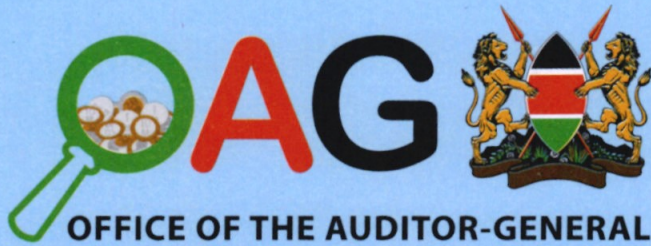


REPUBLIC OF KENYA



Enhancing Accountability

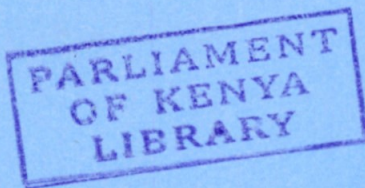
REPORT


OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
TURKANA NORTH CONSTITUENCY**



 THE NATIONAL ASSEMBLY PAPERS LAID	
FOR THE YEAR ENDED	
DATE:	07 APR 2026
TABLED BY:	Hon. Samuel Chepkorir MP
CLERK-AT THE-TABLE:	Ar. Shitako
	DAY: Tuesday

30 JUNE, 2025

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Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

TURKANA NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements



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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Turkana North 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	Maclevis Echwa
2.	National Sub-County Accountant	David K. Kimutai
3.	Chairman NGCDFC	Maxwell Ikamar
4.	Member NGCDFC	Simon Rayo
5.	Member NG CDFC	Alice Egule

(c) Fiduciary Oversight Arrangements

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

(d) NG-CDF Turkana North Constituency Headquarters

P.O. Box 1 - 30504
Lokitaung.

(e) NG-CDF Turkana North Constituency Contacts

Telephone: (254) 708902524
E-mail: turkananorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NG-CDF Turkana North Constituency Bankers

1. Bank A. (Operations Account).
Branch
Bank A. (Operations Account).
Kenya Commercial Bank

1146215614

Lodwar, Branch
P.O. Box 150- 30500
LODWAR
2. Bank B. (Deposit account).
Branch
Bank B. (Deposit account).
Kenya Commercial Bank

1339087944

Lodwar Branch
P.O. Box 150- 30500
LODWAR
3. Bank C. (PMC Accounts) KCB
P.O. Box 150-30500

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

(g) Independent Auditor

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





(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
<p>Chairman: Maxwell Ikamar Loge</p> 	<p>Date of Birth: 1ST APRIL,1983 Education: O level Certificate Professional Experience: Experience in logistics operations, including coordination, supply chain management and inventory handling.</p>
<p>Member: Alice Egule Engomo</p> 	<p>Date of Birth: 01/01/1989 Education: Diploma certificate Professional Experience: Business woman</p>
<p>Member: Simon Rayo Nakorot</p> 	<p>Date of Birth: 01/1/1996 Education: KCSE Professional Experience: Community Health Worker</p>
<p>Member: Immanuel Emojong</p> 	<p>Date of Birth: 01/1/1972 Education: CPE Professional Experience: Herdsman</p>
<p>Member: Dorcas Emong</p> 	<p>Date of Birth: 01/1/1985 Education: KCSE Professional Experience: Farmer</p>

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<p>Member: Onesmus Nawoto</p> 	<p>Date of Birth: 01/1/1981 Education: KCSE Professional Experience: Businessman</p>
<p>Member: Pius Chuchu</p> 	<p>Date of Birth: 01/1/1963 Education: KACE Professional Experience: Retired Chief</p>
<p>Member: Asekon Ekwakai</p> 	<p>Date of Birth: 01/1/1976 Education: CPE Professional Experience: Farmer</p>
<p>Member: George Ochieng</p> 	<p>Date of Birth: 01/1/1979 Education: Degree Professional Experience: Deputy County Commissioner</p>

