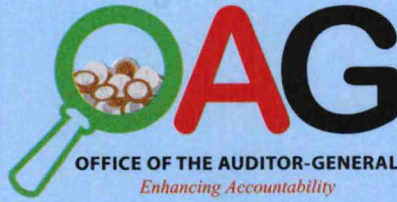


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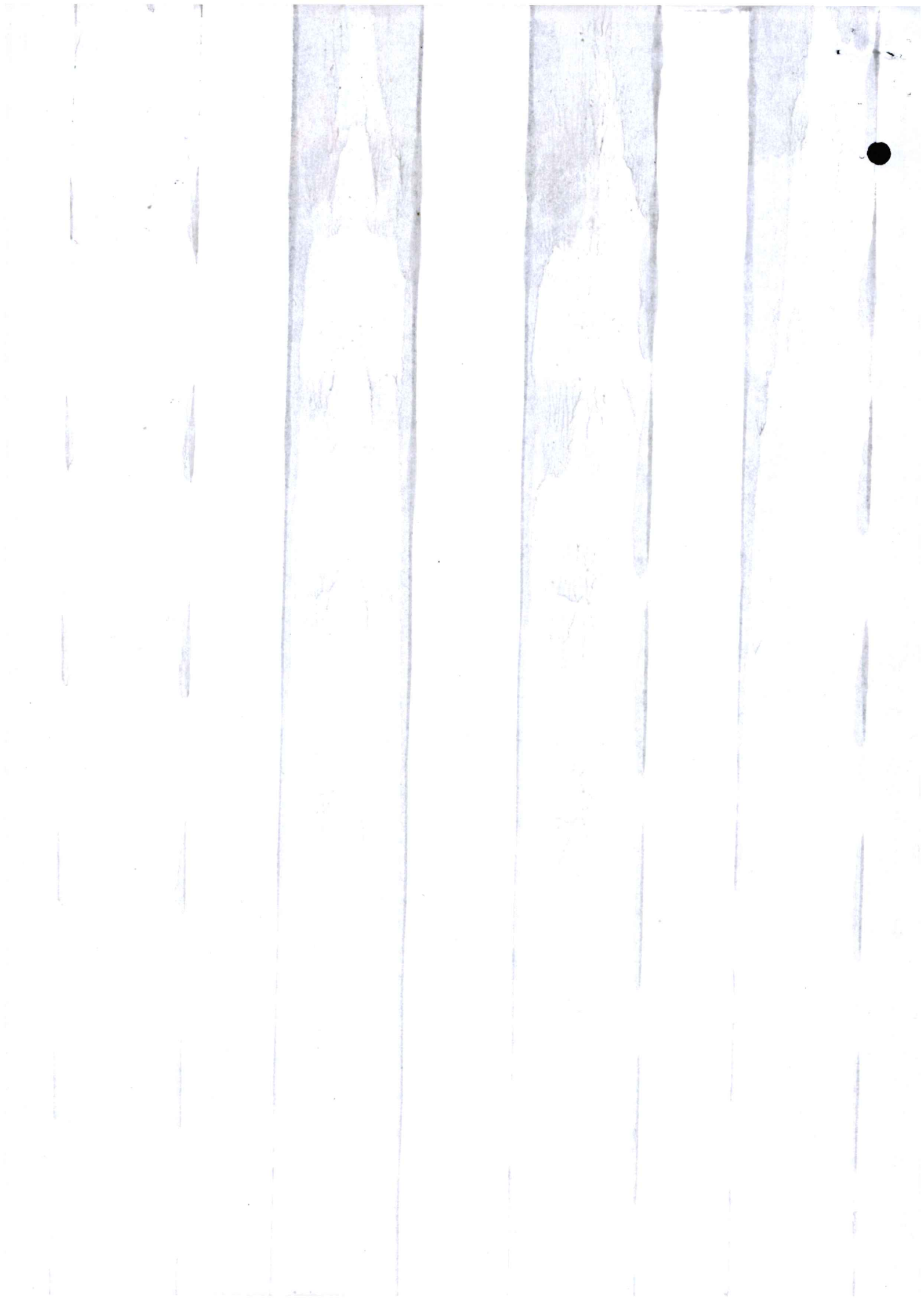
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
GARISSA TOWNSHIP CONSTITUENCY**

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

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

GARISSA TOWNSHIP 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)

7

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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 Garissa Township 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	YUSSUF KILAS ADEN
2.	National Sub-County Accountant	MOHAMED A. ADAN
3.	Chairman NGCDFC	SIYAD HARED MUHUMED
5.	Member NG CDFC	NOOR HASSAN MAULID

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Garissa Township 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.

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(d) NGCDF Garissa Township Constituency Headquarters

P.O. Box 239-70100
Opposite IPOA Office
Kismayu Road, Garissa, KENYA

(e) NGCDF Garissa Township Constituency Contacts

Telephone: (254) 0721164615

E-mail: cdflgarissatownship@ngcdf.go.ke

Website: www.garissatownship.ngcdf.go.ke

(f) NGCDF Garissa Township Constituency Bankers

1. Equity Bank
Garissa Branch
Account Number: 0580261988646
2. Equity Bank
Garissa Branch
Account Number: 0580286521464
3. Project Management Committee

NO.	Account Name	Bank Name and Branch	Account Name
1.	ADC primary school	Equity- Garissa	0580280202022
2.	Al-fatah primary school	Equity- Garissa	0580279333440
3.	Towfiq primary school	Equity- Garissa	0580284678487
4.	liftin primary school	Equity- Garissa	0580179107373
5.	Najah primary school	Equity- Garissa	0580285462509
6.	Garissa school for deaf	Equity- Garissa	0580275946435
7.	Sambul primary school	Equity- Garissa	0580280034318
8.	Tetu primary school-pmc	Equity- Garissa	0580282101767

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9.	Bulla mzuri primary school-pmc	Equity- Garissa	0580280270187
10.	Abdilugey primary school-pmc	Equity- Garissa	0580273624674
11.	Jarirot primary school-pmc	Equity- Garissa	0580279378194
12.	Boystown primary school-pmc	Equity- Garissa	0580280201980
13.	Garissa primary school-pmc	Equity- Garissa	0580281262099
14.	Bulla nur pri school	Equity- Garissa	0580285556202
15.	Ttumaini pri school	Equity- Garissa	0580280923873
16.	Bulla rahma pri sch.	Equity- Garissa	0580282391634
17.	NASIB PRIMARY SCHOOL-PMC	Equity- Garissa	0580285576205
18.	Garissa High school	Equity- Garissa	0580281262099
19.	Boystown secondary school	Equity- Garissa	0580277749602
20.	County High School	Equity- Garissa	0580280923876
21.	Tumaini Boys Sec. School	Equity- Garissa	0580277745942
22.	Nep Girls Sec. School	Equity- Garissa	0580279910644
23.	Sambul high school	Equity- Garissa	0580280034318
24.	Garissa Teachers training college	Equity- Garissa	0580285932023
25.	Garissa Special School for Mentaly Handcap	Equity- Garissa	0580282648067
26.	Nasib Primary School	Equity- Garissa	0580285576205
27.	Bulla College Primary School	Equity- Garissa	0580279643335
28.	Boystown Secondary School	Equity- Garissa	0580277749602







