are wasted to students who don't achieve.*
- 3 School land has to be protected by acquiring title deed to avoid encroachments by the community.*
- 4. limited scope of the current NGCDF Act, which restricts funding to projects under the National Government's purview, leaving out essential community-based initiatives.*

Achievements

Turkana NGCDF Has achieved a lot in paying full scholarship to Medical students name and primary teachers which has always been one of the key pillars to get qualified manpower in the constituency

implementation challenges

Due to vastness of the constituency and with limited resources NG-cdf Turkana South is not able to fill the development gap

- o There are many school ins fracture needed with every village wanting a school, however the human resource in terms of qualified teachers is still not achievable*
- o Political interference has always been a challenge where the political class shall recommend a new school to be established without proper planning thus facilities are thinly spread without meaningful impact to learners and even enroll in some of the school is below minimum threshold .*

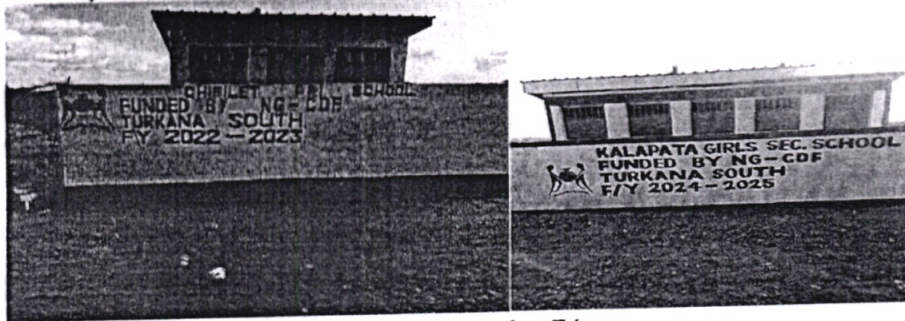
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Turkana South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*



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Bursary Launch



Completed pit latrin projects for the F/y

Michael Loreng

Name Michael Loreng
Chairman NGCDF Committee

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

Introduction

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

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

1. *Access to Education*
2. *Security and stability*
3. *Food security*
4. *Socio economic empowerment*
5. *Natural Resources and environment*

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	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 - we increased number of classrooms by constructing 24 new classrooms and equipping with 1200 desks 2 laboratories are under construction at Katilu Girls and Katilu boys from 4 to 6 1 library under construction at Katilu girls the first of its kinds, 1 dining under construction at Kasuroi Boys Secondary School from 1 to 2 in the following schools/institutions</i>

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

				- Bursary beneficiaries at all levels were as per the attached schedules
Security	To house all the administration units so us to provide security and bring government services to the people	Increased and improved offices	No of chiefs, assistant chiefs and Accs offices	Building the acc office at Kalapata, which is an addition from 4 chiefs office constructed
Climate change mitigation activities	To promote environmental sustainability	Reduced usage of firewood and charcoal as a primary fuel for the households	No of improved Jikos installed in schools Trees planted and disposal of sewerage waste	Installed 16 improved jikos in school from 10 the previous year And constructed more pit latrines
Emergency	To respond to real emergency issues	Improved structures	Improved and timely respond to emerging issues in the constituency	We set aside funds for any emergencies
Others (Specify)				

6. Governance Statement

The Turkana South National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2022/2023 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

We continually evaluate our governance operational framework to ensure the presence of robust internal governing bodies and effective systems and processes that support the Board and management in driving change, setting strategic direction, and formulating high-level objectives and policies. The governance of the organization falls under the purview of the Turkana South National Government Constituency Development Fund Committee. Committee members are deeply committed to fulfilling their fiduciary responsibilities and have implemented a range of principles essential for ensuring that good governance is adhered to in all interactions with the organization's constituents, customers, and other pertinent stakeholders.

1. Organizational Structure:

- i) **The National Treasury and Planning** is responsible for allocating budgetary provisions and providing policy guidance on development matters to the fund. It also funds the NGCDF budgets and offers financial directives for the effective and efficient management of the Fund.
- ii) **The NG-CDF Board** operates as a corporate board under the jurisdiction of the National Treasury and Planning. Its primary role is to ensure the efficient management of funds within constituencies. The board has a secretariat located in Nairobi, led by the Chief Executive Officer.
- iii) **The NG-CDF Committee (NG-CDFC)** is tasked with formulating project proposals in consultation with the local community through periodic ward-level forums. These proposals are then submitted to the NG-CDF Board for approval, and the committee facilitates Project Management Committees (PMCs) in the planning, implementation, and sustainability of projects at the constituency level.
- iv) **The Project Management Committee (PMC)** is responsible for executing projects on behalf of the local community. They collaborate with relevant government departments and prepare reports for submission to the NG-CDF Committee.
- v) **The NGCDFC staff** comprises key personnel responsible for managing the affairs of the constituency. Key positions within the current staffing include the Clerk of

Works, Accountant, Account Assistant, Records Officer, Clerical Officer, Driver and Groundsman.

A. NG-CDFC process of appointment

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

- i) there is established a National Government Constituency Development Fund Committee for every constituency.
- ii) Constituency Committee Shall comprise of;
 - a) the national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board
- iii) The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- iv) The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

B. Composition of NGCDFC

The persons appointed are drawn from different groupings as follows:

NO	NAME	CATEGORY	Date of gazetment	Position
1	Michael Loreng	Man (Adult)	21-05-2025	Chairperson
2	Jemoster Silale	Man (Youth)	21-05-2025	Member
3	Ann Nakali	Woman (Adult)	21-05-2025	Secretary
4	Martha Longor	Woman (Youth)	21-05-2025	Member
5	Ebei Ekidali	Pwd Representative	21-05-2025	Member
6	Aropa Peter	Constituency Nominee (Man)	21-05-2025	Member
7	Christine Nabenyoo	(Constituency Nominee) Woman	21-05-2025	Member
8	Peter Lowoi	NGCDF Board Coopted	21-05-2025	Member
9	Mr. Ombongi	Deputy County Commissioner		Member

10	Kwena Stephen	Fund Account Manager	Member
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C. NG-CDFC Tenure

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

D. The Role of the Constituency Committee

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

The roles and functions of NG-CDFC are as follows; -

- Build the capacity of project management committees and Committee.
- Sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016
- Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- Ensure that all projects receive adequate funding and are completed within three years;
- where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

E. Removal of NG-CDFC Members

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behaviour in public, advocating unethical behaviours, creating discord within the committee, Suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

F. Succession plan

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

G. Induction and Training of NG-CDFC Members:

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

In the year 2024/2025, the entity conducted capacity building for the NGCDF Committees in from 29th June -4th July 2025 at Star bucks Hotel Eldoret . The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource management, taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

H. Number of meetings:

NG-CDF Act Section 43 (11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Turkana South Constituency, the NG-CDF Committee conducted 9 meetings and 5 sub-committee meetings.