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

<p>Fund Account Manager: Maclevis Echwa</p>	<p>Date of Birth: 18th November, 1993</p> <p>Education:</p> <ul style="list-style-type: none">• Master of Business Administration (Finance)• BCOM (Finance)• BCOM (HRM) <p>Professional:</p> <ul style="list-style-type: none">• CPA - Ongoing• CHRP-K <p>Professional Experience:</p> <p>2019-2020 - Finance Intern at Public Service Commission of Kenya.</p> <p>2023 to Date: FAM NG-CDFB</p>
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4. NG-CDFC Chairman's Report



**MAXWELL IKAMAR LOGE
CHAIRPERSON
TURKANA NORTH NGCDFC**

This report and financial statement represent the financial position of Turkana North constituency for the financial year 2024/25. It lays down the receipts and expenditures of all the funds that Turkana North NG-CDFC received from the NG-CDF Board.

I wish to make the following remarks:

a) Year Performance

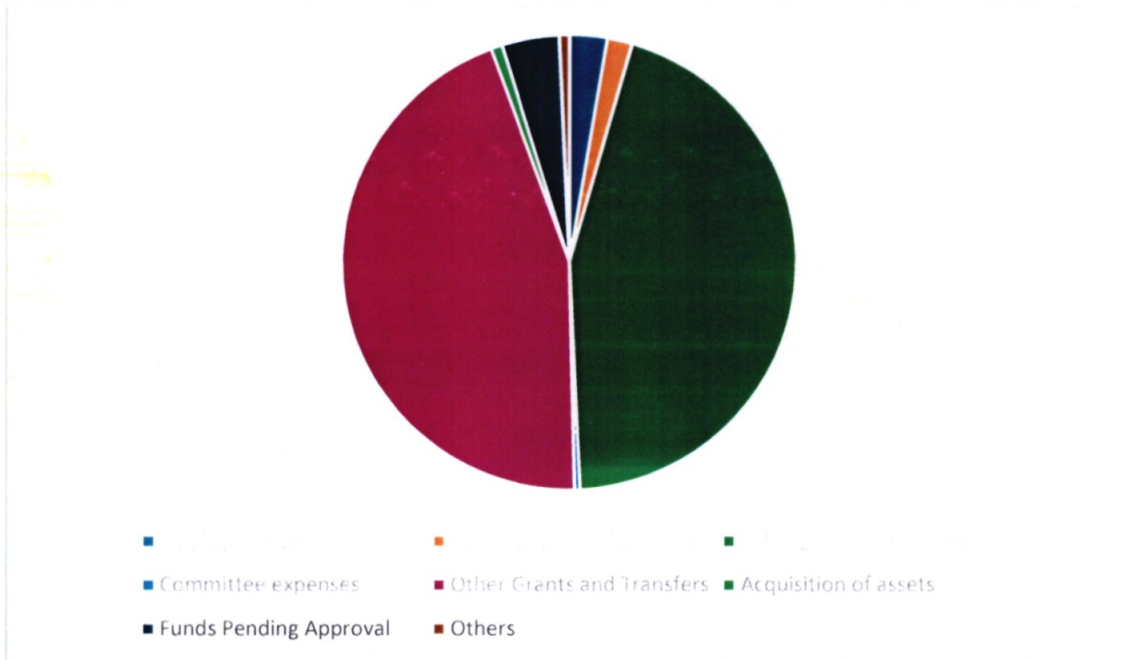
In the financial year 2024/25 Turkana North NG- CDF was able to achieve the following comparative performance in various sectors

	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs
	C=(a+b)	d	e=(c-d)
	<i>2024/2025</i>	<i>2024/2025</i>	
Revenue			
Transfers From the NGCDF Board	269,741,830	211,327,778	58,414,053
Grants/donations from other entities	-	-	-
Finance income	-	-	-
Miscellaneous income	-	-	-
Totals	269,741,830	211,327,778	58,414,053

