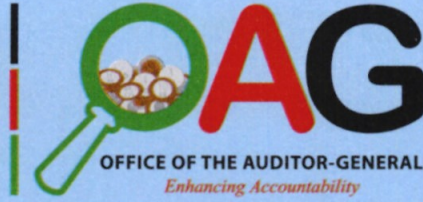


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REPORT

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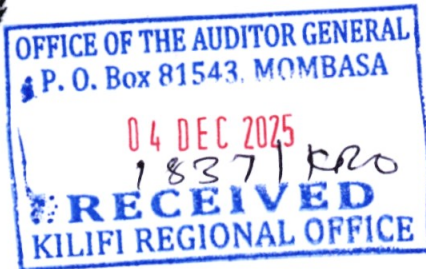
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GARSEN CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2025





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

GARSEN CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the NG-CDF Garsen.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Garsen Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Bungale Masudi Bungale
2.	National Sub-County Accountant	Ramadhan Katana Zungi
3.	Chairman NGCDFC	Daud Dube Mukulo
4.	Member NGCDFC	Warda Mbwana Mohamed
5.	Member NG CDFC	Hashako Mohamed Abdi

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Garsen Constituency Headquarters

P.O. Box 48-80201
Garsen
Kenya

(e) NGCDF Garsen Constituency Contacts

Telephone: (254) 726076840
E-mail: cdfgarsen@cdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Garsen Constituency Bankers

1. Bank A. (Operations Account).
Garsen NG-CDF, Kenya Commercial Bank (A/C NO 1107969735)
Garsen Branch
P.O. Box 80201
Garsen
2. Bank B. (Deposit account).
Garsen NG-CDF Deposit Account, Kenya Commercial Bank (A/C NO 1337938726)
Garsen Branch
P.O. Box 80201
Garsen
3. Bank C. (Various PMC Accounts)
Kenya Commercial Bank
Garsen Branch.

(g) Independent Auditor



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

(h) Principal Legal Adviser



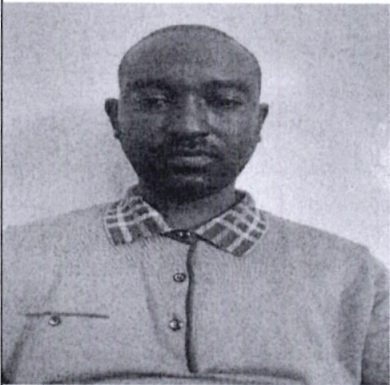
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
<p>Chairman – Daud Dube Mukulo</p> 	<p>Date of Birth: 12/01/1992</p> <p>Academic Qualification: Kenya Certificate of secondary education.</p> <p>Professional Qualification: Bachelor's Degree In Business Management</p> <p>Work experience: served as the ng-cdf garsen chairman for 7 years</p>
<p>Secretary – Warda Mbwana</p> 	<p>Date of Birth: 27/07/1990</p> <p>Academic Qualification: Kenya Certificate of secondary education.</p> <p>Professional Qualification: NIL</p> <p>Work experience: served as the ngcdf garsen secretary for 6 years.</p>

<p>Member 4 – Annar Dandy</p> 	<p>Date of Birth: 31/07/1979</p> <p>Academic Qualification: Kenya Certificate of secondary education.</p> <p>Professional Qualification: NIL</p> <p>Work experience: business man, served as the ngcdfc member for 3 years</p>
<p>Member 5 – Yusuf Salim Barisa</p> 	<p>Date of birth: 01/01/1992</p> <p>Academic qualification: Kenya Certificate of secondary education.</p> <p>Professional Qualification: NIL</p> <p>Work experience: Served as the representative of PWD in the NGCDFC GARSEN FOR 4 YEARS.</p>

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<p>Member 6- Amran Juweria Sheikh</p> 	<p>Date of Birth: 01/07/1996</p> <p>Academic Qualification: Kenya Certificate of secondary education.</p> <p>Professional Qualification: NIL</p> <p>Work experience: BUSINESS PERSON, Served as the NGCDFC for 6 years as the female youth representative.</p>
<p>Member 7 –Mariam Saida kokani</p> 	<p>Date of Birth: 01/01/1979</p> <p>Academic Qualification: Kenya Certificate of Primary education.</p> <p>Professional Qualification: NIL</p> <p>Work experience: COMMUNITY WOMEN LEADER AT ODA LOCATION</p>
<p>Member 7 –Hashako Mohamed Abdi</p> 	<p>Date of Birth: 01/01/1987</p> <p>Academic Qualification: Kenya Certificate of Secondary education</p> <p>Professional Qualification: nil</p> <p>Work experience: Served as the NGCDFC member for 2 terms.</p>

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Fund Account Manager- **Bungale Masudi**

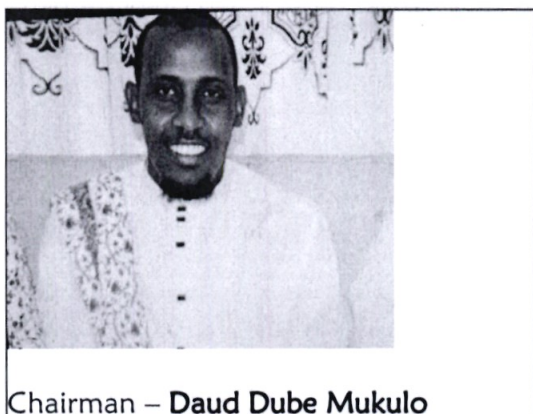


Date of birth: 22/08/1990

Academic qualification: Bachelors Degree In Commerce (Finance and accounting)

Professional qualification: CPA 2

Work experience: 4 Years In the banking Industry, 6 years as the Fund manager NG-CDF



Chairman – **Daud Dube Mukulo**

4. NG-CDFC Chairman's Report

Garsen constituents have continuously participated effectively in cascading the objectives of the National Development Plan. They are aware of their rights and the power bestowed on them by the constitution of Kenya (2010) in relation to implementation of all the development programmes within the constituency. The constitution of Kenya gives the right to participate in public forums in order to air their opinions as well as grievances through public participation. They too get an opportunity to give feedback in relation to the already implemented programmes carried out with fairness, transparency, openness and accountability.