(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>Mr. Siyad Hared Muhumed Date of Birth:1972 Designation: Chairman Qualification: Diploma in community health science Occupation: Nurse Years of experience: 28Years</p>
	<p>Mr. Hassan Osman Shurie Date of Birth:1960 Designation: Secretary Academic: Diploma in Conflict management Work experience: Business Man</p>
	<p>Mr. Mohamed Bare Olow Date of Birth:1993 Designation: Member Qualification: Diploma in purchasing and supplies management Professional qualification: Business Man Years of experience: 8 Years</p>
	<p>Mr. Noor Maulid Hassan Date of Birth:1973 Designation: Member Qualification: KCSE Certificate Occupation: Business Man Years of experience: 25 Years</p>
	<p>Ms. Maryan Hussein Somo Date of Birth:1990 Designation: Member Qualification: KCSE Certificate Occupation: Business Woman Years of experience: 16 Years</p>
	<p>Ms. Fatuma Ahmed Kosar Date of Birth:1976 Designation: Member Qualification: Diploma in Business management Occupation: Business Woman</p>

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	Years of experience: 20 Years
	Mr. Abdi Noor Shenkey Date of Birth:1974 Designation: Member Qualification: KCSE Certificate Occupation: Business Man Years of experience: 10 Years
	Ms. Haretho Kahiye Date of Birth:1971 Designation: Member Qualification: Bachelors of education in special needs Occupation: Business Woman Years of experience: 15 Years
	Date of Birth: 01 st January, 1985, Academic: Master in Business Administration (MBA – Strategic Management) Professional Qualifications: Banking & Finance Work Experience: Fund Account Manager in various Constituencies

4.NG-CDFC Chairman's Report



Siyad Hared Muhumed

Greetings to all stakeholders of NG-CDFC Garissa Township Constituency.

Garissa Township NGCDF is a Constituency Located in Northern Eastern Region in Garissa County, Kenya. The Constituency has four Wards and ensures that projects for the years are allocated fairly across the four wards. Garissa Township NG-CDF had a budget allocation of Kshs **170,469,857** for the Financial Year 2024/2025.

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

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

The following is the summary breakdown of proposed projects for funding during the financial year 2024/2025.

S/NO	NAME OF PROJECT	AMOUNT ALLOCATED
1.	Administration and recurrent	9,228,191
2.	Monitoring and evaluation	5,114,095
3.	Bursary/mocks/Cats	68,187,942
4.	Primary projects	5,467,531

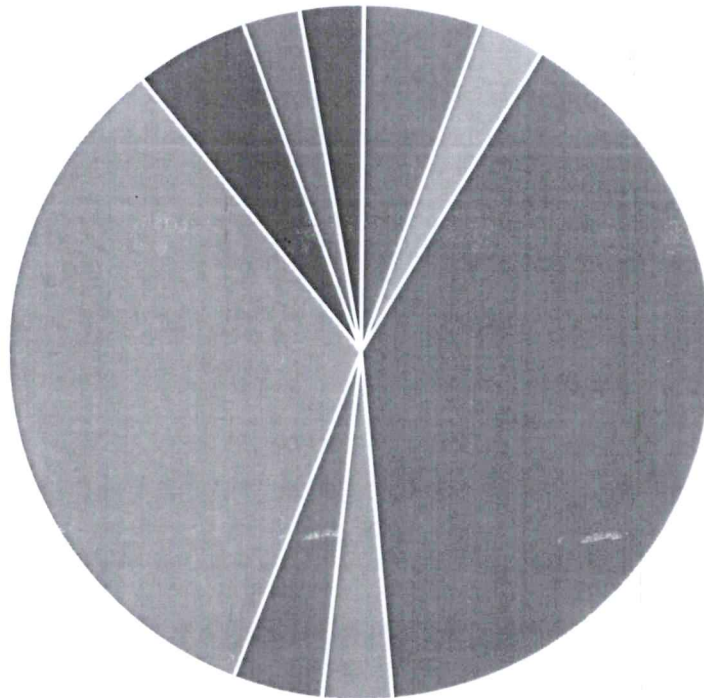
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5.	Secondary school projects	57,000,000
6.	Tertiary Project	7,000,000
6.	Emergency projects	8,972,098
7.	Environment	4,500,000
8.	Security projects	5,000,000
9.	Others (professional services)	-
	Totals	170,469,857

ORIGINAL BUDGET

Percentage of sector allocation

AMOUNT ALLOCATED FOR THE FY 2024/2025



- Administration and recurrent
- Monitoring and evaluation
- Bursary/mocks/Cats
- Primary projects
- Tertiary Project
- Secondary school projects
- Emergency projects
- Climate Change
- Security projects

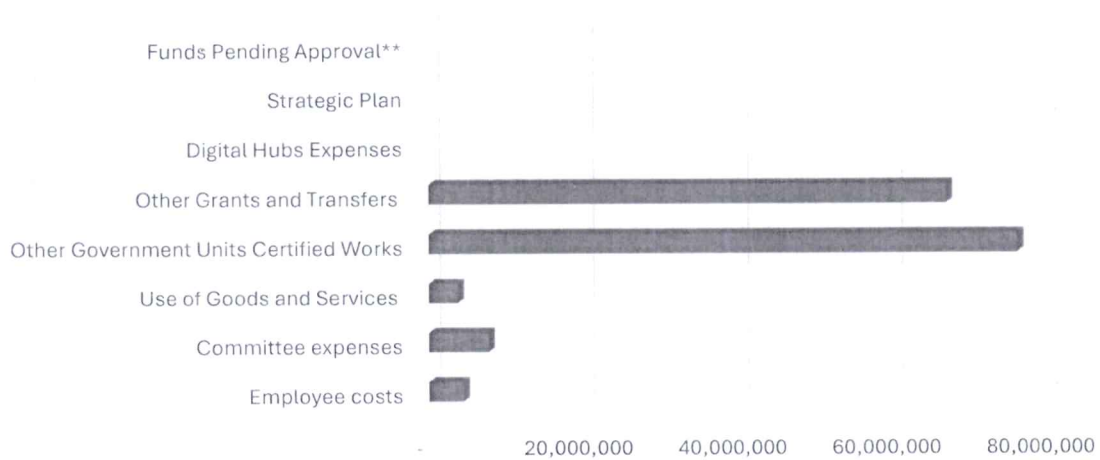
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During the financial year 2024/2025, Garissa Township National Government Constituency Development fund committee received an amount of Kshs. **171,296,803** from the board for the implementation of approved priority projects. Further to the amount received there were opening balance of Kshs **56,006,631** totaling to kshs **227,303,434** available funds for use.

The table below summarizes the expenditure for the financial year 2024/2025.