National Government Constituencies Development Fund (NGCDF)
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Expenses			
Employee costs	6,854,442	4,879,886	1,974,556
Committee expenses	5,428,575	5,145,458	283,117
Use of Goods and Services	10,387,692	9,058,568	1,329,124
Other Government Units Certified Works	143,424,562	19,465,060	123,959,502
Other Grants and Transfers	96,066,719	63,111,907	32,954,812
Digital Hubs Expenses	3,000,000	-	3,000,000
Acquisition of assets	1,029,840	430,875	598,965
Funds Pending Approval**	3,000,000	-	3,000,000
Others	550,000		550,000
Total Expenditure	269,191,830	102,091,755	167,650,075
Surplus for the period			

National Government Constituencies Development Fund (NGCDF)
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**National Government Constituencies Development Fund (NGCDF)
Turkana North Constituency
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PROJECT: RENOVATION OF 4NO. CLASSROOMS AT KAKUMA BOYS SECONDARY SCHOOL, FY 2023/2024.

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





PROJECT: CONSTRUCTION TO COMPLETION OF FOUR ROOMED OFFICE AT KAIKOR ASSISTANT COUNTY COMMISSIONER'S OFFICE, FINANCIAL YEAR 2022/2023

Emerging issues related to NG-CDF in Turkana North Constituency are;

1. Almost all learning institutions in Turkana North Constituency i.e. secondary and primary schools depend on NG-CDF 100%.
2. Need to compete with other constituencies to justify the long existence of NG-CDF

c). NG-CDF Implementation challenges in Turkana North Constituency are;

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1. Overdependence on the fund by the public on all development related issues and educational.
2. Funds disbursement from the board was not on time thus leading to delayed implementation of Key projects.
3. Through my leadership, NG-CDFC Turkana North constituency will endeavor to fulfil its mandate when funds are disbursed and monitoring of projects funds as per the guide lines of the NG-CDF ACT 2015

d). Recommendations.

1. The board should strive to disburse funds on time to enable implementation of all projects.



.....
Name: Maxwell Ikamar Loge
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDF Turkana North Constituency 2024-2025** plan are to:

1. To guarantee equitable/equity in resource distribution for the inhabitant of Turkana north and to be the leading constituency in poverty reduction by providing quality education and security for sustainable development.
2. To create firm foundation for youth participation in development and conserve environment for prosperity.
3. To establish a stable foundation towards a developed and prosperous constituency that is secure and self-reliant

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:

Constituency Program	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	Classrooms, dormitories and dining halls completed	In FY 24/25 we constructed 13 classrooms which were being implemented during the close of the financial year, renovated four dormitories and four 8 classrooms
Environment	To improve sanitation	Increased number of	Construction of VIP latrines	Constructed approximately 3 two door

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	facilities in the constituency	toilets in the constituency		ablution blocks in primary schools
Security	To facilitate secure environment for learning and development in the constituency		Security related projects in the constituency	In FY 24/25 we built two Assistant County Commissioners Offices and one chief's office

6. Governance Statement

Overview

The Turkana North National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2024/2025 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