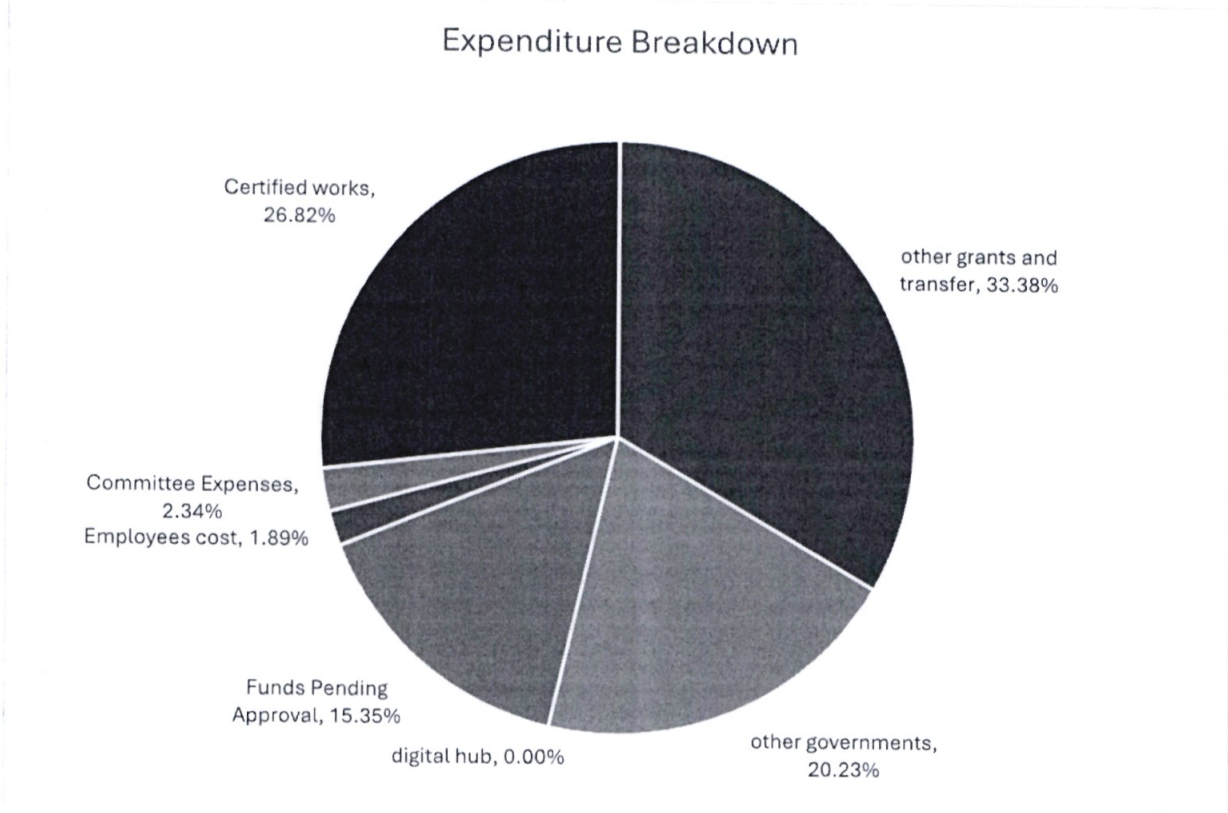
Financial year budget

In the financial year 2024/2025 the NG-CDF Garsen Constituency received Kshs 183,190,784. The budgetary allocation for the FY 2024/2025 was Kshs 188,414,052. The management therefore received a disbursement of 75% of its budget. During the year a total of Kshs 184,359,108 was paid translating to 80% budget utilization through implementation of tangible/physical projects targeted within the financial year as well as issuance of bursaries to needy students. The remaining 20% consisted of amounts disbursed close to the end of the financial year and money owed from the board therefore could not be utilized within the year. Education programme under Primary school projects constituted the highest level of payments amounts to Kshs 46,024,457 translating to 25% of the total payments.

The ultimate plan for the year was continuous improvement of infrastructure in our education institutions and ICT sector so as to broaden the labour base by creating jobs to the young

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generation as well as conform to the Bottom-up transformation agenda of His Excellency the President of the Republic of Kenya.



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Kikomo Primary school – Construction of an Administration Block.

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Ushindi Primary school -construction of 2 no. of classrooms

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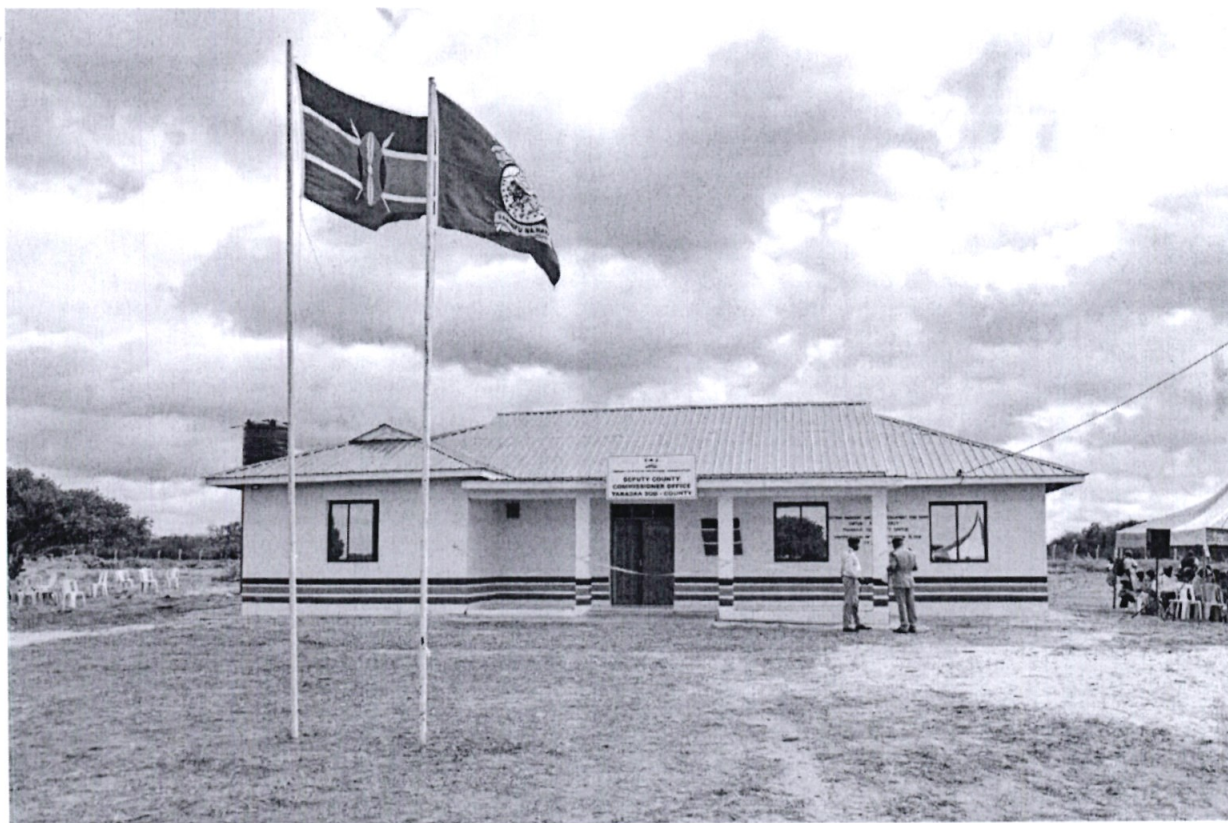


Uhuru Kenyatta Primary school – Construction of 2No. of classrooms

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Hashaka Secondary School-Construction of Boys Dormitory



Tarasaa Subcounty Office- Construction of administration office

Through the initiative of prioritizing issuing bursary to day schools within the constituency the NG-CDF Committee is overwhelmed by large numbers of students in day schools hence consuming a bigger fraction of bursary award. This has increased students' retention in learning secondary schools

The NG-CDF Garsen in its mandate of improving infrastructure in learning institutions came up with an initiative whereby the NG-CDF committee and bursary subcommittee members visited all secondary school within the constituency to create awareness on the need of prioritizing education to anything else so that they get better grades by the time they complete their form four

During rainy season most of learning institutions toilets collapsed due to heavy rains which led to high rate of diseases and subsequent closure notices from the public health officer. The management intervened and constructed toilets to the affected institutions through the emergency fund so as to salvage the institution

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.....

Name: Daud Dube Mukulo
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 NG-CDF Garsen in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government NG-CDF Garsen's performance against predetermined objectives.

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

- i. Promotion of Education and Training in the constituency by empowering students and improving infrastructure in the learning institutions
- ii. Ensure universal health coverage
- iii. Promotion of sports and creative talent for the youths
- iv. Enhancement of administration and security within the constituency.
- v. Promotion of Governance and Resource Mobilization
- vi. Promotion of a well-defined Monitoring and evaluation model

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In FY 2024/25 - we increased number of classrooms most primary schools that transitioned to Junior secondary schools within the constituency. - The constituency has also vested its energy

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			number of bursary's beneficiaries at all levels	to curb the unavailability of teachers and nurses in the constituency by fully sponsoring beneficiaries in TTCs and KMTcs.
Security	To improve security in the constituency	Increase number of police post and chiefs' office	Number of police post and chiefs' office	In FY 2024/2025 we completed Oda Police Post and Assistant Chiefs office which is ongoing. Additionally, all the built chief's offices were adequately equipped to improve service delivery
Climate change mitigation activities	To improve climate in the institutions within the Constituency	Preservation of Solar energy	To save energy	In FY 2024/2025 we managed to install solar system at Kone registration office.
Emergency	To cater for unforeseen events	Enhancement of learning institutions	Improve infrastructure development in the learning institutions heavily affected by foods and heavy winds	In FY 2024/2025 we managed to renovate seven (7) classrooms in different learning institutions which had been heavily affected by uncertain floods and winds almost leading to closure of the school by public health officers.

6. Governance Statement

The NG-CDF Garsen is governed by the NG-CDF committee members who are selected by a selection panel established under paragraph (4) of NG-CDF regulations.

The functions of a constituency committee shall be to

- Build the capacity of project Management Committees and sensitize the community on the operations of the fund.
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the constituency;
- Ensure that all proposed projects are approved;
- Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and works 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;
- Consult with relevant government department to ensure that cost estimates for projects are realistic; in considering joint projects;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board'
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board
- Ensure that project reports are prepared and submitted to the board;
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under chapter twelve of the constitution and the public finance management legislation are observed in the management of the fund;
- Submit financial statements to the board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

- Collaborate with the officer of the Board seconded to the Constituency in the management of the fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- Record the names of all the signatories

Removal of NG-CDF Members

- The members of a constituency committee may remove a member in accordance with section 43(13) and (14) of the Act upon receipt of a complaint against a member.
- A complaint against a member of a constituency committee shall be deposited with the National Government Constituency office.
- The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of
- The secretary shall convene a special meeting in accordance with these regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting
- If, at a meeting held pursuant to paragraph (4) members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice
- A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5).
- The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a constituency committee may hear such a member
- The member against whom a complaint is made may call witness. If the member against whom a complaint is raised choose not to submit a response in writing or to attend the hearings, a constituency committee may proceed to determine the matter

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- Notwithstanding paragraph (10), a constituency committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya subsidiary legislation, 2016 1955
- If the member against whom a complaint is made fails to respond to the complaint as may be directed by a constituency committee, the committee may proceed and decide based on the evidence available.
- A constituency committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.
- If constituency committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the constituency committee to the board within fourteen days of the decision.
- The communication to the board under paragraph (14) shall include dully executed proceedings, together with all the supporting documents.
- The board shall, within thirty days after receipt of the communication in the paragraph (14), consider the matter and issues a final declaration which shall be binding on all parties.