	Name of committee member	No of Meetings held									
		19/7/24	23/08/24	16/09/24	20/10/24	18/11/24	15/12/24	2701/25	24/02/25	21/03/25	18/04/25
1	Michael Loreng	√	√	√	√	√	√	√	√	√	√
2	Jemoster Silale	√	√	√	√	√	√	√	√	√	√
3	Ann Nakali	√	√	√	√	√	√	√	√	√	√
4	Martha Longor	√	√	√	√	√	√	√	√	√	√
5	Ebei Ekidali	√	√	√	√	√	√	√	√	√	√
6	Aropa Peter	√	√	√	√	√	√	√	√	√	√
7	Christine Nabenyo	√	√	√	√	√	√	√	√	√	√
8	Peter Lowoi	√	√	√	√	√	√	√	√	√	√
9	Obongi Patrick	√	X	X	√	X	√	X	X	√	√
10	Kwena Stephen	√	√	√	√	√	√	√	√	√	√

I. Risk Management

During the training conducted by the Board, members were taken through risk management issues that will enable them manage risk at the constituency level. Risk management is an integral part of good governance and best management practice at the constituency. The committee during the training were also informed that the risk Policy affirms the NG-CDF commitment of building a risk culture that encourages deliberate and proactive risk management in a manner and at intervals commensurate with the NG-CDF strategies. Examples of Risk identified and the management responses are as follows;

NO	RISK	MANAGEMENT
1.	Embezzlement of Project Funds	-Ensuring that a project management committee consisting of five people is formed and for any payment to be made, a meeting must be held to approve any payment pertaining the project. -There must be three mandatory signatories to the project Management Committee account of which one of them is the Fund Account Manager.
2.	Failure to attend NG-CDFC meeting by the committee members	-The fund Account Manager must always ensure that in every meeting, an attendance sheet is signed by all the committee members present that will be used during payment of NG-CDFC allowances.

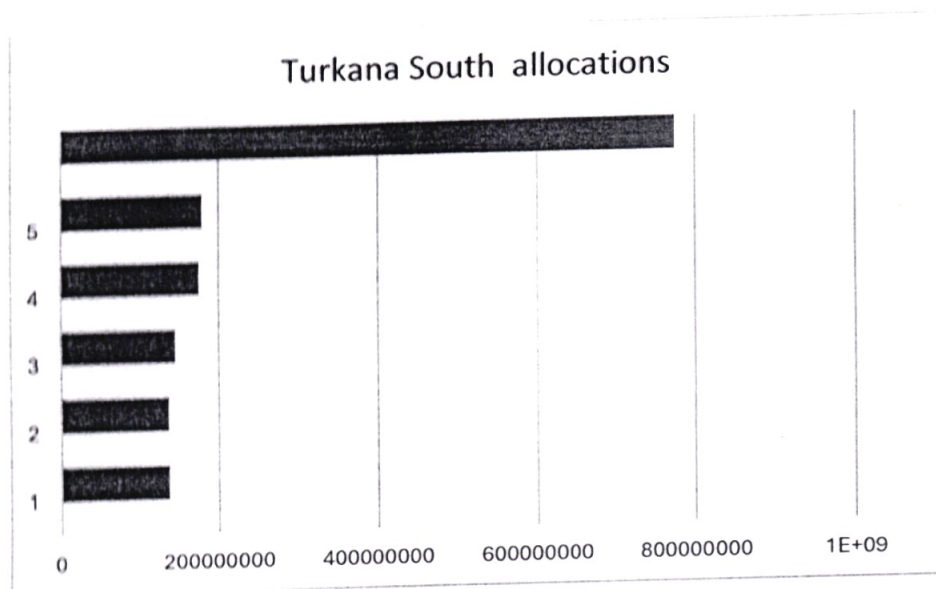
J. Ethics and Conduct

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of managing the fund.

7. Management Discussion and Analysis

NGCDF Turkana South has received a total of Kshs **774,185,125.78** for the last five (5) years.
Table 1: Funds Allocation for the Last 5 Years

S/No.	Financial year	Allocation (Kshs)
1.	2020/21	137,204,879.31
2.	2021/22	137,088,879.00
3.	2022/23	145,087,603.00
4.	2023/24	175,361,810.00
5.	2024/25	179,441,954.47
	Total	774,185,125.78



The funds disbursed to the constituency were utilized in implementation of various projects as summarized Projects were implemented in the following sectors;

6.1 Key Achievements

- A warded full scholarship to medical students and Primary teacher students to empower and create key human resource within locals
- Improved education and infrastructure in primary and secondary schools
- Increased allocation to bursaries
- Constructed 4 laboratories and a library under way the first ever in the constituency

6.2 Emerging Issues

- **Technological advancement-** NG-CDF Turkana South needs to adapt to emerging technologies to enhance efficiency and effectiveness while addressing potential risks and challenges associated with digital transformation.

- **Climate change and environmental sustainability-** the constituency faced the impacts of climate change. There is need to incorporate measures for climate resilience, renewable energy adoption, sustainable infrastructure development, and mitigation of environmental risks to ensure the long-term well-being of the community
- **Roll out of the E-GP System:** The roll out of the E-GP system requires more resources and time to build capacity of the procurement officers, suppliers and contractors.

Resource management is important - Efficient use of resources, including time, budget, and personnel, is vital. Monitor resource usage closely and make adjustments as needed to avoid overrun and burnout

6.3 Lessons Learnt

Lessons learnt encompasses some positive or negative externalities in the implementation process. The key lessons learnt include:

Risk management is essential - Proactive risk management can prevent issues from becoming major problems. Climate change is real and mitigation should be prioritized to avoid unrepresented effects. Identify potential risks early, monitor them continuously, and have mitigation plans in place

.....