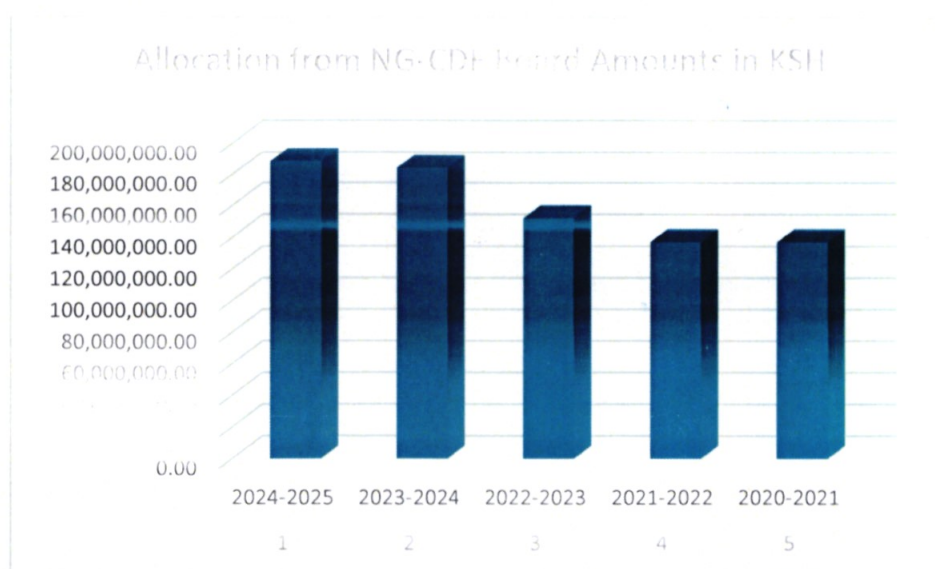
Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

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

7. Management Discussion and Analysis

Our allocations for the past five years from the NG-CDF Board is presented in the table below.

S/No	Financial Year	Allocation from NG-CDF Board Amounts in KSH
1	2024-2025	188,414,052.19
2	2023-2024	184,129,901.00
3	2022-2023	151,960,174.00
4	2021-2022	137,088,879.00
5	2020-2021	137,088,879.31



From presentation above, it shows there is gradual increase in allocations from the NG-CDF Board for the past five years.

The Increased allocations is a clear indicator that the fund has contributed to improvement in establishment of schools, security facilities, climate change and support of needy students through the award of bursaries. During last financial year, Turkana North constituency allocated funds for the construction of Kibish Secondary School, hence increased number of students transitioning from primary to secondary schools in the constituency.

PHYSICAL INFRASTRUCTURE

Education Sector.

Through NGCDF fund many usable physical infrastructures have been built in various primary, secondary, and tertiary institutions. we constructed 13 classrooms which were being implemented during the close of the financial year, renovated four dormitories and four 8 classrooms.

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Security Sector.

NGCDF fund has greatly contributed to establishment of security facilities and programs promoting social interactions and peaceful coexistence. In FY 24/25, we built two Assistant County Commissioners Offices and one chief's office.

Environment.

Through the government policy on climate change mitigation, improvement on environmental degradation and enabling conducive environment, Turkana North Constituency Constructed approximately 3 two door ablution blocks in primary schools.



.....
Maclevis Echwa
Fund Account Manager



8. Environmental and Sustainability Reporting

Turkana North NG-CDFC implement projects that have been identified by the community throughout the constituencies. They also fund emergency case e.g. collapse toilet to ensure continuity in the constituency.

In compliance to the fund, we have also provided funds in the budget for climate mitigation such as Afforestation and solarization.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- Turkana North NGCDF initiated projects in waste management to address the pressing sanitation needs in schools and security installations. During the reviewed year, our organization successfully completed the construction of 13 four-door toilet facilities in as many institutions, with the added feature of water harvesting infrastructure integrated into each construction.
- As part of our planned activities for the fiscal year, the Entity had intended to organize a sports tournament and use the opportunity to undertake tree planting. However, the NGCDF Act was amended and as such, the entity could not undertake sporting activities.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. NG-CDF Turkana North constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices-

Turkana North 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 honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

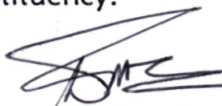
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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



.....
Name: Maclevis Echwa
Fund Account Manager.



9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Turkana North 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-Turkana North 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- Turkana North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

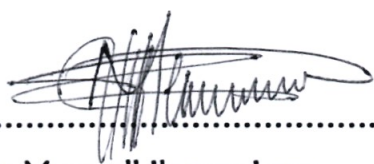
**National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Turkana North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external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

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

Approval of the financial statements

The NGCDF- Turkana North Constituency financial statements were approved and signed by the Accounting Officer on 26/11/2025 2025.