NG CDFC members and the categories they represent

S/no	Name	Position
1	Daudi Dube Mukulo	Male youth representative
2	Amran Juweria Sheikh	Female youth representative
3	Yusuf Salim Barisa	PWD representative
4	Hashako Mohamed Abdi	Constituency Nominee Male representative
5	Mariam Saida Kokane	Constituency Nominee Female representative
6	Daniel Karisa Kahati	Co-opted member of the board
7	John Kipsiwa	Deputy County Commissioner

Members remuneration

During financial year 2024/2025 the NG-CDF committee members conducted 15 meetings, bursary sub-committee conducted 3 meetings. They were remunerated at a rate of kshs 5,000 per sitting and kshs 7,000 for the NG-CDFC Chairperson

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No. of meetings (state how many meetings each member attended)

S/no	Name	Position	No. of meetings attended
1	Daudi Dube Mukulo	Male youth representative	15
2	Amran Juweria Sheikh	Female youth representative	18
3	Yusuf salim barisa	PWD representative	18
4	Hashako Mohamed Abdi	Constituency Nominee Male representative	18
5	Mariam Saida Kokane	Constituency Nominee Female representative	15
6	Daniel Karisa Kahati	Co-opted member of the board	18
7	John Kipsiwa	Deputy County Commissioner	15

Succession in NG CDFC

The NG-CDF Garsen Committee term came to an end after new committee members were gazetted on 21st May, 2025 through gazette notice number **Vol. CXXVII – 98**. All members were successfully gazette through that gazette notice and induction exercise conducted from 24th June to 29th June 2025. The Board coopted Daniel Karisa Kahati as a member of Garsen Constituency Committee still awaiting the official communication letter. Dated 21st May 2025 Member's gazetted are as tabulated below;

No.	Name	Category	Statutory Provision Under NG-CDF Act
1	Dandy Annar Gayoye	Male Adult Representative	Appointment, Pursuant to Sec, 43(2)(b)
2	Hashako Mohamed Abdi	Male Adult Representative	Appointment,
3	Daud Dube Mukulo	Male Youth Representative	Pursuant to Sec, 43(2)(b)
4	Mariam Saida Kokane	Female Adult Representative	Appointment,
5	Warda Mohamed Mbwana	Female Adult Representative	Pursuant to Sec, 43(2)(b)
6	Amran Juweria Sheikh	Female Youth Representative	Appointment,
7	Yusuf salim Barisa	Representative of persons living with Disability	Appointment pursuant to section 43 (2) (d)

Risk management

The management of NG-CDF Garsen has consistently implemented proactive measures to identify potential risk areas through consultative engagements with various stakeholders. In doing so, all necessary risk mitigation strategies have been effectively put in place.

Furthermore, the management affirms full compliance with the NG-CDF Act, 2022 (as amended in 2023), the Public Procurement and Asset Disposal Act and Regulations (PPRA), the Public Finance Management (PFM) Act, 2012, relevant Board circulars, presidential directives, and all other applicable laws and regulations governing its operations.

Conflict of Interest

At the start of every meeting, management consistently reminded committee members to declare any conflicts of interest. For the year ended 30th June 2025, no committee member declared any interest in the matters discussed.

7. Management Discussion and Analysis

1. Operational and Financial Performance

The Garsen NG-CDF has consistently received increased allocations over the last five fiscal years, signifying trust and growth in constituency-level development. Fund absorption remains high due to strategic planning and timely execution of priority projects.

Fiscal Year	Allocation	Utilization (%)	Unspent Balance
2020/21	137,088,879	97%	2,300,000
2021/22	137,088,879	95%	4,700,000
2022/23	151,960,174	98%	1,900,000
2023/24	184,129,901	77%	42,190,784
2024/25	188,414,052	75%	47,414,052

2. Key Projects Implemented and Ongoing

Education:

- 10 new classrooms built and 22 classrooms renovated.
- Over 15,000 students benefited from bursary disbursements
- Construction of school toilets.

Social Security & Public Safety:

- Construction of chief's and Assistant chief's offices
- Completion of Garsen Police stations and Tarasaa Police stations
- Renovation of Oda Police Post at Oda
- 2 standard sub-county offices built

3. Statutory Compliance

The Fund adheres to the NG-CDF Act, 2015 and the Public Finance Management framework. Audits are performed annually with no major except for opinion reports. Procurement processes conform to the Public Procurement and Asset Disposal Act, ensuring transparency.

- All statutory reports submitted to the NG-CDF Board and National Treasury in time
- Annual Work plans and Budgets approved and implemented successfully.

4. Major Risks Facing the Fund

Risk Factor	Mitigation Strategy
Delayed disbursements	Maintain continuous engagement with National Treasury to ensure timely fund releases
Escalating construction costs	Implement dynamic budgeting, regularly review market trends, and prioritize projects accordingly.
Low contractor performance	Conduct thorough vetting, enforce contractual obligations, and perform regular performance audits.
Uncertain floods and winds	Engage relevant stake holders and conduct topography verification before projects are implemented
Community disputes	Facilitate stakeholder engagement through forums, consultations, and inclusive public participation.

5. Arrears and Financial Obligations

There are no statutory arrears. However, the Fund owes the Board KES 47,414,052, primarily related to infrastructure works and the ICT hub.

7. Review of Economy and Sector

National context

Kenya's post-pandemic recovery, marked by steady GDP growth and increased public investment, has created a more favorable environment for constituency development. However, despite these positive strides, the country's fiscal space remains constrained by persistent inflationary pressures and the burden of debt servicing

Sectoral Dynamics:

- **Education:** Increased demand for digital learning tools.
- **Bursary:** Increased bursary dependence.
- **Climate change:** Emphasis on climate-resilient projects.

7. Future Developments

Looking ahead, Garsen NG-CDF is set to:

- Expand digital learning by improving ICT infrastructure in schools.
- Increase bursary allocation to support more vulnerable learners
- Address climate change mitigation measures by enhancing water preservation tap solar energy.
- Strengthen monitoring and evaluation frameworks to ensure project effectiveness.

The Garsen Constituency NG-CDF remains committed to fostering sustainable development and improving the quality of life for its constituents through prudent management of resources, transparent governance, and impactful community-driven initiatives.



**Name: Bungale Masudi Bungale
Fund Account Manager**

8. Environmental and Sustainability Reporting

NG-CDF Garsen 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 Climate mitigation. 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 Garsen Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Garsen 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, tapping solar energy and tree seedling production.

2. Environmental performance

During the financial year 2024-2025 we managed to install 3kw solar system at kone registration office to tap and preserve solar energy for usage.

Employee welfare

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

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

3. Marketplace practices-

Garsen 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.

4. Community Engagements-

Garsen 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

Garsen 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

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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.

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


.....
Name: Bungale Masudi Bungale
Fund Account Manager.


NG-CDF GARSE
FUND MANAGER
P. O. Box 48 - 80201, GARSE
DATE:

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 NG-CDF Garsen shall prepare financial statements in respect of that NG-CDF. 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-Garsen Constituency is responsible for the preparation and presentation of the NG-CDF Garsen's financial statements, which give a true and fair view of the state of affairs of the NG-CDF Garsen for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF Garsen; 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 NG-CDF Garsen; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Garsen Constituency accepts responsibility for the NG-CDF Garsen 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 *NG-CDF Garsen's* transactions during the financial year ended June 30, 2025, and of the NG-CDF Garsen's financial position as at that date. The Accounting Officer charge of the NGCDF- Garsen Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the NG-CDF Garsen's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Garsen Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of

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external financing covenants (where applicable), and that the NG-CDF Garsen'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- Garsen Constituency financial statements were approved and signed by the Accounting Officer on 29/12 2025.