**Name: Kwena Stephen
Fund Account Manager**

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- *This Financial year NGCDF Turkana south allocated funds toward full bursary to Medical students and P1 teacher students amounting to Kshs 6,000,000*
- *The Constituency supplied 16 improved jikos to schools to enhance environment mitigations Kshs 4,000,000 was spend*
- *The constituency constructed 8 doors pit latrines for waste management*
-

3. Employee welfare

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

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Turkana South Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

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

Public Awareness

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

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



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

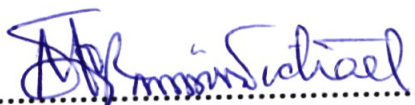
The Accounting Officer in charge of the NGCDF-Turkana South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

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

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

Approval of the financial statements

The NGCDF- Turkana South Constituency financial statements were approved and signed by the Accounting Officer on 30/6 2025.



.....

Name: Michael Loreng
Chairman – NGCDF Committee



.....

Name: Kwena Stephen
Fund Account Manager

REPUBLIC OF KENYA



Enhancing Accountability

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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

pages 1 to 62, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Turkana South Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects an opening cash and cash equivalents balance of Kshs.39,069,068 as disclosed in Note 19 to the financial statements. However, the previous year's audited financial statements reflect bank balances and PMC account balances of Kshs.5,601,732 and Kshs.23,356,310 respectively, all totalling to Kshs.28,958,042 resulting in an unreconciled variance of Kshs.10,111,026.

In the circumstances, the accuracy and completeness of the opening cash and cash equivalents balance of Kshs.39,069,068 could not be confirmed.

2. Inaccuracies in Revenue from Non-Exchange Transactions

The statement of financial performance reflects transfers from the National Government Constituencies Development Fund Board amount of Kshs.236,722,698. However, this amount varies with Kshs.179,441,954 allocated for year 2024/2025 as reflected in the records maintained by the Board by Kshs.57,280,744.

In the circumstances, the revenue from non-exchange transactions is overstated by Kshs.57,280,744

3. Non-Compliance with International Public Sector Accounting Standards

Note 2 to the financial statements and the cover page contains information that implies that the financial statements have been prepared in full compliance with International Public Sector Accounting Standards. The same contain information that the financial statements are transitional and therefore not fully compliant with the International Public Sector Accounting Standards. However, the primary financial statements reflect that the

phased approach of transiting from cash basis of accounting to accrual basis has been adopted.

This contradictory information, creates significant confusion regarding the true basis of accounting and undermines the reliability and transparency of the financial statements.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts of Kshs.276,301,441 and Kshs.203,782,419 respectively resulting in an underfunding of Kshs.72,519,023 or 26% of the budget. Similarly, the Fund spent Kshs.196,587,526 against an approved budget of Kshs.276,301,442 resulting in an under absorption of funds of Kshs.79,713,916 or 29% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iii to xxviii which comprise acronyms and definition of key terms, key constituency information and management, the NGCDF Committee, management discussion and analysis, and the statement of management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's transitional IPSAS financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the transitional IPSAS financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of

this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Poor Projects Implementation

Review of the project implementation status report revealed that implementation of five (5) projects with a total estimated cost of Kshs.33,997,865 had not commenced attributing to lack of disbursement of allocated funds. Further, two (2) projects with a total disbursement of Ksh.28,664,577 had not been completed and were ongoing.

In the circumstances, the under-disbursement of project funds and the potential delay may compromise the Fund's effectiveness in service delivery to the public.

2. Non-Remittance of Public Procurement Capacity Building Levy

Review of documents revealed that Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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

3. Outstanding Tax Arrears

Following a tax assessment for the period 2014 to 2018 and self-assessment for the subsequent period to 31 May 2025 National Government Constituencies Development Fund -Turkana South Constituency had accumulated tax arrears amounting to Kshs.1,955,780 payable to Kenya Revenue Authority which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

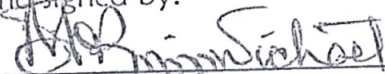
10 December, 2025

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

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

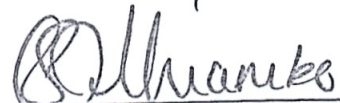
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	236,722,698
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		-
Finance income	8	-
Miscellaneous income	9	8,000
Total revenue		236,730,698
Expenses		
Employee costs	10	5,373,578
Committee expenses	11	7,126,900
Use of Goods and Services	12	7,904,246
Other Government Units Actual expenditure	13	94,837,866
Other Grants and Transfers Actual expenditure	14	73,208,318
Depreciation and amortization expense	15	2,030,210
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		190,481,118
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		46,249,580

The Constituency financial statements were approved by the NGCDFC on 2/8 2025
 and signed by:



Chairman NG-CDF
 Committee
 Name: Michael Loreng

National Sub-County
 Accountant
 Name: Joshua Meeme
 ICPAK M/No:7739



Fund Account Manager

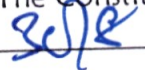
Name: Kwena Stephen

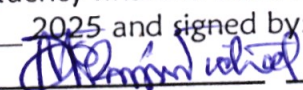
12. Statement Of Financial Position As At 30th June, 2025

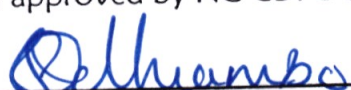
Assets			
Current Assets			
Cash And Cash Equivalents	19	46,271,961	39,069,068
Receivables from Exchange Transactions	20	-	
Receivables from Non-Exchange Transactions	21	33,441,955	-
Prepayments (Insurance)	22	403,628	-
Total Current Assets		80,117,544	39,069,068
Non-Current Assets			
Property, Plant and Equipment	23	6,090,631	-
Intangible Assets	24	-	-
Total Non- Current Assets		6,090,631	-
Total Assets (A)		86,208,175	39,069,068
Liabilities			
Current Liabilities			
Trade and Other Payables	25	-	-
Gratuity provision	26	2,446,827	1,557,300
Total Current Liabilities		2,446,827	1,557,300
Non-Current Liabilities			
Lease Liabilities	27	-	-
Total Liabilities (B)		2,446,827	1,557,300
Net Assets (A-B)		83,761,348	37,511,768
Represented by:			
Revaluation Reserves			
Accumulated Surplus		83,761,347	37,511,768
Total Net Assets		83,761,347	37,511,768

The Constituency financial statements set out on pages 1 to 6 were approved by NG CDFC on

2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Michael Loreng


 National Sub-County
 Accountant
 Name: Joshua Meeme
 ICPAK M/No:7739


 Fund Account Manager
 Name: Kwena Stephen

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

	Reconfirmed Revaluation Reserves	Accumulated	Total
			Kshs
Fund Balance as at 30th June 2024	-	4,044,432	4,044,432
Adjustments			
Recognition of Assets (PMC Accounts Balances)	-	33,467,336	33,467,336
Recognition of Liabilities	-		
Fund Balance as at 30th June 2024	-	37,511,768	37,511,768
As at July 1, 2024	-	37,511,768	37,511,768
Surplus/(Deficit) For the Period	-	46,249,579	46,249,579
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	-	83,761,347	83,761,347

Note:

A restatement of the opening value of net assets has been done by adding the unrecognized project management committee account balances of Kshs.33,467,336.