ITEM	AMOUNT SPENT
Compensation of employees	4,453,875
Use of goods and services	7,782,150
Committee expense	3,729,387
Transfers to Other Government Units	76,469,205
Other grants and transfers	67,251,522
Other payments	
TOTAL PAYMENTS	159,686,139

AMOUNT SPENT FOR FY 2024/2025

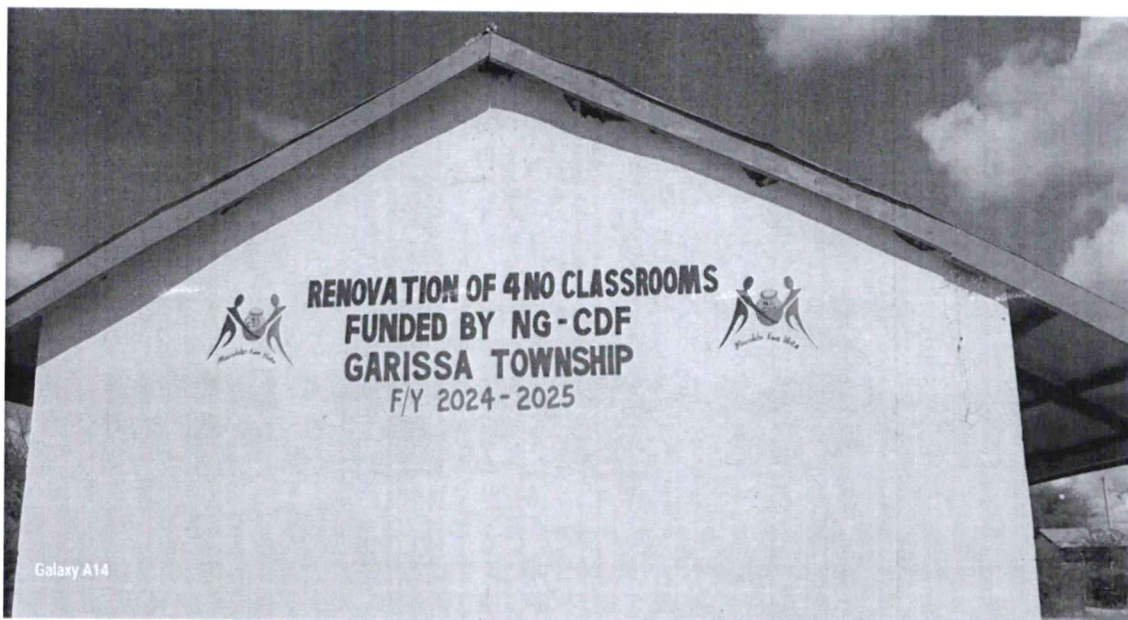


Key achievements

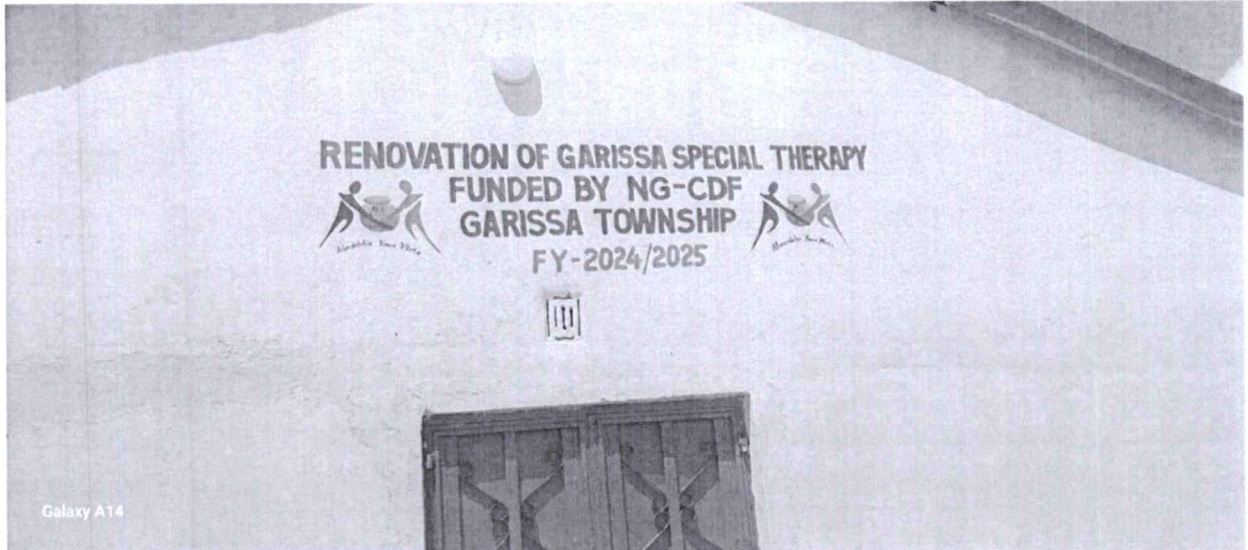
RENOVATION OF 5NO CLASSROOMS AT NASIB PRIMARY SCHOOL



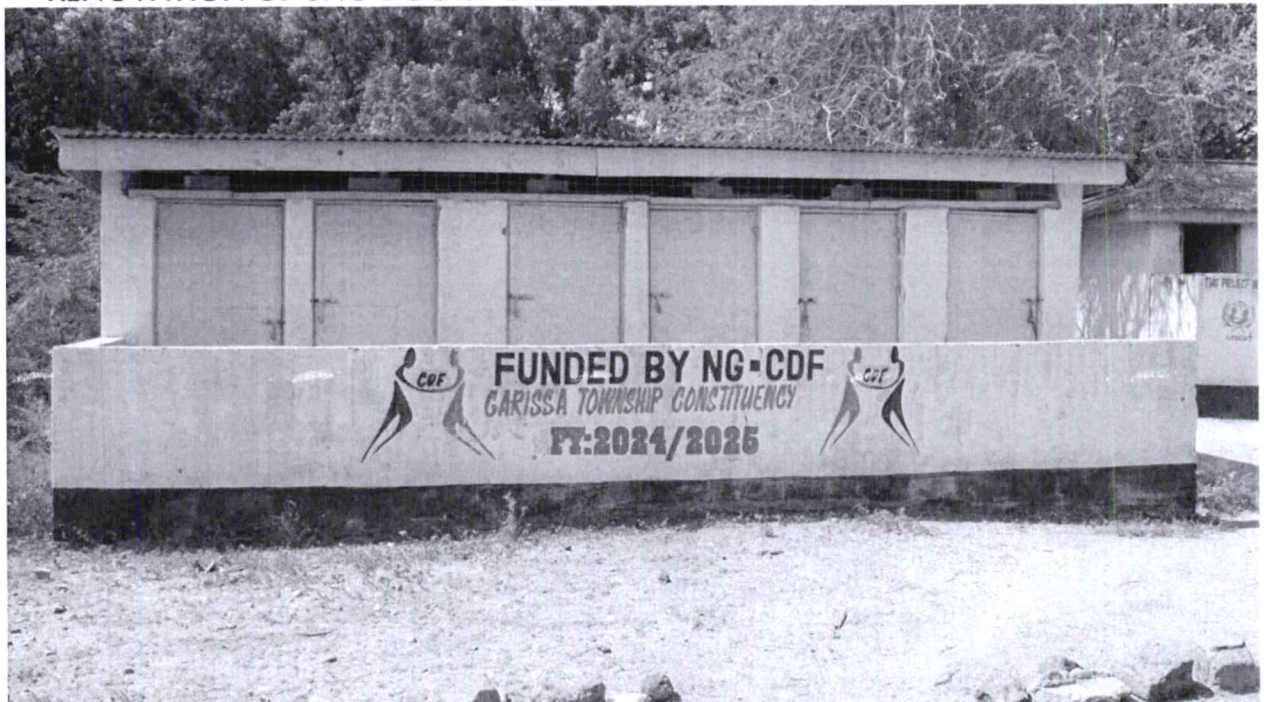
RENOVATION OF 4NO CLASSROOMS AT BULLA COLLEGE PRIMARY SCHOOL



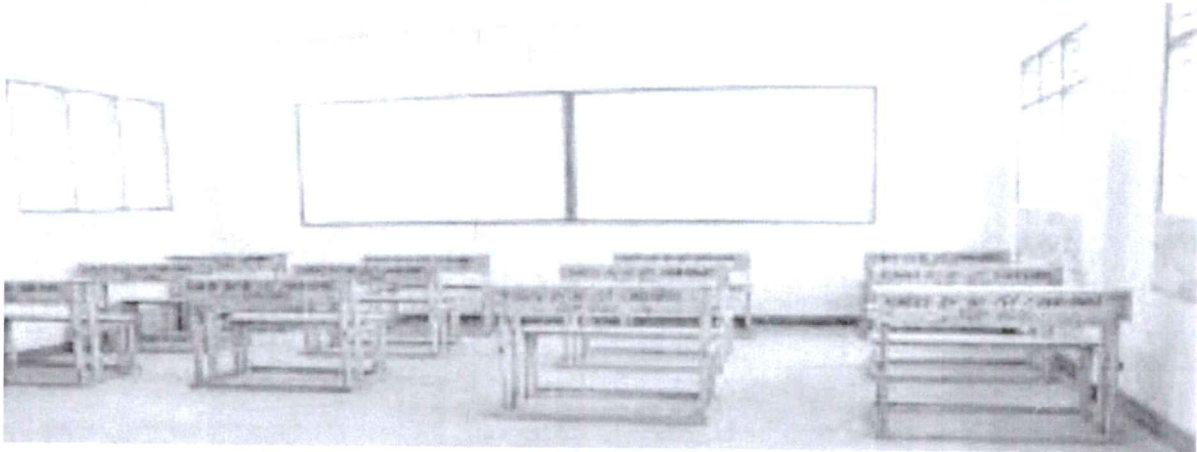
**RENOVATION OF DORMITORY BLOCK TO SERVE AS SPECIAL THERAPY AT GARISSA
SPECIAL SCHOOL FOR LEARNERS WITH INTERLECTUAL DISABILITIES**



RENOVATION OF 6NO DOOR TOILETS AT BOYSTOWN SECONDARY SCHOOL



PURCHASE OF WOODEN DESKS TO BULLA MZURI PRIMARY SCHOOL



Emerging issues

The NGCDFC Chairman brought to the attention of the committee the issue of overwhelming bursary applications in the both secondary schools going students and in tertiary institutions.

The committee after discussion agreed to share the matter with other education stakeholders and come up with better ideas on how to control the situation.

Challenges during the financial year

During the financial year 2024/2025, few projects were implemented due to late release of funds from the board.

The major challenge is that ng-cdf Garissa Township Constituency has many schools of which some has no enough infrastructure i.e., classrooms and the funds is inadequate to manage all the schools as new day secondary's school is on increase.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to prevailing economy status within the constituency i.e. low-income because consistency is experiencing prolonged drought.

Way forward

NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will help in the implantation of projects as well for human use to reduce movement people from the settlements leaving the school during drought season.

The board should also try to release funds in time for ease of implementation of projects.

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NG-CDFC has initiated a programme to construct new classroom over the years however many classrooms require renovation hence cost effective

I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF funding to enable more projects uptake in the constituencies.

We have initiated a better way of identifying needy student in bursary allocations in order to fairly distribute the funds.

Lastly would like to thank all the stake holders for their continued support.



.....
Name: Siyad Hared Muhumed
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDF Garissa Township Constituency 2023/2027** plan are to:

- To improve access, affordability and availability of quality education.
- To harness talent and empower youths.
- To cater for any unforeseen occurrences in the constituency.
- To promote environmental sustainability in the constituency.
- To enhance security in the constituency.
- To improve tracking of implementation of NG-CDF programs
- To promote performance management and smooth running of the NG-CDF office

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 renovated in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	-In FY 2024/2025 - We constructed 8no. classrooms -We constructed 3no. pratory block -We constructed school kitchen -We constructed 12 door pit latrines -we renovated 4No.classrooms in primary schools .

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				<p>-We renovated 1no. dormitory to serve as therapy center in primary school.</p> <p>-We purchased laboratory equipment's to two primary schools</p> <p>-We constructed one storey dormitory block at Garissa TTC</p> <p><u>Secondary school</u></p> <p>-We purchased 100 lockers</p> <p>-We constructed 6no. pit latrine s</p> <p>-We supplied 110 wooden three seater school desks to secondary school.</p> <p>- Bursary beneficiaries at all levels were as per the attached schedules</p>
Security	To ensure the community is secured through construction of police posts and staff houses.	Ensuring good cooperation with the security organs	Good working condition for the officers	The security project was not yet started due to late disbursement of funds from the board