.....
Name: Daud Dube Mukulo
Chairman – NGCDF Committee



.....
Name: Bungale Masudi Bungale
Fund Account Manager



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GARSEN 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 Constituency Development Fund - Garsen Constituency set out on pages 1 to 67, which comprise of the statement of financial position as at 30 June, 2025, and the

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

statement of 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 Garsen National Government Constituency Development Fund 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 as amended in 2022 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS)". This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccurate Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.53,958,804 as disclosed in Note 19 to the financial statements. The balance includes Kshs.29,101,558 held in various Project Management Committee (PMC) bank accounts, out of which Kshs.61,247 was held in dormant bank accounts which attract bank charges.

In addition, the balance of Kshs.29,101,558 includes five (5) bank accounts with a total balance of Kshs.14,364,619 but were not supported by bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.53,958,804 could not be confirmed.

3. Inaccurate Property Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.2,418,452 as disclosed in Note 23 to the financial statements. However, the balance excludes the prior year summary of non-current assets register historical costs balance of Kshs.26,928,565. Further, the supporting schedule and assets register did not show critical information such as date of acquisition, description of asset, registration numbers, model, serial numbers, and ownership documents where applicable.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.2,418,452 could not be confirmed.

4. Inaccuracy in the Statement of Cash flows

The statement of cash flows reflects a balance of Kshs.483,826 in respect to net cashflows from operating activities. However, the reconciliation of cash generated from operations at Note 30 reflects a balance of Kshs.483,826 while the recomputed balance is Kshs.459,308, resulting in an unreconciled variance of Kshs.24,518.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

5. Inaccuracy in the Statement of Changes in Net Assets

The statement of changes in net assets reflects a balance of Kshs.101,915,610 in respect to total reserves, out of which Kshs.4,018,529 was in respect of surplus for the year that ought to have been reported under accumulated surplus for the year. Therefore, the reserves balance is overstated by Kshs.4,018,529 while the accumulated surplus for the year is understated by the same amount.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Garsen 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 budget and actual on a comparable basis of Kshs.285,731,965 and Kshs.238,317,913 respectively, resulting in underfunding of Kshs.47,414,052 or 17% of the budget. Similarly, the Fund

spent Kshs.184,359,108 against actual receipts of Kshs.238,317,913, resulting in underutilization of Kshs.53,958,805 representing 23% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Entity in 2024/2025 revealed that the following seven (7) matters remained unresolved:

No.	Audit Issue
1	Inaccurate Cash and Cash Equivalents Balance
2	Unconfirmed Ownership and Value of Fixed Assets
3	Unsupported Project Management Committees' Account Balances
4	Budgetary Control and Performance
5	Unresolved Prior Year Audit Matters
6	Stalled Projects
7	Delayed Projects Implementation

Other Information

The Management are responsible for the Other Information set out on pages iii to xxxiv which comprise of Key Constituency Information and Management, The NGCDF Committee, NGCDF-Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Failure to Implement Planned Projects

Review of the Project Implementation Status Report provided for audit indicated that the Management planned to implement forty-nine (49) projects at a total cost of Kshs.92,029,117 during the year under review. According to the report, twelve (12) projects were completed and thirty-seven (37) projects were not started as per the project implementation status detailed below:

Project Category	Total No. of Projects	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Completed Projects	Projects Ongoing	Projects Not Started
Secondary Schools	6	17,339,117	1,000,000	1	0	5
Primary school	23	31,800,000	2,700,000	4	0	19
Security Project	14	31,400,000	10,900,000	3	0	11
Climate mitigation	1	325,000	325,000	1	0	0
Emergency Project	3	5,200,000	5,200,000	3	0	0
Digital Hub	1	5,000,000	0	0	0	1
Other's project	1	1,200,000	0	0	0	1
Totals	49	92,264,117	20,125,000	12	0	37

In the circumstances, value for money expected to be derived from these projects was not achieved in the year under review.

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 Management and the National Government Constituency Development Fund Committee

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

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

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

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

The National Government Constituency Development Fund Committee is responsible for overseeing the Fund's, financial reporting process, reviewing the effectiveness of how

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

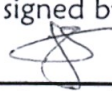
08 December, 2025


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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	4,816,954
Committee expenses	11	6,229,900
Use of Goods and Services	12	7,215,939
Other Government Units Actual expenditure	13	62,483,036
Other Grants and Transfers Actual expenditure	14	103,105,772
Depreciation and amortization expense	15	543,923
Digital Hubs Actual expenditure	16	-
Total expenses		184,395,523
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		4,018,529

The Constituency financial statements were approved by the NGCDFC on 02/07/2025 2025 and signed by:


Chairman NG-CDF
Committee
Name: Daud Dube Mukulo


National Sub-County
Accountant
Name: Ramadhan Katana
Zungi
ICPAK M/No:23209


Fund Account Manager
Name: Bungale Masudi
Bungale

NG-CDF GARSI
FUND MANAGER
P. O. Box 48 - 80201, GARSI
DATE:.....

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of

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adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	53,958,804	55,127,129
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	47,414,052	42,190,784
Prepayments	22	270,445	294,963
Total Current Assets		101,643,302	97,612,876
Non-Current Assets			
Property, Plant and Equipment	23	2,418,452	1,310,225
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		2,418,452	1,310,225
Total Assets (A)		104,061,753	98,923,101
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	306,064	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,840,079	1,026,019
Total Current Liabilities		2,146,143	1,026,019
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,146,143	1,026,019

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Net Assets (A-B)		101,915,610	97,897,082
Represented by:			
Revaluation Reserves		101,915,610	97,897,082
Accumulated Surplus			
Total Net Assets		101,915,610	97,897,082

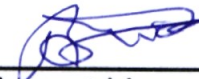
The Constituency financial statements set out on pages 1 to 16 approved by NG CDFC on 07/12/2025 and signed by:



**Chairman NG-CDF
Committee
Name: Daud Dube Mukulo**



**National Sub-County
Accountant
Name: Ramadhan Katana
Zungi
ICPAK M/No: 23209**



**Fund Account Manager
Name: Bungale Masudi
Bungale**



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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	21,806,896	-	21,806,896
Adjustments: (to recognize assets and liabilities)			
Add Assets	77,116,204		77,116,204
Less Liabilities	1,026,019		1,026,019
As at July 1, 2024	97,897,082		97,897,082
Surplus/(Deficit) For the Period	4,018,529		4,018,529
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	101,915,610	-	101,915,610

Note:

1. For items that are not common in the financial statements, the NG-CDF Garsen should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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

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

	Notes	<i>Period ended june Kshs</i>
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		183,190,784
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		183,190,784
Payments		
Employee costs		4,002,894
Committee expenses		6,229,900
Use of Goods and Services		7,191,421
Other Government Units Certified Works		62,305,250
Other Grants and Transfers		102,977,494
Digital Hubs Expenses		-
Total Payments		182,706,958
Net Cash Flows from/ (used in) Operating Activities	30	483,826
Cash flows From Investing Activities		
Purchase of PPE		1,652,150
Purchase of Intangible assets		-
Proceeds from Sale of PPE		-
Net Cash Flows from Investing Activities		1,652,150
Net increase/(decrease) in cash & Cash equivalents		(1,168,324)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		(1,168,324)
Cash and cash equivalents at Period Start	19	55,127,129

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

Cash and cash equivalents at Period End	19	53,958,804
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Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>FY 2024-2025</i>	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>FY 2024-2025</i>	<i>FY 2024-2025</i>		
Revenue							
Transfers From the NGCDF Board	188,414,052	55,127,129	42,190,784	285,731,965	238,317,913	47,414,052	83%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	188,414,052	55,127,129	42,190,784	285,731,965	238,317,913	47,414,052	83%
Expenses							
Employee costs	3,844,068	2,508,140	776,959	7,129,167	4,002,894	3,126,273	56%
Committee expenses	5,704,637	1,311,950	-	7,016,588	6,229,900	786,688	89%

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Use of Goods and Services	6,884,701	3,740,485	-	10,625,185	7,191,421	3,433,765	68%
Other Government Units Certified Works	49,139,117	34,534,461	38,017,575	121,691,153	62,305,250	59,385,903	51%
Other Grants and Transfers	116,641,529	12,352,075	2,360,000	131,353,604	102,977,494	28,376,110	78%
Digital Hubs Expenses	5,000,000	-	-	5,000,000	-	5,000,000	0%
Acquisition of asset	1,200,000	680,018	1,036,250	2,916,268	1,652,150	1,264,118	57%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	188,414,052	55,127,129	42,190,784	285,731,965	184,359,108	101,372,857	65%
Surplus for the period							

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

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Explanatory Notes.