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

Description	Notes	Period ended June 2025
		KShs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		203,782,419
Miscellaneous income		8,000
Total Receipts		203,790,419
Payments		
Employee costs		5,373,578
Committee expenses		7,126,900
Use of Goods and Services		7,904,246
Other Government Units Actual expenditure		94,837,866
Other Grants and Transfers Actual expenditure		73,208,318
Total Payments		188,450,907
Net Cash Flows from/ (used in) Operating Activities	28	15,339,511
Cash flows From Investing Activities		
Purchase of PPE		8,136,618
Purchase of Intangible assets		
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		8,136,618
Net increase/(decrease) in cash & Cash equivalents		7,202,893
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		
Cash and cash equivalents at Period Start	17	39,069,068
Cash and cash equivalents at Period End	17	46,271,961

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

Description	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
				Kshs	Kshs	Kshs	
				C=(a+b)	d	e=(c-d)	f=d/c*100
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,956,355	39,069,068	57,280,742	276,301,441	203,782,419	72,519,023	74%
Totals	179,956,355	39,069,068	57,280,742	276,301,441	203,782,419	72,519,023	74%
Expenses				-	-	-	0%
Employee costs	5,168,933	1,557,300	-	6,726,233	5,373,578	1,352,655	80%
Committee expenses	3,628,000	-	-	3,628,000	7,126,900	3,498,900	196%
Use of Goods and Services	7,867,244	4,044,432	-	11,911,676	7,904,246	4,007,430	66%
Other Government Units Certified Works	69,744,313	33,462,613	57,280,742	160,487,668	94,837,866	65,649,802	59%
Other Grants and Transfers	61,000,000	-		61,000,000	73,208,318	12,208,318	120%
Other Expenditure (PPE)				-	8,136,618	8,136,618	-100%
Digital Hubs Expenses	4,000,000	-		4,000,000	-	4,000,000	0%
Funds Pending Approval**	28,547,865	-		28,547,865	-	28,547,865	0%

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

Total Expenditure	179,956,355	39,069,068	57,280,742	276,301,442	196,587,526	79,713,916	71%
Surplus for the period	-	-	-	-	7,194,893	(7,194,894)	

Explanatory Notes.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	79,713,916
Less undisbursed funds receivable from the Board as at 30 th June 2025	33,441,955
Cash and Cash Equivalents at the end of the 30 th June 2025	46,271,961

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

Fund Account Manager

Name: Kwena Stephen

National Sub-County Accountant

Name: Joshua Meeme
ICPAK M/No: 7739

Chairman NG-CDF Committee

Name: Michael Loreng

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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,168,932	1,557,300		6,726,232	4,484,051	2,242,181
1.2 Committee allowances	1,642,401			1,642,401	5,765,500	- 4,123,099
1.3 Use of goods and services	4,469,585	4,044,432		8,514,017	3,227,778	5,286,239
Sub-total	11,280,918	5,601,732	-	16,882,650	13,477,329	3,405,321
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000			1,500,000	680,000	820,000
2.2 Committee allowances	1,000,000			1,000,000	1,361,400	- 361,400
2.3 Use of goods and services	2,883,259			2,883,259	2,000,792	882,467
Sub-total	5,383,259	-	-	5,383,259	4,042,192	1,341,067
4.0 Emergency						
unutilized	9,444,313			9,444,313	10,751,000	- 1,306,687
Sub-total	9,444,313	-	-	9,444,313	10,751,000	- 1,306,687
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	26,000,000			26,000,000	24,880,400	1,119,600
5.3 Tertiary Institutions	35,000,000			35,000,000	33,577,718	1,422,282
5.4 special needs	-			-		-
5.5 Education Support Programmes	-			-		-

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

5.6 Social Security	-			-		-
Sub-total	61,000,000	-	-	61,000,000	58,458,118	2,541,882
7.0 Environment				-		
Lomerimudang Primary School	250,000			250,000	250,000	-
Lomokomol Primary School	250,000			250,000	250,000	-
Nawoyaregae Primary School	250,000			250,000	250,000	-
Kangirega Primary School	250,000			250,000	250,000	-
Kekamuto Primary School	250,000			250,000	250,000	-
Lomonyang Primary School	250,000			250,000	250,000	-
Nawapeto primary school	250,000			250,000	250,000	-
Nakuja Ekalale Primary School	250,000			250,000	250,000	-
Lowoidapal Primary school	250,000			250,000	250,000	-
Moru-Engor Primary School	250,000			250,000	250,000	-
Edos Primary School	250,000			250,000	250,000	-
Lochwaakwaan Primary School	250,000			250,000	250,000	-
Kangimanyin Primary School	250,000			250,000	250,000	-
Lomeleku Primary School	250,000			250,000	250,000	-
Lokwadwat Primary school	250,000			250,000	250,000	-
Kadongolo Priamry School	250,000			250,000	249,200	800
Sub-total	4,000,000	-	-	4,000,000	3,999,200	800
8.0 Primary Schools Projects						
Kapese Primary School	1,500,000	1,348,202		2,848,202	2,840,712	7,490
Keekamuto Primary school	600,000	12,709		612,709	1,278	611,431
NAPEOT PRIMARY SCHOOL		2,068		2,068	378	1,690
KANGIKIPUR PRIMARY SCHOOL		3,000,000		3,000,000	2,993,977	6,023
Nakwamoru Primary School		2,270		2,270	126	2,144
Napusinyen Primary school		12,290		12,290		12,290
Kainuk Girls Primary School		5,568		5,568	2,345	3,223
Kangimanyin Primary School		6,446		6,446		6,446