Climate change mitigation activities	To protect and conserve critical environmental resources and invaluable natural and man –made heritage	To mitigate effect of green house gas emissions	Provision of energy saving jikos to different schools with the constituency	To protect and conserve critical environmental resources and invaluable natural and man –made heritage which are essential for life – supporting livelihoods and welfare of the society

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	which are essential for life – supporting livelihoods and welfare of the society			
Emergency	To cater for any unforeseen occurrences in the constituency	Renovation of classrooms and a dormitory therapy center	Increased number of usable physical infrastructure build in primary, secondary, and tertiary institutions.	-We renovated 9 no. Classrooms in primary schools -We also renovated 1No. Dormitory blocks in secondary schools

6. Governance Statement

Appointment of NGCDF Members

The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).

This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board. The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt

The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.

The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.

The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).

The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt. The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.

The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt

The PWD organization shall nominate in writing a member to the NG-CDFC. Applications are received at the NG-CDF office and recorded in the application register.

Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.

The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.

The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.

The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees

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The selected members are forwarded to parliament through CEO of the board for purpose of gazettelement

Upon gazettelement the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

Appointment of NG-CDFC Members

The selection Panel

The selection panel was appointed in the month of February, 2023. This constituted four members as follows:

SNO	NAME	DESIGNATION
1	Farah Hassan	chair
2	Yussuf Kilas Aden	secretary
3	Sahara Ali Shurie	member
4	Abdirahman M. Godad	member

The selection panel developed a shortlisting criterion which enabled them to pick the required number of nominees and two additional nominees were proposed by Garissa Township Constituency Office manager as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
	Farah Olow	Male Youth	Waberi
	Hassan Osman	Male Adult	Township
	Maryan Somow	Female Youth	Galbet
	Fatuma Kosar Ahmed	Female Adult	Galbet

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
	Siyad Hared	Physical impairment	Township

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Mohamed Dayib	Male	Township
2	Haretha Kahiye	Female	Iftin

After consultation with the relevant stakeholders, members agreed and recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
	Noor Maulid Hassan	Male	Iftin

After the approval and gazettelements of the members, the committee had its first meeting to elect the chairperson and the secretary. Upon discussion the following members were elected.

Chairperson position – Siyad Hared

Secretary position – Hassan Osman Shurie

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

The appointed committee members were gazetted through Gazette notice number 5004 on 14th April, 2023.

The new committee held its first meeting on 19th April, 2023.

Sno.	Name	Position
1	Siyad Hared	Chair person
2	Hassan Osman Shurie	secretary
3	Farah Olow	member
4	Maryan Somow	member
5	Fatuma Kosar Ahmed	member
6	Mohamed Dayib	member
7	Haretha Kahiye	member
8	Noor Maulid Hassan	member

NG-CDFC Handing Over Processes

Paragraph 24(1) of the NG-CDF Regulations 2016 states that the officer of the board seconded to the constituency shall preside over the handover from one Constituency committee to another and shall submit a report on the hand over within fourteen days from the date of the hand over.

Removal of members is as in the act 2015 section 13, a,b,c,d,e, f and g

'A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

Lack of integrity;

Gross misconduct;

Embezzlement of public funds;

Bringing the committee into disrepute through unbecoming personal public conduct;

Promoting unethical practices;

Causing disharmony within the committee;

Physical or mental infirmity.