The underutilization of 25% was as a result of delay in funds disbursement from the board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	101,372,857
Less undisbursed funds receivable from the Board as at period 30, 2025	47,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	53,958,805

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 04/12/ 2025 and signed by:



Fund Account Manager

Name: Bungale Masudi Bungale



National Sub-County Accountant

**Name: Ramadhan Katana Zungi
ICPAK M/No: 23209**



Chairman NG-CDF Committee

Name: Daud Dube Mukulo



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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
					Kshs	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees/NSSF EMPLOYER	3,844,068	2,508,140	776,959	7,129,167	4,002,894	3,126,273
1.2 Committee allowances	2,778,000	1,275,788		4,053,788	3,267,100	786,688
1.3 Use of goods and services	4,382,775	2,185,625		6,568,400	4,618,235	1,950,165
Sub-total	11,004,843	5,969,553	776,959	17,751,355	11,888,229	5,863,126
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,172,000	311,600		1,483,600	-	1,483,600
2.2 Committee allowances	2,926,637	36,162		2,962,800	2,962,800	(0)
2.3 Use of goods and services	1,329,926	1,243,260		2,573,186	2,573,186	(0)
Sub-total	5,428,563	1,591,022	-	7,019,585	5,535,986	1,483,599
4.0 Emergency						
unutilized	3,716,529	1,047		3,717,576		3,717,576
Diidade Primary School	3,700,000	1,204		3,701,204	3,525,795	175,410
Idsowe Primary School	1,500,000	-		1,500,000	1,499,898	102
Furaha primary school	1,000,000	21,238		1,021,238	973,486	47,752
Sub-total	9,916,529	23,489	-	9,940,018	5,999,179	3,940,840

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5.0 Bursary and Social Security						
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	33,776,536	2,324,064		36,100,600	36,100,600	(0)
5.3 Tertiary Institutions	41,223,464	4,351,115		45,574,579	43,530,471	2,044,108
5.4 special needs	-			-		-
5.5 Education Support Programmes	-			-		-
5.6 Social Security	-			-		-
Sub-total	75,000,000	6,675,179	-	81,675,179	79,631,071	2,044,108
7.0 Environment						
Kone Registration office	325,000			325,000	322,500	2,500
Dibe Primary School	-	-	30,000	30,000	-	30,000
Kokane Gobo Secondary School	-	100,000		100,000	-	100,000
Salama Chief Office	-	100,000		100,000	-	100,000
Mwina Chief Office	-	100,000		100,000	-	100,000
Imani Primary school	-	862	30,000	30,862	-	30,862
Kipini Primary School	-	862		862	-	862
Dalu Primary School	-	862		862	-	862
Garsen Police Station	-	1,952		1,952	-	1,952
Oda chiefs office	-	-	300,000	300,000	287,552	12,448
Sub-total	325,000	304,539	360,000	989,539	610,052	379,487
8.0 Primary Schools Projects						
Assa primary school	-	38,964		38,964	38,964	-
Bahati Primary school	-	900,975	1,400,000	2,300,975	2,300,975	-
Baomo primary school	1,000,000	-	1,000,000	2,000,000	1,000,000	1,000,000
Bilisa Primary school	-	536		536	536	-
Bula rahma primary school	2,800,000	-		2,800,000	-	2,800,000
Bura koofira primary	1,000,000			1,000,000	-	1,000,000
Bura koofira primary	2,000,000			2,000,000	-	2,000,000
Burakofira Primary school	-	871		871	871	-
chamwanamuma primary school	-	9,691		9,691	9,691	-

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Dalu primary school (JSS)	1,000,000	887		1,000,887	-	1,000,887
Danisa primary school	-	4,436		4,436	4,436	-
Dhidha adhe primary school	1,000,000			1,000,000	1,000,000	-
Dibe primary school	1,000,000	8,375	2,870,000	3,878,375	3,836,491	41,884
Gadeni primary school	1,200,000	2,704		1,202,704	2,704	1,200,000
Galili primary school	1,200,000	16,764		1,216,764	240	1,216,524
Galili primary school	-	1,761		1,761	1,761	-
Galma primary school	-	11,531		11,531	11,531	(0)
Gamba primary school	3,000,000	-	-	3,000,000	-	3,000,000
Garsen Primary school	-	15,312	1,000,000	1,015,312	965,065	50,247
Gatundu primary school	-	376		376	376	-
Gatundu primary school	-	7,343		7,343	7,343	1
Gomesa primary school	-	3,249	-	3,249	-	3,249
Gomesa primary school	-	-	1,500,000	1,500,000	1,497,115	2,885
Gubani primary school	-	61,366		61,366	61,366	(0)
Handaraku primary school	-	112,353	2,696,000	2,808,353	2,808,353	-
Hayole primary school	-	2,297,950		2,297,950	2,297,950	-
Hurara primary school	-	501		501	501	(0)
Idd primary school	-	3,440		3,440	1,880	1,560
Idsowe primary school	-	326		326	326	1
Imani primary school	-	1,830,613		1,830,613	1,829,751	862
Katsangani primary school	-	3,980		3,980	3,980	(0)
kibokoni primary school	1,000,000	9,821		1,009,821	9,821	1,000,000
Kibusu Primary school	-	2,902		2,902	2,902	(0)
kikomo primary school	-	196,261	3,800,000	3,996,261	3,800,261	196,000
kikomo primary school	400,000	196,000		596,000	569,548	26,452
Kilelengwani primary school	-	4,599		4,599	-	4,599
Kipao primary school	-	3,243		3,243	1,031	2,212
kipini primary school	-	1,401,715		1,401,715	1,400,853	862
kitere primary school	-	75,759		75,759	75,759	1
Kizuliani primary school	-	1,624		1,624	1,624	-

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Kone primary school	-	2,838		2,838	2,838	-
Konkona primary school	-	18,025		18,025	18,025	(0)
Lailoni primary school	-	9,238	1,680,000	1,689,238	1,681,396	7,842
Maderte primary school	-	2,801,012		2,801,012	2,801,012	(0)
Marafa primary school	-	9,505		9,505	9,505	-
Marembo primary school	-	2,000,833		2,000,833	2,000,833	(0)
Matangeni primary school	-	28,470		28,470	28,470	1
Matangeni primary school	1,000,000	-		1,000,000	-	1,000,000
Mau primary school	-	10,000		10,000	10,000	(0)
Maziwa primary school	-	3,735		3,735	3,735	-
Mchelelo primary school	1,400,000			1,400,000		1,400,000
Mchelelo primary school	-	3,014		3,014	3,014	(0)
Minjila primary school	-	1,409,468	1,400,000	2,809,468	2,809,468	-
Miticharaka primary school	-	1,268		1,268	1,268	1
Mnazini primary school	-	2,935		2,935	-	2,935
Naajah primary school	2,000,000	459		2,000,459	-	2,000,459
Nduru primary school	-	3,044,902	196,000	3,240,902	3,240,902	-
Ngumu primary school	-	11,378	2,800,000	2,811,378	1,804	2,809,574
Odoganda primary school	-	16,744		16,744	378	16,366
Odole primary school	1,000,000	6,175	2,800,000	3,806,175	2,804,708	1,001,467
Ongonyo primary school	-	5,780		5,780	5,780	0
Onjila primary school	-	31,746		31,746	31,746	-
Onkolde primary school	-	5,495		5,495	5,495	-
Onwordey primary school (JSS)	2,000,000	16,636	1,000,000	3,016,636	1,104	3,015,532
Ramadha primary school	-	13,175		13,175	13,175	(0)
Reuben mwewe primary school	-	69,770		69,770	69,770	-
Riketa primary school	1,400,000			1,400,000	-	1,400,000
Riketa primary school	-	5,089		5,089	5,089	-
Shauri Moyo primary school	-	1,901,453	923,958	2,825,411	240	2,825,171
Sheli primary school	-	400	2,800,000	2,800,400	2,798,231	2,169
Shelli primary school	1,400,000	-		1,400,000	-	1,400,000