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

Elim Hope primary school		4,642		4,642		4,642
Kaedome Primary School		12,608		12,608		12,608
Philadelphia primary school		17,377		17,377	378	16,999
Lomerimudang Primary School		3,165		3,165	1,404	1,761
Kalapata Primary School		1,433		1,433		1,433
Karoge Primary School		12,182		12,182		12,182
Lowoidapal Primary School		1,908		1,908	226	1,682
Kasuroi Primary School		2,364		2,364		2,364
Nakuse Primary School		2,158		2,158	126	2,032
Lomeleku Primary School		2,481		2,481		2,481
Lomonyang Primary School		6,192		6,192	126	6,066
Nawapeto Primary school		2,757		2,757	366	2,391
Kapelo Primary School		12,877		12,877		12,877
Nakaalei Primary School		55,483		55,483	50,125	5,358
Lotunguna Primary School		325		325	126	199
Juluk primary school		12,787	3,400,000	3,412,787	3,035,325	377,462
Lochwakan Primary school		6,629		6,629		6,629
Katlir Primary school		4,023	3,400,000	3,404,023		3,404,023
Nalemsekon Primary School		568		568	126	442
Ageles Primary School		6,617		6,617	3,546	3,071
Kakong Primary School		7,362		7,362		7,362
Loyapat Primary School		8,821		8,821	3,403,801	-
						3,394,981
Nakuja Ekalale primary School		1,152		1,152		1,152
Kogito primary School		617		617		617
Naworegaa Primary School		7,606		7,606	3,802	3,804
Naregaekamar Primary School		965		965	3,399,835	-
						3,398,871

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

Kaputir Primary School		723		723		723
Kaengolereng Primary School		8,502		8,502		8,502
Immercuate Conception Primary school		497		497		497
RCEA Nawoitorong Primary School		2,160		2,160	126	2,034
Nariamawoi Primary School		20,747		20,747		20,747
Edos primary School		4,328		4,328	126	4,202
Kapelibok primary School		6,928		6,928	252	6,676
St Stephen Nakurichanait primary school		-		-	126	- 126
Turkana intergrated primary school		1,529		1,529		1,529
Keakunyuk Primary School		3,400,413		3,400,413	3,394,892	5,521
Lomokomol Primary School		2,325		2,325	366	1,959
Agape primary school		3,406,178		3,406,178	3,403,477	2,701
Alnoor Primary School		7,943		7,943		7,943
Ekoropus Primary school		9,283		9,283	2,136	7,147
Nakipi Primary School		7,113		7,113	126	6,987
CHEBILET PRIMARY SCHOOL				-		-
Sopel Primary School		1,840	942,877	944,717	1,286,096	- 341,379
kalapata primary school			3,418,933	3,418,933	3,401,475	17,458
locheremoit primary school		17,643	5,118,933	5,136,576	5,115,252	21,324
lorogon primary school		1,276	3,400,000	3,401,276	3,399,668	1,608
Naregae primary school			3,400,000	3,400,000	3,399,835	165
Namakats primary school		3,938	3,400,000	3,403,938	3,401,010	2,928
Kagintankor primary school		704	3,400,000	3,400,704	2,834,412	566,292
kamerese primary school			3,400,000	3,400,000	3,401,267	- 1,267

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

Sub-total	2,100,000	11,488,709	33,280,743	46,869,452	48,778,770	- 1,909,318
9.0 Secondary Schools Projects (List all the Projects)						
Lochwaa Boys Secondary School		2,525		2,525	314	2,211
Kapelibok boys secondary school		3,199		3,199	378	2,821
Nagetei Girl Secondary school		4,000,359		4,000,359	3,516,068	484,291
Katilu Girls secondary school	34,000,000	7,414,447	12,000,000	53,414,447	18,972,702	34,441,745
Kalapata Girls Secondary school	1,000,000	1,078,438		2,078,438	1,595,483	482,955
Katilu Boys Secondary School		1,723	12,000,000	12,001,723	6,591,626	5,410,098
RCEA kakalel Boys Secondary School	1,500,000	434,345		1,934,345	1,870,963	63,382
AGC Lokichar Secondary School		583		583	378	205
RCEA korinyang Secondary School		7,840		7,840	630	7,210
Lokapel Secondary school		4,013,676		4,013,676	4,011,068	2,608
Rcea Kasuroi Boys secondary school	5,000,000	3,500,284		8,500,284	9,691,875	- 1,191,591
KAPUTIR SEC SCHOOL				-		-
Kalemngorok Secondary School		1,357		1,357	568	789
Kainuk Mixed Secondary School	1,000,000	7,196		1,007,196	1,007,645	- 449
Sub-total	42,500,000	20,465,968	24,000,000	86,965,968	47,259,698	39,706,270
10.0 Tertiary institutions Projects (List all the Projects)						
ARO TTC		1,503,185		1,503,185	200,378	1,302,807
				-		-
Sub-total	-	1,503,185	-	1,503,185	200,378	1,302,807
11.0 Security Projects						
Kainuk SNR Chief office		177		177		177
Lokichar AP Post		608		608		608
Kakong AP Post		3,828		3,828		3,828

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

				-		-
Sub-total	-	4,612	-	4,612	-	4,612
12.0 Acquisition of assets				-		
12.1 Motor Vehicles (including motorbikes)	9,000,000		-	9,000,000	8,120,841	879,159
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	9,000,000	-	-	9,000,000	8,120,841	879,159
13.0 Others						
Turkana South ICT HUB	4,000,000		-	4,000,000		4,000,000
Turkana South National Treasury	1,500,000		-	1,500,000	1,500,000	-
Turkana South NG-CDF Strategic Plan	1,200,000		-	1,200,000		1,200,000
Sub-total	6,700,000	-	-	6,700,000	1,500,000	5,200,000
Funds pending approval**						
unapproved projects		-		-		-
Katilu Boys secondary School	18,047,865			18,047,865		18,047,865
Kalapata Division Hqs	10,500,000			10,500,000		10,500,000
AiA	-	-	-	-		-
Sub-total	28,547,865	-	-	28,547,865	-	28,547,865
Total	179,956,355	39,064,206	57,280,743	276,301,304	196,587,526	79,713,916