.....
Name: Maxwell Ikamar Loge
Chairman – NGCDF Committee

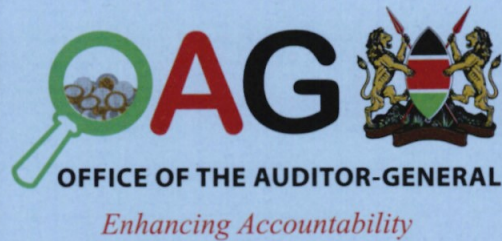


.....
Name: Maclevis Echwa
Fund Account Manager



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 – TURKANA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Turkana North Constituency set out on pages 1 to 69, 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Turkana North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with National Government Constituencies Development Fund Act, 2015, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Unsupported Project Management Committee Bank Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.109,236,022 as disclosed in Note 19 to the financial statements. This amount includes a balance of Kshs.44,633,932 in respect of project management committee (PMC) account balances held across fifty-four (54) project bank accounts in various commercial banks. However, the corresponding cash books, cash survey report, bank reconciliation statements and certificates of bank balance for project management committee (PMC) accounts amounting to Kshs.34,448,245 were not provided for verification.

In the circumstances, the accuracy, completeness, ownership and existence of project management committee (PMC) bank balances amounting to Kshs.34,448,245 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 - Turkana North 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final revenue budget and actual revenue on comparative basis of Kshs.269,741,830 and Kshs.211,327,778 respectively, resulting in an underfunding of

Kshs.58,414,053, or 22% of the budget. Similarly, the statement reflects actual receipts of Kshs.211,327,778 against actual expenditure amount of Kshs.102,091,755 resulting to under-utilization of Kshs.109,236,022 or 52% of the total receipts.

In the circumstances, the underfunding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

2. Compliance with International Public Sector Accounting Standards (IPSAS)

The financial statements presented for audit for the year ended 30 June, 2025 are transitional financial statements. The Constituency has taken advantage of the provisions of IPSAS 33. These provisions have given the Management three (3) years window to fully comply with IPSAS Accrual Basis of accounting. The Management has disclosed some non-current assets balance of Kshs.478,750. However, the value of the assets is based on both estimates and cost price. The valuation of the assets will be undertaken within the next two (2) years. In addition, the value of the non-current assets excludes value of land whose estimated value could not be available in the first year of transition.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

No	Year	Unresolved Prior Year Audit Matters
1	2023/2024	Lack of Valuation and Ownership Documents for Assets
2	2023/2024	Non-Compliance with Law on Gender Balance for Board Members
3	2023/2024	Lack of a Board Charter and Board Work Plan

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delays in Project Implementation

Project verification on eight (8) projects with total disbursements of Kshs.13,700,000 was conducted on 4 June, 2025. Out of these, three (3) projects with a total disbursement of Kshs.4,100,000 were found to be completed, two (2) projects with total disbursement of Kshs.4,700,000 were completed but not in use, and three (3) projects with a total disbursement of Kshs.4,900,000 were ongoing.

In the circumstances, the value for money from the incomplete projects and completed but not in use projects could not be confirmed.

2. Delay in the Disbursement of Funds from the Board

The National Government Constituencies Development Fund Board approved the budget for National Government Constituencies Development Fund - Turkana North Constituency amounting to Kshs.188,414,853. However, by the end of 30 June, 2025, the Constituency had only received Kshs.130,000,000 for funding bursaries, projects and administration costs. The Constituency had not received funding of Kshs.58,414,853 for the projects earmarked for execution in the financial year 2024-2025.

In the circumstances, the residents of the Constituency did not benefit from the planned projects.