Roles and function of the committee

Build the capacity of PMCs and sensitise the community on operations of the fund

Consider project proposals from all wards in the constituency

Ensure that all proposed projects that are approved for funding meet the sec 24 of the Act

Consult with relevant line ministries in the implementing the projects

Ensure adequate funding of the proposed projects

Ensure project reports are prepared and forwarded to the board

Submit financial reports to the board within stipulated time

Induction and Training

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan.

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There is a budgetary provision on capacity building which is utilized to train NGCDFCs, PMCs and NGCDFC Staff. Garissa Township NGCDFC were taken through a comprehensive induction course organized by the NGCDF Board on 18th April to 25th July 2025 at Nomad Palace. During this training, the Garissa Township NGCDFC were taken through critical areas such as public finance, project planning, procurement compliance and performance management.

Meetings

The committee is to have a maximum of 24 meetings and a minimum of 12 in a financial year as per the 2015 Act

The committee members declare conflict of interest in any matter as the procurement and disposal Act by a standard form at the time of the matter

The committee members are remunerated from the fund at Kshs 5,000 for members and 7000 for the chairman.

Schedule of meetings held during the FY 2024/2025

S.No	NG-CDFC COMMITTEE MEMBERS	10/08/2024	25/11/2024	02/03/2025	05/06/2025
1	Chairman Siyad Hared	✓	✓	✓	✓
2	Secretary Hassan Osman Shurie	✓	✓	✓	✓
3	Member Farah Olow	✓	✓	✓	✓
4	Member Maryan Somow	✓	✓	✓	✓
5	Member Fatuma Kosar Ahmed	✓	✓	✓	✓
6	Member Mohamed Dayib	✓	✓	✓	✓
7	Member Haretha Kahiye	✓	✓	✓	✓
8	Member Noor Maulid Hassan	✓	✓	✓	✓
9	-FAM Yussuf Kilas Aden	✓	✓	✓	✓

Ethics and Conduct

The Anticorruption sub committee was formed on the first meeting and members have been trained on the same, the conduct of members is also the act as some of the reasons for removing a member from the committee

Risk Management

Risk management is a tool by the board to gauge on the risks that the constituency goes through which is attested on monthly basis by the staff. The report is discussed at the meeting by the committee

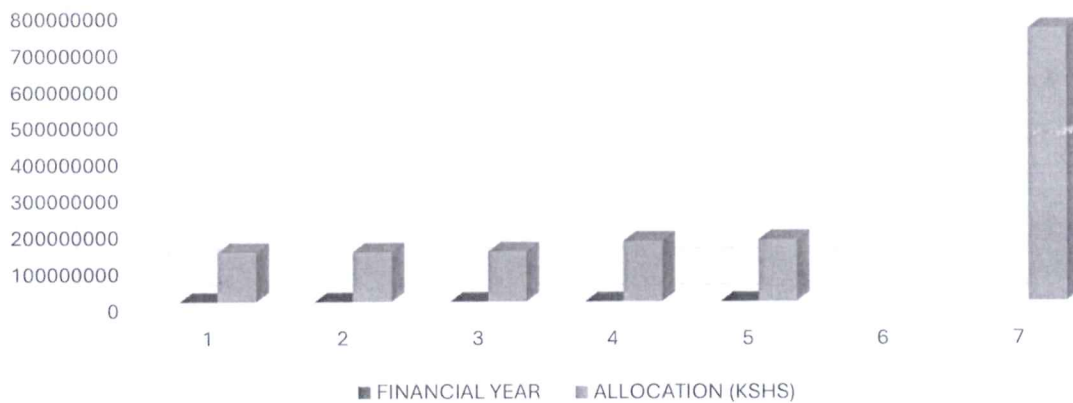
7. Management Discussion and Analysis

The review covers five financial years (2020/2021 through to 2024/2025). During this period, the Garissa Township National Government Constituency Developed Committee received a total Ksh 749,456,368 towards the implementation of various projects, with 2024/2025 recording the highest disbursement as shown below:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,088,879
2021/2022	137,088,879
2022/2023	138,215,033
2023/2024	166,593,720
2024/2025	170,469,857
	749,456,368

Several projects have been implemented up to the reporting date of June, 2025. A breakdown of the projects into sectors is given below.

Chart Title



Yussuf Kilas Aden
Fund Account Manager

8.Environmental and Sustainability Reporting

Garissa Township NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. 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 NG-CDF Garissa Township Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

Environmental performance

Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- i. **Education and Training:** Garissa Township Constituency's focus on human capital for
 - a. constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
 - b. **Security Sector Support:** Among its key pillars; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well 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
 - c. eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- d. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- e. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

ii. **Environmental performance**

Environment Policy and Action Plan Protection of the environment in which we live and operate is part of Garissa township NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Garissa township NG-CDF commits to:

Comply with all relevant environmental legislation, regulations and approved codes of practice
Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
Managing and disposing of all wastage in a responsible manner;
Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
Regularly communicating our environmental performance to our employees and other significant stakeholders
developing our management processes to ensure that environmental factors are considered during planning and implementation ,monitoring and continuously improving our environmental performance.
Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance
our Environmental Action Plan
Garissa township NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below: Impact Area Approach Capacity Building • Promote environmental awareness by sensitizing the Garissa township NG-CDFC, NG-CDF staff and PMC on good conservation practices

- To encourage, through regular communication to Garissa township NG-CDFC, staff, and other stakeholders changes in individual behavior to reduce usage Conservation of Energy and Resources to maximize use of available technologies to remove the need to use paper To encourage our clients to engage with us using electronic means where possible to maximize on rain water harvesting to make energy efficiency a key factor in the selection of any new energy device being purchased to invest in available energy saving technologies and devices within our existing premises environmental Protection and Conservation to promote use of voltage guards to control power surges we have constructed culverts and gabions to prevent soil erosion to encourage tree planting in the constituency to improve the forest cover. To this end, we are in the process of planting 80 indigenous trees no. mature in primary school to promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires Pollution Control and Waste Management to ensure that all paper waste is recycled to ensure segregation of waste to ensure proper human waste disposal through construction of pit latrines, septic and soak pit Protection of environment in which we live and operate as part of Garissa CDF initiative care for the Environment is one of our key responsibilities.

2. Employee welfare

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

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

Ng-cdf Garissa Township 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-

NGCDF Garissa Township 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

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

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

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

Public Awareness

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

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


.....
Yussuf Kilas Aden
Fund Account Manager.

9. Statement Of Management Responsibilities

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

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

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

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

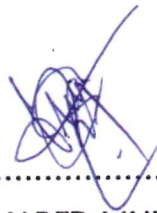
*National Government Constituencies Development Fund (NGCDF)
Garissa Township Constituency
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external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which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

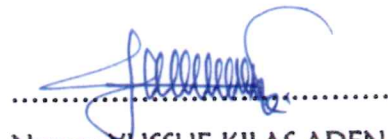
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Garissa Township Constituency financial statements were approved and signed by the Accounting Officer on 14th October, 2025.