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 Turkana South Constituency principal activity is project implementation

2. Statement of Compliance and Basis of Preparation

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

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

The NG-CDF Turkana South has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Impact
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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

and Equipment	and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

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

incurred. The useful life of the intangible assets is assessed as either finite or indefinite. 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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note*

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future

developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

NG-CDFB Transfers (Allocation for the Financial Year and Prior year outstanding disbursements)	236,722,697
TOTAL	236,722,697

7. Transfers from domestic and foreign partners

Grants	-
Total	-

8. Finance income

Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

Rental Income	-
Income from sale of tenders	8,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	8,000

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

10. Employees cost

Description	Period Ended June 2025
NG-CDFC Basic staff salaries	3,965,259
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	889,527
Employer Contributions Compulsory national social security schemes	409,088
Employer Contributions Compulsory Housing levy	103,704
Employer contributions to National Industrial Training Authority	6,000
Other Specify	-
Total	5,373,578

11. Committee Expenses

Sitting allowance	1,361,400
Other Committee expenses	5,765,500
Total	7,126,900

12. Use of Goods and services

Utilities, supplies and services	50,000
Communication, supplies and services	28,000
Domestic travel and subsistence	1,856,076
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	680,000
Hospitality supplies and services	635,000
Insurance costs	403,628
Specialized materials and services	-
Office and general supplies and services	267,750
Fuel, oil & lubricants	-
Bank Charges	110,000
Routine maintenance – vehicles and other transport equipment	240,792
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	3,633,000
Total	7,904,246

13. Other Government Units Actual expenditure

Primary Schools Actual expenditure	36,737,866
Secondary Schools Actual expenditure	58,100,000
Tertiary Institutions Actual expenditure	-
Total	94,837,866

14. Other Grants and transfers Actual expenditure

June 2025	
Bursary – secondary schools	24,880,400
Bursary – tertiary institutions	33,577,715
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	3,999,200
Emergency projects Actual expenditure	10,751,000
Roads projects Actual expenditure	-
Others specify	-
Total	73,208,318

15. Depreciation and Amortization Expenses

June 2025	
Property Plant and Equipment	2,030,210
Intangible Assets	-
Total	2,030,210

16. Digital Hubs Expenses

June 2025	
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
Total	-

17. Gain/loss on Sale of Assets

Description	June 2025
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

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

19. Cash and Cash Equivalents

Description	Period ended June 2025	Opening Statement 1 July 2024
Bank Accounts (Cash Book Bank Balance)		
KCB, 1146654162. (Operations account)	11,257,103	4,044,432
Operations account pending closure (Indicate name & account no.)	-	-
KCB, 1330712358. (Deposit account)	1,568,023	1,557,300
Name of Bank, account No. (PMC accounts)	33,446,835	33,467,336
Total	46,271,960	39,069,068
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

19 A Cash and Cash Equivalents

Kapese Primary School	KCB-Lodwar	1136413251	1,348,201.75	7,489.75
Keekamuto Primary school	KCB-Lodwar	1280088443	12,709.00	12,709.00
Sopel primary school	KCB-Lodwar	1286956129	160.00	160.00
locheremoit primary school	KCB-Lodwar	1286659760	17,642.50	21,323.50
Iorogon primary school	KCB-Lodwar	1157613098	1,276.00	1,608.00
Namakot primary school	KCB-Lodwar	1286375479	3,938.25	2,928.25
Kagintankor primary school	KCB-Lodwar	1286768578	704.00	704.00
kamerese primary school	KCB-Lodwar	1236600231	1,840.00	573.00
NAPEOT PRIMARY SCHOOL	KCB-Lodwar	1286565537	2,067.50	1,689.50
KANGIKIPUR PRIMARY SCHOOL	KCB-Lodwar	1286791227	3,000,000.00	6,023.00
Nakwamoru Primary School	KCB-Lodwar	1137146451	2,270.00	2,144.00
Napusinyen Primary school	KCB-Lodwar	1258008297	12,290.00	12,290.00
Kainuk Girls Primary School	KCB-Lodwar	1151540935	5,568.25	5,568.25
Kangimanyin Primary School	KCB-Lodwar	1286662311	6,446.00	6,446.00
Elim Hope primary school	KCB-Lodwar	1287948499	4,642.00	4,642.00
Kaedome Primary School	KCB-Lodwar	1286956129	12,607.50	12,607.50
Philadelphia primary school	KCB-Lodwar	1281019372	17,376.50	16,998.50
Lomerimudang Primary School	KCB-Lodwar	1152695053	3,165.00	1,761.00
Kalapata Primary School	KCB-Lodwar	1294359304	1,432.50	18,890.50
Karoge Primary School	KCB-Lodwar	1129419347	12,182.00	12,182.00

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

Lowoidapal Primary School	KCB-Lodwar	1296698483	1,907.50	1,681.50
Kasuroi Primary School	KCB-Lodwar	1287781209	2,363.50	2,363.50
Nakuse Primary School	KCB-Lodwar	1288721757	2,157.50	2,031.50
Lomeleku Primary School	KCB-Lodwar	1280789182	2,481.00	2,481.00
Lomonyang Primary School	KCB-Lodwar	1280372273	6,191.50	6,065.50
Nawapeto Primary school	KCB-Lodwar	1278273646	2,756.50	2,390.50
Kapelo Primary School	KCB-Lodwar	1278829113	12,876.50	12,876.50
Nakaalei Primary School	KCB-Lodwar	1286201985	55,482.50	5,357.50
Lotunguna Primary School	KCB-Lodwar	1286587913	324.83	198.83
Lochwakan Primary school	KCB-Lodwar	1280935162	6,629.00	6,629.00
Katlir Primary school	KCB-Lodwar	1287100287	4,022.50	1,832.50
Nalemsekon Primary School	KCB-Lodwar	1286401933	567.50	441.50
Ageles Primary School	KCB-Lodwar	1288044526	6,616.50	3,070.50
Kakong Primary School	KCB-Lodwar	1296391450	7,361.50	7,361.50
Nakuja Ekalale primary School	KCB-Lodwar	1171780524	1,152.00	1,152.00
Kogito primary School	KCB-Lodwar	1296029085	617.00	617.00
Naworegaa Primary School	KCB-Lodwar	1224907817	7,605.75	3,804.05
Naregaekamar Primary School	KCB-Lodwar	1156689856	964.50	1,129.50
Kaputir Primary School	KCB-Lodwar	1135110255	722.50	722.50
Kaengolereng Primary School	KCB-Lodwar	1224985362	8,501.60	8,501.60
Immercuate Conception Primary school	KCB-Lodwar	1167844130	497.00	497.00
RCEA Nawoitorong Primary School	KCB-Lodwar	1294762109	2,160.00	2,034.00
Nariamawoi Primary School	KCB-Lodwar	1294296280	20,746.50	20,746.50
Edos primary School	KCB-Lodwar	1279658312	4,327.50	4,201.50