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Simikaro primary school (JSS)	1,000,000			1,000,000	-	1,000,000
Tarasaa primary school	-	12,847		12,847	-	12,847
Tulu primary school	1,400,000			1,400,000	-	1,400,000
Tulu primary school	-	4,897		4,897	4,897	0
Tulu primary school	-	6,610		6,610	6,610	-
Uhuru kenyatta primary school	300,000	-	2,800,000	3,100,000	2,800,000	300,000
Uhuru kenyatta primary school	2,300,000			2,300,000	-	2,300,000
Ushindi primary school	-	2,460,883	339,117	2,800,000	2,800,000	-
Ziwani Primary school	-	11,769		11,769	11,769	-
				-		-
Sub-total	31,800,000	21,152,777	31,005,075	83,957,852	47,515,266	36,442,586
9.0 Secondary Schools Projects (List all the Projects)						
Buyani secondary school	1,000,000.00	425		1,000,425	425	1,000,000
Dalu secondary school	-	4,149		4,149	4,149	-
Gadeni secondary school	-	21,448		21,448	-	21,448
Garsen high school	5,600,000.00			5,600,000	-	5,600,000
Gatundu secondary school	-	568,465		568,465	32,275	536,190
Gerarsa secondary school	-	614		614	-	614
Gerarsa secondary school	-	55,899		55,899	55,899	-
Hashaka secondary school	1,000,000.00	4,188,219	1,325,000	6,513,219	6,106,983	406,236
Hurara secondary school	3,000,000.00			3,000,000	-	3,000,000
Hurara secondary school	-	7,613		7,613	7,613	-
Kipao Secondary School	1,739,117.00	4,817,322	292,500	6,848,939	3,586,033	3,262,906
Kipini girls Secondary School	-	449,013	195,000	644,013	644,013	-
Kipini girls Secondary School	-	9,028	-	9,028	9,028	-
Kitere Secondary School	-	3,136		3,136	3,136	-
Kokane Gobo Secondary School	-	2,674		2,674	2,674	-
Kokane Gobo Secondary School	-	1,502,044	-	1,502,044	2,044	1,500,000
Kokane Gobo Secondary School	-	-	200,000	200,000	-	200,000
Kokane Gobo Secondary School	-	1,502,850	-	1,502,850	1,502,850	-

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Kone Secondary School	-	69,570		69,570	69,570	-
Marifano Secondary School	-	2,091		2,091	-	2,091
Min hajj Secondary School	-	4,023		4,023	4,023	1
Ngao girls' secondary school	5,000,000	-	5,000,000	10,000,000	4,849,540	5,150,460
Oda secondary school	-	153,800		153,800	1,025	152,775
Sane girls Secondary School	-	9,696		9,696	5,696	4,000
Tarasaa Secondary School	-	9,605		9,605	2,068	7,537
				-		-
Sub-total	17,339,117	13,381,683	7,012,500	37,733,300	16,889,042	20,844,259
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Chara chiefs office	600,000			600,000		600,000
Chara chiefs office	400,000			400,000		400,000
Kipao Assistant County Commissioners office	8,000,000			8,000,000	-	8,000,000
Kipao Assistant County Commissioners office	2,000,000		-	2,000,000	-	2,000,000
Kipao Assistant County Commissioners office	1,200,000			1,200,000	-	1,200,000
Kipao chiefs office	600,000	2,830		602,830	-	602,830
Tarasa sub county office	13,600,000			13,600,000	8,594,850	5,005,150
Kone mansa chiefs office	400,000			400,000	-	400,000
Kone mansa chiefs office	600,000			600,000	-	600,000
Kone Registration Office	1,000,000			1,000,000	997,856	2,144
Odole chiefs office	2,000,000			2,000,000	-	2,000,000
Tana Delta national sub county Treasury Office	1,000,000	-		1,000,000	-	1,000,000

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Tana Delta DCC	-	3,859		3,859	195	3,664
Bilisa Chiefs office	-	2,524		2,524	2,524	-
Garsen Police station	-	3,267,043		3,267,043	3,139,889	127,154
Garsen Police station	-	-				
Kone Registration Office	-	275,854		275,854	275,854	-
Matangeni chiefs office	-	46,471		46,471	45,416	1,055
Oda chiefs office	-	3,000		3,000	3,000	-
Salama Chiefs office	-	25,886		25,886	25,305	581
Tarasaa police station	-	521,403	2,000,000	2,521,403	2,509,895	11,508
Oda police station	-	1,200,000		1,200,000	1,149,854	50,146
				-		-
				-		-
Sub-total	31,400,000	5,348,868	2,000,000	38,748,868	16,744,636	22,004,232
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings		664,600		664,600	660,000	4,600
12.2 Construction of CDF office	1,200,000	15,418.05		1,215,418		1,215,418
12.3 NG-CDF Office ICT Equipments		-	1,036,250	1,036,250	992,150	44,100
Sub-total	1,200,000	680,018	1,036,250	2,916,268	1,652,150	1,264,118
13.0 Others						
Constituency Digital hub(Garsen Central-NG CDF OFFICES)	5,000,000.00	-	-	5,000,000		5,000,000
Sub-total	5,000,000	-	-	5,000,000	-	5,000,000
Funds pending approval**						
unapproved projects		-		-		-
AiA	-			-		-
Sub-total	-	-	-	-	-	-
Total	188,414,052	55,127,129	42,190,784	285,731,965	186,465,611	99,266,354

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

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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 Garsen Constituency principal activity is service delivery to the constituents through provision of bursary to vulnerable learners and construction of infrastructure to schools.

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 Garsen 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 Garsen 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.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared 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

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cash flows of an NG-CDF Garsen.

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	<p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>This IPSAS is not applicable in this constituency</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p><i>This IPSAS is not applicable in this constituency</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This IPSAS will be applicable effective 1st July,2025</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

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	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This IPSAS will be applicable effective 1st July, 2025</i></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 NG-CDF Garsen 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><i>This IPSAS will be applicable effective 1st July, 2026</i></p>
IPSAS 48: Transfer Expenses	<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><i>This IPSAS is not applicable in this constituency this Financial Year.</i></p>

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<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><i>This IPSAS is not applicable in this constituency</i></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 NG-CDF Garsen's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This IPSAS is not applicable in this constituency</i></p>

iii. Early adoption of standards

The NG-CDF Garsen 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 *NG-CDF Garsen*.

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 their Net Book Values. 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 NG-CDF Garsen 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 those that transfer substantially all the risks and rewards incidental to ownership of the leased asset to NG-CDF Garsen. At the commencement of the lease, assets acquired under finance leases are recognized (capitalized) at the lower of the fair value of the leased asset or the present value of the minimum lease payments. A corresponding lease liability is also recognized at the present value of the future minimum lease payments.

After initial recognition, lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest rate method. Finance charges are recognized as finance costs in the statement of financial performance (surplus or deficit).

Assets held under finance leases are depreciated over their useful lives. However, if there is no reasonable certainty that NG-CDF Garsen will obtain ownership of the asset at the end of the lease term, the asset is depreciated over the shorter of the asset's estimated useful life or the lease term.

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased asset to NG-CDF Garsen. Lease payments under an operating lease are recognized as an operating expense in the statement of financial performance (surplus or deficit) on a straight-line basis over the lease term.

e) Intangible assets

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

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The NG-CDF Garsen does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one NG-CDF *Garsen* and a financial liability or equity instrument of another NG-CDF *Garsen*. At initial recognition, the NG-CDF *Garsen* 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 NG-CDF *Garsen* 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 NG-CDF *Garsen* 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 NG-CDF *Garsen* 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 NG-CDF Garsen 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 NG-CDF Garsen 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 NG-CDF Garsen 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 NG-CDF Garsen recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The NG-CDF Garsen 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 *NG-CDF Garsen*.

h) Provisions

Provisions are recognized when the *NG-CDF Garsen* 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 *NG-CDF Garsen* 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 *NG-CDF Garsen* recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the *NG-CDF Garsen* will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The *NG-CDF Garsen* 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 *NG-CDF Garsen* 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 *NG-CDF Garsen* 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 *NG-CDF Garsen* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *NG-CDF Garsen* pays fixed contributions into a separate *NG-CDF Garsen* (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.

Related parties

The *NG-CDF Garsen* 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 *NG-CDF Garsen*, or vice versa.

m) 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.

n) Comparative figures

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

o) 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 NG-CDF Garsen 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 NG-CDF Garsen. 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 NG-CDF Garsen.
- 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.