.....
Name: SIYAD HARED MUHUMED
Chairman – NGCDF Committee



.....
Name: YUSSUF KILAS ADEN
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Garissa Township Constituency set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash

flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Garissa Township Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Bursary Payments

The statement of financial performance reflects other grants and transfers of Kshs.67,252,287 as disclosed in Note 14 to the financial statements. Included in the amount is Kshs.20,231,000 and Kshs.38,048,425 for bursary payment to secondary schools and tertiary institutions, respectively. However, bursary payments amounting to Kshs.4,319,000 for tertiary institutions and secondary schools were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy of bursary payments amounting to Kshs.4,319,000 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 - Garissa Township Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budget Control and Performance

The summary statement of appropriation reflects final receipt budget and actual on a comparable basis of Kshs.270,119,918 and Kshs.227,640,061 respectively, resulting in an underfunding of Kshs.42,479,857 or 16% of the approved budget. Similarly, the Fund spent Kshs.157,349,731 against actual receipts of Kshs.227,640,061, resulting in an under-utilization of Kshs.70,290,330 or 31%.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.86,469,205 to twenty-one (21) projects, including primary and secondary schools and tertiary projects. However, review of the project implementation status report revealed that only nineteen (19) projects costing Kshs.37,469,205 were completed, while two (2) projects with an allocation of Kshs.49,000,000 were on-going.

Delay in implementation of planned projects and may have impacted negatively on service delivery to the public.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiii which comprise of Key Constituency Information and Management, NG-CDF Committee, NG-CDFC 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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.

Basis for Conclusion

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

Responsibilities of the Management and the National Government Constituencies Development Fund Committee

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

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

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

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

The National Government Constituencies Development Fund Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


6 October, 2025

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

	Note	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	10,000
Total revenue		170,479,857
Expenses		
Employee costs	10	3,055,155
Committee expenses	11	7,782,150
Use of Goods and Services	12	3,515,887
Other Government Units Actual expenditure	13	76,215,232
Other Grants and Transfers Actual expenditure	14	67,252,287
Depreciation and amortization expense	15	37,800
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		157,858,511
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		12,621,346


The Constituency financial statements were approved by the NGCDFC on 14th October, 2025 and signed by:



Chairman NG-CDF
Committee
Name: Siyad Hared
Muhumed



National Sub-County
Accountant
Name: Mohamed A. Adan



Fund Account Manager
Name: Yussuf Kilas Aden

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

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


	Note	FY 2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	70,310,330	56,353,258
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	43,296,803
Prepayments	22	-	-
Total Current Assets		112,780,187	99,650,061
Non-Current Assets			
Property, Plant and Equipment	23	175,700	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		175,700	-
Total Assets (A)		112,955,887	99,650,061
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity Provision	29	2,083,200	1,398,720

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

Total Current Liabilities		2,083,200	1,398,720
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,083,200	1,398,720
Net Assets (A-B)		110,872,687	98,251,341
Represented by:			
Revaluation Reserves			
Accumulated Surplus		110,872,687	98,251,341
Total Net Assets		110,872,687	98,251,341

The Constituency financial statements set out on page 1 to page 18 approved by NG CDFC on 14th October, 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Siyad Hared
 Muhumed


 National Sub-County
 Accountant
 Name: Mohamed A. Adan


 Fund Account Manager
 Name: Yussuf Kilas Aden

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024		56,006,631	56,006,631
Adjustments			-
Recognition of Assets		43,643,430	43,643,430
Recognition of Liabilities		(1,398,720)	(1,398,720)
As at July 1, 2024		98,251,341	98,251,341
			-
Surplus/(Deficit) For the Period		12,621,346	12,621,346
Revaluation Gain/Loss		-	-
As at June 30, 2025		110,872,687	110,872,687

Note:

1. For items that are not common in the financial statements, the Entity 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)
Garissa Township Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Notes	FY 2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		171,296,803
Transfers from domestic and foreign partners		
Finance income		
Miscellaneous income		10,000
Total Receipts		171,306,803
Payments		
Employee costs		2,370,675
Committee expenses		7,782,150
Use of Goods and Services		3,515,887
Other Government Units Certified Works		76,215,232
Other Grants and Transfers		67,252,287
Digital Hubs Expenses		
Total Payments		157,136,231
Net Cash Flows from/ (used in) Operating Activities	28	14,170,572

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Cash flows From Investing Activities		
Purchase of PPE		213,500
Purchase of Intangible assets		
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		231,500
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		13,957,072
Cash and cash equivalents at 1 July	19	56,353,258
Cash and cash equivalents at 30 June	19	70,310,330

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024/2025	FY 2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	56,343,258	43,296,803	270,109,918	227,640,061	42,469,857	84%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	10,000	-	10,000		10,000	-
Totals	170,469,857	56,353,258	43,296,803	270,119,918	227,640,061	42,479,857	84%
Expenses							
Employee costs	3,468,900	1,837,520	3,424,788	8,731,208	2,370,675	6,360,533	27%

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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024/2025	FY 2024/2025		
Committee expenses	3,438,095	668,126	7,146,679	11,252,900	7,782,150	3,470,750	69%
Use of Goods and Services	7,435,291	1,883,558	2,108,288	11,427,137	3,729,387	7,697,750	33%
Other Government Units Certified Works	61,467,531	30,840,322	24,617,048	116,924,901	76,215,232	40,709,669	65%
Other Grants and Transfers	86,660,040	21,079,412	6,000,000	113,739,452	67,252,287	46,487,165	59 %
Digital Hubs Expenses	-	-	-	-	-	-	
Strategic plan	-	44,320	-	44,320	-	44,320	-
Funds Pending Approval**	8,000,000	10,000	-	8,010,000	-	8,010,000	-
Total Expenditure	170,469,857	56,363,258	43,296,803	270,129,918	157,349,731	112,780,187	58 %
Surplus for the period							

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Explanatory Notes.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	112,780,187
Less undisbursed funds receivable from the Board as at 30 th June 2025	42,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	70,310,330


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 14th October, 2025 and signed by:



Fund Account Manager
Name: Yussuf Kilas Aden



National Sub-County Accountant
Name: Mohamed A. Adan



Chairman NG-CDF Committee
Name: Siyad Hared Muhumed

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,468,900	1,837,520	3,424,788	8,731,208	2,370,675	6,360,533
1.2 Committee allowances	1,788,000	-	6,474,805	8,262,805	6,889,150	1,373,655
1.3 Use of goods and services	3,971,291	381,140	147,924	4,500,355	3,729,387	770,968
Sub-total	9,228,191	2,218,660	10,047,517	21,494,368	12,989,212	8,505,156
2.0 Monitoring and evaluation						
3.02.1 Capacity building	600,000	-	-	600,000	-	600,000
2.2 Committee allowances	1,050,095	668,126	671,874	2,390,095	893,000	1,497,095
2.3 Use of goods and services	3,464,000	1,502,418	1,960,364	6,926,782	-	6,926,782
Sub-total	5,114,095	2,170,544	2,632,238	9,916,877	893,000	9,023,877

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.0 Emergency						
Unutilized	8,972,098	41,353	-	9,013,450	8,972,862	40,588
Sub-total	8,972,098	41,353	-	9,013,450	8,972,862	40,588
5.0 Bursary and Social Security						
5.1 Primary Schools			-	-	-	-
5.2 Secondary Schools	22,187,942	309,508	-	22,497,450	20,231,000	2,266,450
5.3 Tertiary Institutions	40,000,000	20,044,551	-	60,044,551	38,048,425	21,996,126
5.4 special needs	-	0	-	-	-	-
5.5 Education Support Programmes			-	-	-	-
5.6 Social Security	6,000,000	684,000	6,000,000	12,684,000	-	12,684,000
Sub-total	68,187,942	21,038,059	6,000,000	95,226,001	58,279,425	36,946,576