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

Kapelibok primary School	KCB-Lodwar	1294102672	6,927.50	6,675.50
St Stephen Nakurichanait primary school	KCB-Lodwar	1168553636	4,701.75	4,575.75
Turkana intergrated primary school	KCB-Lodwar	1293433055	1,528.50	1,528.50
Keakunyuk Primary School	KCB-Lodwar	1153302462	3,400,412.50	5,520.50
Lomokomol Primary School	KCB-Lodwar	1296717399	2,325.00	1,959.00
Agape primary school	KCB-Lodwar	1183269048	3,406,178.25	2,701.25
Alnoor Primary School	KCB-Lodwar	1297677935	7,943.25	7,943.25
Ekoropus Primary school	KCB-Lodwar	1290242631	9,283.25	7,157.25
Nakipi Primary School	KCB-Lodwar	1286320992	7,112.50	6,986.50
Lochwaa Boys Secondary School	KCB-Lodwar	1261384121	2,524.50	2,145.50
Kapelibok boys secondary school	KCB-Lodwar	1261383915	3,198.50	2,818.50
Nagetei Girl Secondary school	KCB-Lodwar	1182268994	4,000,359.00	607.50
RCEA kakalel Boys Secondary School	KCB-Lodwar	1258113929	434,344.50	63,374.50
AGC Lokichar Secondary School	KCB-Lodwar	1206331771	582.50	196.50
RCEA korinyang Secondary School	KCB-Lodwar	1292755849	7,840.00	7,201.00
Lokapel Secondary school	KCB-Lodwar	1183453469	4,013,675.50	2,597.50
kainuk mixed secondary school	KCB-Lodwar	1107185076	7,195.65	(460.41)
Kalemngorok Secondary School	KCB-Lodwar	1261383915	1,356.50	838.50
Kainuk SNR Chief office	KCB-Lodwar		176.50	176.50
Lokichar AP Post	KCB-Lodwar	1281013234	607.50	607.50
Kakong AP Post	KCB-Lodwar	1294940015	3,827.50	3,827.50
SUB TOTAL	KCB-Lodwar		4,611.50	375,902.82
Juluk primary school	KCB-Lodwar	1182032044	12,786.75	377,461.75
Kalapata Girls Secondary school	KCB-Lodwar	1275908063	1,078,437.50	282,949.50

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

Katilu Girls secondary school	KCB-Lodwar	1275819664	7,414,446.50	25,041,740.50
Katilu Boys Secondary School	KCB-Lodwar	1287616852	1,723.25	5,067,504.25
ARO TTC	KCB-Lodwar	1278265341	1,503,184.75	1,302,806.75
KAPUTIR SEC SCHOOL	KCB-Lodwar	1261384121	-	568,969.43
CHEBILET PRIMARY SCHOOL	KCB-Lodwar	129348494	-	450,000.00
SUB TOTAL			10,010,578.75	33,091,432.18
TOTAL			10,010,578.75	33,467,335.00

20. Receivables from Exchange Transactions

Total receivables	-	-
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables		
a. Current receivables		
b. Non-current receivables		
Total Receivables (a+b)		

i. Ageing Analysis for Receivables

	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	%
Between 1- 2 years	-	-	-	%
Between 2-3 years	-	-	-	%
Over 3 years	-	-	-	%
Total (a+b)	-	%	-	%

21. Receivables from Non-Exchange Transactions

Transfers from NGCDFB	33,441,955		-	
Outstanding imprest	-		-	
Total	33,441,955		57,280,743	
Ageing Analysis- Receivables from non-exchange transactions	FY 2025	% Of the total	Opening Balance	% Of the total
Less than 1 year	33,441,955	100%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	33,441,955	100%	-	%

22. Prepayments

Description		
Prepaid Rent	-	-
Prepaid Insurance	403,628	
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	403,628	

23. Property, Plant and Equipment

Depreciation Rate		10%	25.00%	0.2	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	8,120,841	-	-	-	-	-	8,120,841
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	8,120,841	-	-	-	-	-	8,120,841
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	2,030,210	-	-	-	-	-	2,030,210
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	2,030,210	-	-	-	-	-	2,030,210
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-
As At 30 June, 2025	-	-	6,090,631	-	-	-	-	-	6,090,631

Valuation

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

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NB
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	8,120,841	2,030,210	6,090,631
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

24. Intangible Assets

Cost	
Opening balance at 1 st July 2025	-
Additions	-
Disposal	-
At end of the 20xx	-
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1st 20xx	-
NBV at June 30th 20xx	-

25. Trade and Other Payables

Trade payables		-		-
Employee payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1 st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)				

26. Lease Liabilities

Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

27. Gratuity Provision

Gratuity at the beginning of the period (A)	1,557,300	-
Gratuity held during the period (B)	889,526	1,557,300
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	2,446,826	1,557,300

28. Cash Generated from Operations

Surplus for the period before tax	46,249,579
Adjusted for:	
Depreciation	2,030,210
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(33,829,805)
Changes in deferred income	-
Changes in Third party deposits	889,526
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	15,339,511

29. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

As at 30 th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	33,441,955	33,441,955	-	-
Bank balances	46,271,960	46,271,960	-	-
Total	79,713,915	79,713,915	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	33,441,955	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	39,069,068	39,069,068	-	-
Total	39,069,068	39,069,068	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description				
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,446,827	2,446,827
Total	-	-	-	-
As at 30th June 2024	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Gratuity Provision	-	-	1,557,300	1,557,300
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

Financial Risk Management

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

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

	-	-
Revaluation Reserve	-	-
Retained Earnings	83,761,347	37,511,768
Capital Reserve	-	-
Total Funds	83,761,347	37,511,768
Total Borrowings	-	-
Less: Cash and Bank Balances	46,271,960	39,069,068
Net Debt/(Excess Cash And Cash Equivalent)	(46,271,960)	(39,069,068)
Gearing	-55%	-104%