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6. Transfers from the NGCDF Board

Description	<i>Period ended June 2025</i>
NGCDFB Transfers (Allocation for the FY)	188,414,052.19
TOTAL	188,414,052.19

7. Transfers from domestic and foreign partners

Description	<i>FY 2024-2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>FY 2024-2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

Description	<i>FY 2024-2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	-

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,626,008
Personal allowances paid as part of salary	-
House Allowance	373,800
Hardship Allowance	637,200
Transport Allowance	-
Leave allowance	40,000
Gratuity to contractual employees	814,060
Employer Contributions Compulsory national social security schemes	218,231
Employer Contributions Compulsory Housing levy	55,155
Employer contributions to National Industrial Training Authority	10,500
Other Specify/SHIF	42,000
Total	4,816,954

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	3,067,800
Other Committee expenses	3,162,100
Total	6,229,900

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	95,018
Communication, supplies and services	790,990
Domestic travel and subsistence	1,694,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	635,900
Hospitality supplies and services	802,600
Insurance costs	342,945
Specialized materials and services	-
Office and general supplies and services	505,680
Fuel, oil & lubricants	747,584
Bank Charges	75,491
Routine maintenance – vehicles and other transport equipment	1,474,931
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	50,800
Total	7,215,939

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	46,024,457
Secondary Schools Actual Expenditure	16,458,579
Tertiary Institutions Actual Expenditure	-
Total	62,483,036

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14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	36,100,600
Bursary – tertiary institutions	43,530,471
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	16,737,192
Climate change mitigation projects	610,052
Emergency projects Actual Expenditure	6,127,457
Roads projects	-
Others specify	-
Total	103,105,772

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	543,923
Intangible Assets	-
Total	543,923

16. Digital Hubs Expenses

Description	FY 2024 -2025
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

Description	FY 2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

Description	FY 2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>NG-CDF Garsen KCB Bank, Account No. (1107969735)</i>	23,017,168	21,806,896.09
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Garsen NG-CDF Deposit Account KCB Bank, account No. (1337938726)</i>	1,840,079	-
<i>Garsen NG-CDF account No. (PMC's account)</i>	29,101,558	33,320,232.59
Total	53,958,804	55,127,129
Cash Balances		
Location 1	-	-
Location 2	-	-

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Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provided Cash Count Certificates for Each]</i>		

(Provided a schedule of all reconciled PMC bank balances as at the end of the period)

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20. Receivables from Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Total receivables				
Other exchange debtors (<i>Specify</i>)	-		-	
Less: impairment allowance	(-)		(-)	
Total receivables	-		-	
a. Current receivables	-		-	
b. Non-current receivables	-		-	
Total Receivables (a+b)	-		-	

(NG-CDF Garsen to state the expected credit loss rates for various categories of its receivables. The NG-CDF Garsen should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	FY 2024-2025	% 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)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	47,414,052		42,190,784.00	
Outstanding imprest	-		-	
Total	47,414,052		42,190,784	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	47,414,052	100	42,190,784	100
Between 1-2 years				
Over 3 years				
Total	47,414,052	100	42,190,784	100

22. Prepayments

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	270,445	294,963
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	270,445	294,963

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-		-	-	1,497,400	-	-	-	1,497,400
Additions	-	-	-	-	660,000	992,150	-	-	1,652,150
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	-	-	2,157,400	992,150	-	-	3,149,550
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	187,175	-	-	-	187,175
Depreciation	-	-	-	-	246,278	297,645	-	-	543,923
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	-	-	433,453	297,645	-	-	731,098
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	1,310,225	-	-	-	1,310,225

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As At 30 th June, 2025	-	-	-	-	1,723,947	694,505	-	-	2,418,452
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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).

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	992,150	297,645	694,505
Office Equipment, Furniture, And Fittings	2,157,400	433,453	1,723,947
Total	3,149,550	731,098	2,418,452

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

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24. Intangible Assets

Description	FY 2024-2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	(-)
At end of the 2025	-
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 2025	-
NBV at June 30th 2025	

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	1,013,753	-
Retention paid during the period (C)	707,689	-
Closing Retention as at period 2025, D= A+B-C	306,064	-

Retentions aging analysis.

	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	306,064	30%	707,689	70%
1-2 years	-	0	-	0%
2-3 years	-	0	-	0%
Over 3 years	-	0	-	0%
Total	306,064	30%	707,689	70%

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

28. Lease Liabilities

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

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Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	(-)
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,026,019	1,026,019
Gratuity held during the period (B)	814,060	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 30TH JUNE 2025 D=(A+B-C)	1,840,079	1,026,019

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	4,018,529
Adjusted for:	
Depreciation	543,923
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	(5,198,750)
Changes in deferred income	-
Changes in Third party deposits	306,064
Changes in gratuity provision	814,060
Changes in payments received in advance	-
Net cash flow from operating activities	483,826

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

31. Financial Risk Management

The NG-CDF Garsen's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The NG-CDF Garsen's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The NG-CDF Garsen 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 NG-CDF Garsen's financial risk management objectives and policies are detailed below:

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i) Credit risk

The NG-CDF Garsen 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, considering 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 NG-CDF Garsen 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 NG-CDF Garsen's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	47,414,052	47,414,052	-	-
Bank balances	53,958,804	53,958,804	-	-
Total	101,372,856	101,372,856	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,190,784	42,190,784	-	-
Bank balances	55,127,129	55,127,129	-	-
Total	97,317,913	97,317,913	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the NG-CDF Garsen'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 NG-CDF Garsen has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The NG-CDF Garsen has significant concentration of credit risk on amounts due from finance. The board of directors sets the NG-CDF Garsen'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 NG-CDF Garsen's directors, who have built an appropriate liquidity risk management framework for the management of the NG-CDF Garsen's short, medium and long-term funding and liquidity management requirements. The NG-CDF Garsen manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the NG-CDF Garsen under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Third party deposits	306,064	-	-	306,064
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	814,060	1,026,019	1,840,079
Total	306,064	814,060	1,026,019	2,146,143
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

The *NG-CDF Garsen* has put in place an internal audit function to assist it in assessing the risk faced by the *NG-CDF Garsen* 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 *NG-CDF Garsen's* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The *NG-CDF Garsen'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 *NG-CDF Garsen's* exposure to market risks or the way it manages and measures the risk.

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	-	-

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USD	10%	-	-
Previous FY		-	-
Euro	10%	-	-
USD	10%	-	-

a) Interest rate risk

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

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significant unobservable components. This hierarchy requires the use of observable market data when available. The *NG-CDF Garsen* considers relevant and observable market prices in its valuations where possible.

iv) Capital Risk Management

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

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	101,915,610	98,923,100
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	101,915,610	98,923,100
Total Borrowings	-	-
Less: Cash and Bank Balances	(53,958,804)	(55,127,129)
Net Debt/ (Excess Cash and Cash Equivalents)	47,956,806	43,795,971
Gearing	0%	0%

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32. Related Party Disclosures

	<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,067,800	2,778,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	188,414,052	192,190,784
Total	188,414,052	199,281,633

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	<i>FY 2024- 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Authorized for	-	-
Authorized and contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

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

37. Ultimate And Holding NG-CDF Garsen

The Garsen 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.

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38. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At Year/period End
Land	-	-		-
Buildings and structures	-	-		-
Transport equipment	-	-		-
Office equipment, furniture, and fittings	1,497,400	660,000		2,157,400
ICT Equipment and Other ICT Assets	-	992,150		992,150
Other Machinery and Equipment				-
Intangible assets				-
Total	1,497,400	1,652,150	-	3,149,550

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

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

PMC	BANK	ACCOUNT	Bank Balance	Bank Balance
			24-25	23-24
Assa Primary School	KCB	1287028020	-	38,964
Bahati Primary School	KCB	1339192055	1,398,975	2,300,975
Bahati primary school	KCB	1327577771	-	-
Baomo Primary School	KCB	1332935303	-	-
bilisa primary school	KCB	1274903475	-	536
bura kofira primary school	KCB	1274924529	-	871
Chamwanamuma	KCB	1133889905	-	9,691
Dalu Primary School	KCB	1275248225	25	25
Danisa Primary School	KCB	1176467395	-	4,434
Dibe Primary School	KCB	1286478197	71,884	8,375
Diidade Primary School	KCB	1104144522	175,410	1,204
Furaha Primary School	KCB	1276702027	47,752	21,238
Gadeni Primary School	KCB	1288611471	-	2,704
Galili Primary School	KCB	1149005548	1,216,524	16,764
Galma Primary School	KCB	1164914235	-	11,531
Garsen primary school	KCB	1134119046	50,247	15,312
Gatundu Primary School	KCB	1131209273	-	376
Gatundu Primary School	KCB	1317181514	-	7,343
Golbanti Primary School	KCB	1149005548	-	1,761
Gomesa Primary school	KCB	1287378706	3,249	3,249
Gomesa Primary school	KCB	1340724863	2,885	-
Gubani Primary School	KCB	1242791256	-	61,366
Handaraku primary school	KCB	1207831727	-	112,353
Hayole primary school	KCB	1329061705	-	2,297,950
Hurara Primary School	KCB	1296563987	-	501
Idd Primary School	KCB	1288160542	-	1,880