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.0 Environment						
ADC primary school	1,500,000	-	-	1,500,000	-	1,500,000
Boystown secondary school	1,500,000	-	-	1,500,000	-	1,500,000
Sambul boys secondary school	1,500,000	-	-	1,500,000	-	1,500,000
Sub-total	4,500,000	-	-	4,500,000	-	4,500,000
8.0 Primary Schools Projects						
ADC primary school	-	200	-	200	-	200
Al-fatah Primary school	-	30	-	30	-	30
Iftin Primary school	-	150	-	150	-	150
Najah Primary school	-	43,103	-	43,103	-	43,103
Sambul primary school	-	85,910	-	85,910	-	85,910

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bulla Nur primary school	-	831,874	-	831,874	831,874	-
Bulla Rahma primary school	-	500,000	-	500,000	500,000	-
Jarirot primary school	-	2,000,875	500,000	2,500,875	2,500,800	75
Bulla Rahma primary school	-	2,000,120	-	2,000,120	2,000,000	120
Bulla Nur primary school	-	2,000,000	-	2,000,000	1,857,826	142,174
Tumaini primary school	-	2,535,070	-	2,535,070	2,534,800	270
Abdilugey primary school	-	2,000,878	-	2,000,878	2,000,758	120
Garissa school for the deaf	-	33,645	99,203	132,848	-	132,848
Tetu primary school	-	1,454	1,703,083	1,704,537	1,704,537	-
Tetu primary school	-	-	5,000,000	5,000,000	4,999,763	237

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nasib primary school	-	-	5,000,000	5,000,000	4,999,700	300
Boystown primary school	-	928	1,000,000	1,000,928	1,000,800	128
Garissa primary school	-	85,577	1,703,803	1,789,380	1,789,207	173
Bulla Argy primary school	1,000,000	-	-	1,000,000	-	1,000,000
Bulla Mzuri primary school	455,785	2,000,680	-	2,456,465	2,455,500	965
Towfiq primary school	4,011,746	200	-	4,011,946	-	4,011,946
Sub-total	5,467,531	14,120,693	15,006,089	34,594,313	29,175,565	5,418,749
9.0 Secondary Schools Projects (List all the Projects)						
County High School	-	366	-	366	-	366
Tumaini boys secondary school	-	913	1,610,959	1,611,872	1,611,758	114

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Garissa High School	25,000,000	5,001,560	4,000,000	34,001,560	19,499,828	14,501,732
Boystown secondary school	-	1,064,982	-	1,064,982	1,063,582	1,400
Sambul boys secondary school	-	651,669	-	651,669	651,500	169
Nep Girls secondary school	24,000,000	5,000,140	4,000,000	33,000,140	19,216,000	13,784,140
Sub-total	49,000,000	11,719,629	9,610,959	70,330,588	42,042,668	28,287,921
10.0 Tertiary institutions Projects (List all the Projects)						
Garissa Teachers Training college	7,000,000	5,000,000	-	12,000,000	4,997,000	7,003,000
						-
Sub-total	7,000,000	5,000,000	-	12,000,000	4,997,000	7,003,000
11.0 Security Projects						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Buriburis police station	5,000,000	-	-	5,000,000	-	5,000,000
Sub-total	5,000,000	-	-	5,000,000	-	5,000,000
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)						
12.2 Purchase of furniture and fittings						
12.2 Construction of CDF office						
Sub-total	-	-	-	-	-	-
13.0 Others						
NG-CDF Strategic Plans		44,320	-	44,320	-	44,320
Sub-total	-	44,320	-	44,320	-	44,320

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Funds pending approval**						
unapproved projects	8,000,000	-		8,000,000	-	8,000,000
AIA	-	10,000		10,000		10,000
Sub-total	8,000,000	10,000	-	8,010,000	-	8,010,000
Total	170,469,857	56,353,258	43,296,803	270,129,918	157,349,731	112,780,187

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

17. Notes to the Financial Statements

1. General information

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

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the NGCDF Garissa Township has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Garissa Township 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 Garissa Township 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 2024/2025 up to the reporting date.

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

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The recognition of all other non-financial assets acquired prior to the 2024/2025 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 (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>IPSAS not applicable at the constituency</p>
IPSAS 44:	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

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<p>Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>IPSAS not applicable at the constituency</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>IPSAS will be applicable from 1st July 2025</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<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>IPSAS will be applicable from 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>IPSAS will be applicable from 1st July 2025</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>IPSAS not applicable at the constituency</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>IPSAS not applicable at the constituency</p>
IPSAS 50:	<p>Applicable 1st January 2027</p>

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Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>IPSAS not applicable at the constituency</p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Transfers from other government entities

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

ii) **Revenue from exchange transactions**

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when

the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 18

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity

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based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

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

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7. Transfers from domestic and foreign partners

Description	FY 2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

	FY 2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other- reversed cheques	10,000
Total	10,000

10. Employees cost

	FY 2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,214,111
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	684,480
Employer Contributions Compulsory national social security schemes	123,309
Employer Contributions Compulsory Housing levy	33,255
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	3,055,155

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11. Committee Expenses

	FY 2024/2025
	Kshs
Sitting allowance	893,000
Other Committee expenses	6,889,150
Total	7,782,150

12. Use of Goods and services

	FY 2024/2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	73,350
Domestic travel and subsistence	163,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,204,800
Hospitality supplies and services	627,857
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,111,000
Fuel, oil & lubricants	-
Bank charges	20,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other – acquisition of assets	315,880
Total	3,515,887

13. Other Government Units Actual expenditure

Description	FY 2024/2025
	Kshs
Primary Schools Actual expenditure	29,175,565
Secondary Schools Actual expenditure	42,042,668
Tertiary Institutions Actual expenditure	4,997,000
Total	76,215,232

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14. Other Grants and transfers Actual expenditure

	FY 2024/2025
	Kshs
Bursary – secondary schools	20,231,000
Bursary – tertiary institutions	38,048,425
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	-
Emergency projects Actual expenditure	8,972,862
Roads projects Actual expenditure	-
Others specify	-
Total	67,252,287

15. Depreciation and Amortization Expenses

Description	FY 2024/2025
	Kshs
Property Plant and Equipment	37,800
Intangible Assets	-
Total	37,800

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 (specify)	-
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	-

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Garissa Township NGCDF-account No. 0580261988646	67,627,295	56,006,631
Operations account pending closure (Indicate name & account no.)	-	-
Garissa Township NGCDF- account No. 0580286521464 (Deposit account)	2,083,200	-
Equity Bank, account No. (PMC accounts)	599,835	346,627.40
Total	70,310,330	56,353,258.40
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-

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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 (Specify)		-		-
Less: impairment allowance		-		-
Total receivables		-		-
a. Current receivables				
b. Non-current receivables		-		-
Total Receivables (a+b)				

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		0%		
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
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	42,469,857		43,296,803	
Outstanding imprest	-		-	
Total	42,469,857		43,296,803	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	42,469,857	100%	43,296,803	100%
Over 3 years	-	%	-	%
Total	42,469,857	100%	43,296,803	100%

22. Prepayments

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (Specify)	-		-	
Total	-		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	490,000	360,000	-	-	850,000
Additions	-	-	-	150,000	63,500	-	-	213,500
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	640,000	423,500	-	-	1,063,500
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	490,000	360,000	-	-	850,000
Depreciation	-	-	-	18,750	19,050	-	-	37,800
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	508,750	379,050	-	-	887,800
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1 st July 2024	-	-	-	490,000	360,000	-	-	850,000
As At 30th June 2025	-	-	-	131,250	44,450	-	-	175,700

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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). These amounts are yet to be adopted.