3. Non-Preparation of Quarterly Financial Reports

During the year under review, the Management did not prepare and submit quarterly financial reports detailing information on the financial and non-financial performance of the Fund. This was contrary to Section 83(3) of the Public Finance Management Act,

2012 which states that not later than fifteen (15) days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

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

4. Lack of Imprest Register

Review of imprest management system revealed that the Fund did not have an imprest register to record the imprests issued, the applicants, as well as the corresponding amounts. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

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

5. Non-Remittance of Public Procurement Capacity Building Levy

During the financial year 2024/2025, the Fund paid through contracts, LPO and LSOs totaling to Kshs.40,775,895 in respect of use of goods and service, other government units certified works, and expenditure incurred on other grants and transfers. However, the Management did not deduct and remit the public procurement capacity building levy of Kshs.12,233. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

6. Outstanding Tax Arrears

Following a tax audit covering five-year period from 2014-2018, National Government Constituencies Development Fund - Turkana North Constituency was assessed to have tax arrears amounting to Kshs.1,565,037 payable to Kenya Revenue Authority which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the transitional IPSAS 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Failure to Conduct Internal Audit

The Management of the Fund did not provide internal audit reports review. In addition, there were no records from internal audit committee to show that the Committee deliberated on internal audit reports during the year.

In the circumstances, the effectiveness of the oversight of the internal audit of the National Government Constituency Development Funds Board, charged with the responsibility of auditing and giving reasonable assurance on financial matters and transactions of the Fund could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

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

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	4,879,886
Committee expenses	11	5,145,458
Use of Goods and Services	12	9,058,568
Other Government Units Actual expenditure	13	19,465,060
Other Grants and Transfers Actual expenditure	14	63,111,907
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		101,660,880
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		86,753,172

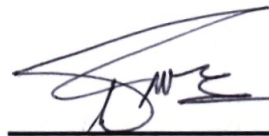
The Constituency financial statements were approved by the NGCDFC on 26/11/ 2025 and signed by:



Chairman NG-CDF
 Committee
 Name: Maxwell Ikamar Loge



National Sub-County
 Accountant
 Name: David K. Kimutai
 ICPAK M/No: 25873



Fund Account Manager
 Name: Maclevis Echwa



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

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

	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	109,236,022	29,444,375
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	51,883,403
Prepayments	22	-	-
Total Current Assets		167,650,074	81,327,778
Non-Current Assets			
Property, Plant and Equipment	23	478,750	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		478,750	-
Total Assets (A)		168,128,824	81,327,778
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	47,875	-
Lease Liabilities	28	-	-
Gratuity provision	29	-	-
Total Current Liabilities		47,875	-
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		47,875	-
Net Assets (A-B)		168,080,949	81,327,778
Represented by:			
Revaluation Reserves		168,080,949	81,327,778
Accumulated Surplus			
Total Net Assets		168,080,949	81,327,778

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

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on

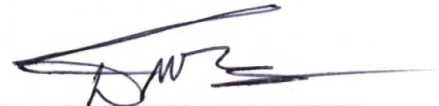
26/6/2025



**Chairman NG-CDF
Committee
Name: Maxwell Ikamar Loge**



**National Sub-County
Accountant
Name: David K. Kimutai
ICPAK M/No: 25873**



**Fund Account Manager
Name: Maclevis Echwa**



National Government Constituencies Development Fund (NGCDF)
Turkana North 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	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	13,323,281	-	13,323,281
Adjustments: (to recognize assets and liabilities)			
Add Assets	68,004,497		68,004,497
Less Liabilities	-		-
As at July 1, 2024	81,327,778		81,327,778
Surplus/(Deficit) For the Period	86,753,172		86,753,172
Revaluation Gain/Loss	-	-	-
As at 30 th June (current year)	168,080,949	-	168,080,949

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

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

	Notes	Period ended June 2025 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		181,883,403
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		181,883,403
Payments		
Employee costs		4,879,886
Committee expenses		5,145,458
Use of Goods and Services		9,058,568
Other Government Units Certified Works		19,465,060
Other Grants and Transfers		63,111,907
Digital Hubs Expenses		-
Total Payments		101,660,880
Net Cash Flows from/ (used in) Operating Activities	28	80,222,523
Cash flows From Investing Activities		
Purchase of PPE		430,875
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		430,875
Net increase/(decrease) in cash & Cash equivalents		79,791,648
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		79,791,648
Cash and cash equivalents at Period Start	17	29,444,375
Cash and cash equivalents at Period End	17	109,236,022