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IDSOWE PRIMARY SCHOOL	KCB	1338581538	1,500,102	-
idsowe primary school	KCB	1321554761	-	326
Imani primary school	KCB	1240046839	30,000	1,829,751
Katsangani Primary School	KCB	1157474934	-	3,980
Kibokoni Primary School	KCB	1207844632	-	9,821
Kibusu Primary School	KCB	1292063920	-	2,902
Kikomo Primary School	KCB	1339191857	26,452	196,262
Kikomo Primary School	KCB	1183531583	-	-
Kilelengwani Primary School	KCB	1276609744	4,599	4,599
Kipao Primary School	KCB	1109502834	-	1,031
kipini primary school	KCB	1164291394	-	1,400,853
Kitere primary school	KCB	1167700562	-	75,759
Kizuliani Primary School	KCB	1287027962	-	1,624
Kone primary school	KCB	1287028098	-	2,838
Konkona primary school	KCB	1239239645	-	18,025
Lailoni Primary School	KCB	1282931091	7,843	9,238
Maderte primary school	KCB	1237910919	-	2,801,012
Marafa primary school	KCB	1298279178	-	9,505
Marembo primary school	KCB	1135526621	-	2,000,833
Matangeni Primary School	KCB	1341669165	-	28,469
Matangeni Primary School	KCB	1293611247	1,000,000	-
Maua Primary School	KCB	1109525133	-	10,000
Maziwa primary school	KCB	1292828137	-	3,735
Mchelelo Primary School	KCB	1298431581	-	3,015
Minjila Primary School	KCB	1200525019	-	9,468
Miticharaka Primary School	KCB	1272825523	-	1,268
Mnazini Primary School	KCB	1292255295	2,935	2,935.
Najah Primary School	KCB	1133857981	2,000,459	459
Nduru primary school	KCB	1262130573	-	3,044,902

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Ngumu Primary School	KCB	1274931258	2,809,575	11,378
Odoganda Primary School	KCB	1266879811	16,366	16,744
Odole Primary School	KCB	1147818657	1,468	6,175
Ongonyo Primary School	KCB	1237897912	-	5,780
Onjila Primary School	KCB	1288886268	-	31,746
Onkolde Primary School	KCB	1237826705	-	5,495
Onwordey Primary School	KCB	1135535388	1,015,532	16,636
Ramadha Primary School	KCB	1242127674	-	13,175
Reuben mwewe primary school	KCB	1312958545	-	69,770
Riketa primary school	KCB	1183525095	-	5,089
Shauri Moyo Primary School	KCB	1176988573	1,425,171	25,411
Sheli Primary School	KCB	1327577860	2,169.25	400
Tarasaa Primary School	KCB	1280462086	12,847.00	12,847
Tulu Primary School	KCB	1287254624	1,400,000	4,897
Tulu Primary School	KCB	1324468939	-	6,610
Uhuru Kenyatta Primary School	KCB	1334679479	300,000	-
Uhuru Kenyatta Primary School	KCB	1342090462	-	-
Ushindi Primary School	KCB	1333193033	-	-
Ziwani Primary School	KCB	1287254764	-	11,769
Buyani Secondary School	KCB	1121382789	-	425
Dalu Secondary School	KCB	1296655059	-	4,149
Gatundu Secondary School	KCB	1317183142	-	32,275
Gerasa Sec Sch	KCB	1238929311	614.00	614
Gerasa Sec Sch	KCB	1288610653	-	55,899
Hashaka Secondary School	KCB	1233417428	406,237	4,188,219
Hurara Secondary School	KCB	1240886241	3,000,000	7,613
Kipao Secondary School	KCB	1233232568	2,523,790	4,817,322

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Kipini Girls' Secondary School	KCB	1318495679	-	449,013
Kipini Girls' Secondary School	KCB	1288928394	-	9,028
Kitere secondary school	KCB	1302137999	-	3,136
Kokane gobo secondary school	KCB	1319487068	200,000	1,502,850
Kokane gobo secondary school	KCB	1319487289	-	2,674
Kokane gobo secondary school	KCB	1319486886	-	1,502,044
Kone secondary school	KCB	1327279584	-	69,570
Marifano Secondary School	KCB	1119111455	2,091	2,091
Minhaj secondary school	KCB	1296722023	-	4,023
Ngao Girls Secondary School	KCB	1329663586	3,150,460	-
Sane girls' secondary school	KCB	1172807140	-	5,696
Tarasaa Secondary School	KCB	1282715577	7,537	9,605
Bilisa Chief Office	KCB	1287028225	-	2,524
Garsen Administration Police Line	KCB	1165032287	-	3,139,889
Handaraku Chief's office	KCB	1295101734	-	-
Kipao Chiefs Office	KCB	1288612605	2,830	2,830
Kone Chief Office	KCB	1291290532	-	-
Kone registration office	KCB	1340559226	2,144	275,854
Kone registration office	KCB	1327068656	2,500	-
Matangeni Chief Office	KCB	1291212035	1,055	46,471
Mwina Chiefs office	KCB	1291775471	100,000	-
Oda chief's office	KCB	1288216408	12,448	3,000
Oda police station	KCB	134617293	50,146	-
Salama Chief Office	KCB	1290937583	100,581	25,886

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tana delta dcc	KCB	1327158183	-	195
Tarasaa police station	KCB	1327103974	11,508	521,403
Tarasaa subcounty office	KCB	1340738694	5,005,150	-
TOTAL			29,101,558	33,320,233

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Cash and Cash equivalent; The statement of assets and liabilities reflects bank balance of Kshs.21,806,896. However, the bank reconciliation statement reflects unrepresented cheques of Kshs.12,537,623 which had not been cleared as at the time of audit.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.21,806,896 could not be confirmed.</p>	<p>The cheques at the time of audit were valid (not stale), however the cheques have been cleared in the bank while others have been reversed and re-issued to new beneficiaries, see attached list of replacement schedules and bank reconciliation statements provided for review.</p>	Resolved	1 st January 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	<p>Unconfirmed Ownership and Value of Fixed Assets</p> <p>Annex 4 to the financial statements reflects summary of fixed assets register historical cost of Kshs.18,522,513. However, the additions for the year of Kshs.8,406,052 has not been supported by detailed schedule indicating contract number, value, nature of works and equipment serial numbers, descriptions, quantities and cost of each.</p> <p>In the circumstances, the ownership, existence and valuation of fixed assets valued Kshs.8,406,052 could not be confirmed.</p>	<p>The Ng-cdf Garsen management have since obtained the Allotment Number for the Land where the premises are domiciled. The additions of the year of KSH; 8,406,052 has been duly supported by the aspects requested. Attached is a detailed asset Register updated as per the auditor's recommendation.</p>	Not resolved	1 st January 2026
3.	<p>Unsupported Project Management Committee's Account Balances</p> <p>Annex 5 to the financial statements reflects Project Management Committee (PMC) account balance of Kshs.27,675,791 as at 30 June, 2024</p>	<p>PMC Bank Accounts certificates and bank statements for all the Accounts have since been obtained from the bank and availed to the</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>held in several bank accounts. However, movement schedule from the prior year balance of Kshs.23,940,173, cashbooks and bank statements were not provided for audit. Further, bank account balances for projects since inception of the Fund have not been disclosed and Management has not explained whether the bank accounts for completed projects were closed and bank balances surrendered to the main Constituency Fund bank account in compliance with Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.</p> <p>In the circumstances, the accuracy and completeness of the Project Management Committee account balances of Kshs.27,675,791 could not be confirmed.</p>	<p>auditor for verification (find copies of bank statements and certificates enclosed) Further the bank reconciliation statements for all the operational PMC accounts have been attached for review</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.	<p>BUDGET CONTROL AND PERFORMANCE</p> <p>The summary statement of appropriation reflects final budget and actual on comparable basis of Kshs.287,549,322 and Kshs.245,358,538 respectively, resulting to a budget under funding of Kshs.42,190,784 representing 15% of the budget. Similarly, the Management spent Kshs.223,551,642 against an actual receipt of Kshs.245,358,538 resulting to under absorption of Kshs.21,806,896 representing 9% of the receipts.</p> <p>The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p> <p>My opinion is not modified in respect of this matter.</p>	<p>The underfunding and under performance were culminated by delayed disbursement of funds from the NG-CDF BOARD. All the disbursements received within the financial year were duly allocated and disbursed to some of the projects under the financial year's budget. Attached, see AIEs and the projects to which they were disbursed.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.	The audit report for the previous year highlighted several issues in respect of the financial statements, lawfulness and effectiveness of public resources. Management's report on the progress made in resolving the issues did not indicate the status of these issues as at 30 June, 2024.	The matters shall be resolved when the constituency is scheduled for appearance before the DFAC.	Not resolved	1 st January 2026
6.	Stalled projects; Hashaka Secondary school, Hayole secondary school, Kipao secondary school, Kokani gobbo secondary school	All the projects have since been completed to the satisfaction of the Auditors	Not resolved	1 st January 2026
7.	Delayed Projects Implementation The statement of receipts and payments reflects transfer to other government units amount of Kshs.101,276,291. The amount includes Kshs.17,657,173 released to projects which have stalled or remained un-commenced	The delay was as a result of delay in disbursement of funds from the board. The projects were completed immediately funds were disbursed to the constituency.	Not resolved	1 st January 2026

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