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	423,500	379,050	44,450
Office Equipment, Furniture, And Fittings	640,000	508,750	131,250
Total	1,063,500	887,800	175,700

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 2024	-
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 2024	-	-	-	-
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	-	-	-	-

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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)	FY 2024/2025	% of the Total	1 st July	% of the Total
Under one year	-	0%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (tie to above total)	-		-	

27. Third-Party deposits

	2024-2025
	KShs
Retention as at 1 st July (A)	-
Retention held during the year (B)	-
Retention paid during the Year (C)	-
Closing Retention as at 30th June D= A+B-C	-

Retentions aging analysis.

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

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28. Lease Liabilities

Description	FY 2024/2025	Opening Statement 1 st 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	-	-

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	FY 2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July,2024	1,398,720.00
Gratuity held during the year	684,480
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	2,083,200.00

30. Cash Generated from Operations

	FY 2024/2025
	Kshs
Surplus/Deficit for the year	12,621,346
Adjusted for:	
Depreciation	37,800

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Impairment	
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	826,946
Increase/decrease in payables	684,480
Net cash flow from operating activities	14,170,572

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				

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Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June 2024	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			2,083,200	2,083,200
Total			2,083,200	2,083,200
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			1,398,720	1,398,720
Total			1,398,720	1,398,720

iii) Market risk

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

a) Foreign currency risk

The Entity has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices

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denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

FY 2024/2025

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

Foreign currency sensitivity analysis

FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-

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Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

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

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

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

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

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

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

iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	110,872,687	98,251,341
Retained Earnings	12,621,346	-
Capital Reserve	-	-
Total Funds	123,494,033	98,251,341
Total Borrowings	-	-
Less: Cash and Bank Balances	70,310,330	56,006,631
Net Debt/(Excess Cash And Cash Equivalents)	53,183,703	42,244,710
Gearing	0%	0%

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	7,782,150	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	171,296,803	171,296,803
Total	171,296,803	171,296,803

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33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

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35. Capital Commitments

Capital Commitments	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised 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 Entity

The Garissa Township 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.

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/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture, and fittings	490,000	150,000	-	640,000
ICT Equipment and Other ICT Assets	360,000	63,500	-	423,500
Other Machinery and Equipment				
Intangible assets				
Total	850,000	213,500		1,063,500

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

PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023/2024
ADC PRIMARY SCHOOL	Equity	0580280202022	200	200
AL-FATAH PRIMARY SCHOOL	Equity	0580279333440	30	30
TOWFIQ PRIMARY SCHOOL	Equity	0580284678487	200	200
IFTIN PRIMARY SCHOOL	Equity	0580179107373	150	150
NAJAH PRIMARY SCHOOL	Equity	0580285462509	43,103	43,103
GARISSA SCHOOL FOR DEAF	Equity	0580275946435	33,645	33,645
SAMBUL PRIMARY SCHOOL	Equity	0580280034318	85,910	85,910
TETU PRIMARY SCHOOL-PMC	Equity	0580282101767	237	1,454
BULLA MZURI PRIMARY SCHOOL-PMC	Equity	0580280270187	965	680
ABDILUGEY PRIMARY SCHOOL-PMC	Equity	0580273624674	120	878
JARIROT PRIMARY SCHOOL-PMC	Equity	0580279378194	75	875
BOYSTOWN PRIMARY SCHOOL-PMC	Equity	0580280201980	128	928
GARISSA PRIMARY SCHOOL-PMC	Equity	0580281262099	173	85,577
BULLA NUR PRI SCHOOL	Equity	0580285556202	142,174	-
TUMAINI PRI SCHOOL	Equity	0580280923873	270	35,070
BULLA RAHMA PRI SCH.	Equity	0580282391634	120	120
NASIB PRIMARY SCHOOL-PMC	Equity	0580285576205	300	-
Garissa High school	Equity	0580281262099	1,732	1,560
Boystown secondary school	Equity	0580277749602	1,400	1,281
County High School	Equity	0580280923876	366	366
Tumaini Boys Sec. School	Equity	0580277745942	114	913
Nep Girls Sec. School	Equity	0580279910644	284,140	140
sambul high school	Equity	0580280034318	169	51,669
Garissa Teachers training college	Equity	0580285932023	3,000	500
Garissa Special School for Mentaly Handcap	Equity	0580282648067	126	
Nasib Primary School	Equity	0580285576205	204	1,380
Boystown Secondary School	Equity	0580277749602	-	500
Total			599,835	346,627

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AG/NERO/AUD /CDF/GSA/6/(13)	<p>The statement of receipts and payments reflects other grants and transfers of kshs 73,051,696 as disclosed under Noate 8 to the financial statements, included in the amount is kshs 28,264,000 and kshs 13,471,000 for bursary payments to secondary schools and tertiary institutions, respectively. However, bursary payments amounting to kshs 2,635,000 for tertiary institutions were not acknowledged through official receipts or acknowledged letters by the beneficiary institutions. In the circumstances, the accuracy of bursary payments amounting to kshs 2,635,000 could not be confirmed</p> <p>Budgetary and budget control</p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs 274,590 and Kshs 231,293,435 respectively, resulting in an underfunding of kshs 43,296,804 or 16% of the approved budget. Similarly, the fund spent Kshs 175,291,703 against actual receipts of kshs 231,293,435, respectively to an underutilization of kshs 56,001,732 or 24%.</p>	<p>The NGCDF Chairman took the initiative and visited the institutions which did not submit the receipts on time and are now available</p>	<p>Not resolved</p>	<p>In consultation with the auditor and awaiting appearance before Decentralized Funds Accounts Committee of the national assembly</p>
		<p>The under-funding was occasioned by delayed disbursement of funds from the exchequer.</p>	<p>Not resolved</p>	<p>In consultation with the auditor and awaiting appearance before Decentralized Funds Accounts Committee of the national assembly</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)
	<p>The underfunding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public Delay in implementation of projects</p>			
	<p>During the year under review, Fund allocated kshs 92,586,636 to thirty-five (35) projects, including primary and secondary schools and security projects. However, a review of the projects implementation status report revealed that only four (4) projects costing kshs 46,474,957, were completed, while completed, four (4) projects with an allocation of kshs 13,296,917 were on-going and nine (9) projects, with a budget amount of kshs 94,221,766 had not started. Delay in implementation of planned projects may have impacted negatively on service delivery to the public.</p>	<p>The under-funding was occasioned by delayed disbursement of funds from the exchequer.</p>	<p>Not resolved</p>	<p>In consultation with the auditor and awaiting appearance before Decentralized Funds Accounts Committee of the national assembly</p>
	<p>Un-resolved prior year matters In the audit report of the previous, several issues were raised under report on the financial statements and report on lawfulness and effectiveness in use of public resources. Annex 4 on progress on follow-up of audit recommendations indicates that the issues were resolved. However, Management did not provide evidence to confirm that the issue were</p>	<p>Awaiting appearance before Decentralized Funds Accounts Committee of the national assembly</p>	<p>Not Resolved</p>	<p>In consultation with the auditor and awaiting appearance before Decentralized Funds Accounts Committee of the national assembly</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)
	disclosed by the relevant committee of the National Assembly and resolved . Lack of constituency Oversight Committee			
	The fund did not have a constituency oversight committee. This was contrary to section 53(1) of the National Government Constituencies Development Fund Act, 2015 which provide that there is established a constituency oversight committee for projects undertaken under this Act.	The act requiring formation of committee does not exist any more	Not Resolved	In consultation with the auditor and awaiting appearance before Decentralized Funds Accounts Committee of the national assembly

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Yussuf Kilas Aden
Fund Account Manager.