30. Related Party Disclosures

30. Related Party Disclosures		
Committee Members Remuneration		
Sitting allowance of committee Members during the year	7,126,900	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	203,782,419	-
Total	210,909,319	-

31. Segment Information

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

32. Contingent Assets and Contingent Liabilities

Contingent Assets

Contingent Assets		
Description		
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Contingent Liabilities		
Contingent Liabilities		
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

33. Capital Commitments

Capital Commitments		
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

34. Events after the Reporting Period

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

35. Ultimate And Holding Entity

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

36. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)		
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	8,120,841	-	8,120,841
Office equipment, furniture, and fittings	-			-
ICT Equipment and Other ICT Assets	-			-
Other Machinery and Equipment	-			-
Intangible assets	-			-
Total	-	8,120,841		8,120,841

Annex 2: 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.

<p>.Unsupported Fuel, Oil and Lubricants Expense The statement of receipts and payments reflects use of goods and services amount of Kshs.7,704,948 which include fuel, oil and lubricants amount of Kshs.1,335,970 as disclosed in Note 6 to the financial statements. However, the expenditure has not been supported with motor vehicle work tickets and detail orders.</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>
<p>In the circumstances, the accuracy and completeness of</p>			

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

No. on the Public Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / No Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	expenses on fuel, oil and lubricants of Kshs.1,335,970 could not be confirmed			
	<p>Unsupported Expenditures on Committee Allowances The statement of receipts and payments reflects committee expenses of Kshs.5,132,098 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.2,554,098 for other committee expenses which was not supported with workplans, attendance list, work tickets for</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

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

	<p>the field visits and monitoring and evaluation reports on projects visited. In the circumstances, the accuracy and completeness of other committee expenses of Kshs.2,554,098 could not be confirmed.</p>	
	<p>3. Inaccuracies in Fixed Assets</p> <p>Annex 4 to the financial statements reflects summary of fixed assets register balance of Kshs.39,228,945 which includes a Nil balance on</p>	<p>When the OAG Responds</p>
	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>

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

Reference No. on the Annual Audit Report	Issue / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeframe (Date when you expect to be resolved)
	<p>land. However, no explanation was given for the failure to determine the size and value of land on which the constituency office is located for disclosure in the financial statements. Further, ownership documents for the land were not provided for audit.</p> <p>In the circumstances, the accuracy and completeness of other fixed assets balance of Kshs.39,228,945 could not be confirmed</p>			

	<p>4. Inaccuracies in Budget Execution by Sectors and Projects</p> <p>The summary statement of appropriation reflects a total final budget amount of Kshs.279,823,601. The amount differs with the total in the final budget execution by sectors and projects of Kshs.252,252,801. The variance of Kshs.27,570,800 was not explained or reconciled.</p> <p>In the circumstances, the accuracy and completeness of</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	the budget execution by sectors and projects could not be confirmed			
	<p>Emphasis of Matter</p> <p>1. Budgetary Control and Performance The summary statement of appropriation reflects approved final receipts budget and actual on comparable basis of Kshs.279,823,601 and Kshs.222,542,668 respectively resulting to an under-funding of Kshs.57,280,933 or 20% of the budget.</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

	<p>The under-funding of the Fund may have impacted negatively on service delivery to the constituents of Turkana South.</p>			
	<p>2. Late Disbursements of Funds from the Board The summary statement of appropriation reflects approved final receipts budget and actual on comparable basis of Kshs.279,823,601 and Kshs.222,542,668 respectively resulting to Kshs.57,280,933 or 20% of the funding which had not been received by the Fund contrary to Section 16(a) of the National Government Constituencies Development Fund Act, 2015 which stipulates</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

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

Reference No. on the External Audit Report	Issue / Observations from Auditor	Management comments	Not	Timetable (Provide date when you expect the issue to be resolved)
	<p>that the functions of the Board shall be to ensure timely and efficient disbursement of funds to every constituency. In the circumstances, the programmes and activities of the Fund were not implemented as envisaged My opinion is not modified in respect of these matters</p>			
	<p>Other Matter 1. Unresolved Prior Year Audit Matters The audit report of the year ended 30 June, 2023 highlighted issues under the report on financial statements and the report on lawfulness and effectiveness in</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

	<p>use of public resources. Although Management has indicated in the report on progress made in follow up of auditor's recommendations that the matters were resolved immediately while others were unresolved, the actual status of the matters will be confirmed after they are discussed by the legislature.</p>			
	<p>2. Project Implementation Status The Fund Management had planned to</p>	<p>Availed the detailed evidence</p>	<p>OAG Yet to respond</p>	<p>When the OAG Responds</p>

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

Serial No.	Particulars	Remarks	OAG	OAG
	<p>implement forty-five (45) approved projects at a cost of Kshs.109,367,435. However, twenty-two (22) projects valued at Kshs.17,229,569 or 16 % were completed while twenty-one (21) projects of Kshs 84,137,866 or 77% were not started and two (2) projects of Kshs.8,000,000 or 7% were ongoing.</p> <p>Failure to complete and put into use the projects denied services to the intended beneficiaries of the Fund</p>			
	<p>Proposed Construction of a Storey Building at Aro TTC The Fund Management awarded a contract to a local contractor to</p>	<p>The college has been handed over to assisting institution awaiting Miinstry</p>	<p>OAG is yet to advised</p>	<p>OAG is to be notified</p>

	<p>construct and equip with desks one (1) storey building consisting of three (3) lecture rooms at Aro Teachers Training College at a contract sum of Kshs.20,899,763. The contract was signed on 10 May, 2022. However, it did not indicate the commencement date and when the project was supposed to be completed. An audit verification conducted on the project on 21 November, 2024 revealed that the project was complete but had not been handed over for use contrary to Section 154(a) of the Public Procurement and Assets Disposal Act, 2015 which provides that an accounting officer of a procuring entity shall close out a procurement</p>			

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

	<p>contract immediately after completion and the close out shall involve, the head of the procurement function issuing a certificate to the contractor confirming delivery and acceptance of goods works and services where the contract is not complex and specialized.</p> <p>In the circumstances, Management was in breach of the law.</p>			



Name
Fund Account Manager.