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	188,414,053	29,444,375	51,383,403	269,741,830	211,327,778	58,414,053	78.34%
Grants/donations from other entities	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
Totals	188,414,053	29,444,375	51,383,403	269,741,830	211,327,778	58,414,053	78.34%
Expenses							
Employee costs	4,498,922	2,355,520	-	6,854,442	4,879,886	1,974,556	71.20%
Committee expenses	4,240,269	1,188,306	-	5,428,575	5,145,458	283,117	94.78%

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

Use of Goods and Services	8,218,074	1,353,370	816,248	10,387,692	9,058,568	1,329,124	87.20%
Other Government Units Certified Works	81,330,000	16,513,896	45,580,666	143,424,562	19,465,060	123,959,502	13.57%
Other Grants and Transfers	84,126,788	7,483,283	4,456,649	96,066,719	63,111,907	32,954,812	65.70%
Digital Hubs Expenses	3,000,000	-	-	3,000,000	-	3,000,000	0%
Acquisition of assets	-	-	1,029,840	1,029,840	430,875	598,965	41.84%
Funds Pending Approval**	3,000,000	-	-	3,000,000	-	3,000,000	0%
Others	-	550,000	-	550,000	-	550,000	0%
Total Expenditure	188,414,053	29,444,375	51,883,403	269,191,830	102,091,755	167,650,075	37.93%
Surplus for the period							

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

The variances on Budget and Actual amounts for the year ended 30th June, 2025 was occasioned by tranche releases of funds by the exchequer.

The revenue budget of Kshs. 269,741,830 against final budgeted expenditure of Kshs. 269,191,830 resulting to imbalanced budget by Kshs.550,000 and the surplus of Kshs.109,091,023 was caused by late disbursement of funds from the previous financial years by the Board.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	167,650,075
Less undisbursed funds receivable from the Board as at period June, 2025	58,414,053
Cash and Cash Equivalents at the end of the 30 th June 2025	109,236,022

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 NGCDF on 26/11/ 2025 and signed by:



Fund Account Manager

Name: Maclevis Echwa



National Sub-County Accountant

Name: David K. Kimutai
ICPAK M/No: 25373



Chairman NG-CDF Committee

Name: Maxwell Ikamar Loge



National Government Constituencies Development Fund (NGCDF)

Turkana North Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding			
			Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,498,922	2,355,520	-	6,854,442	4,879,886	1,974,556
1.2 Committee allowances	2,300,000	346,644.00		2,646,644	2,680,000	(33,356)
1.3 Use of goods and services	4,505,922	691,143	505,468.00	5,702,533	4,279,956	1,422,577
Sub-total	11,304,844	3,393,307	505,468.00	15,203,619	11,839,842	3,363,777
2.0 Monitoring and evaluation						
2.1 Capacity building	700,000		310,780.00	1,010,780	1,010,780	-
2.2 Committee allowances	1,940,269	841,662	-	2,781,931	2,685,532	96,399
2.3 Use of goods and services	3,012,152	662,227.00		3,674,379	3,547,758	126,621
Sub-total	5,652,421	1,503,889.00	310,780.00	7,467,090	7,244,070	223,020
4.0 Emergency						
Primary Schools	9,916,529	1,543,037.00		11,459,566		11,459,566
NARIDING PRIMARY		1,996.25		1,996	476,347	(474,351)
NAURENDRIA PRIMARY				-	-	-
KAREBUR PRIMARY		447.50		448	1,250,356	(1,249,909)
LOKUMWAE PRIMARY		-		-	1,419,581	(1,419,581)
Secondary Schools						
KAKUMA SECONDARY SCHOOL PMC		3,615.00			1,666,876	(1,666,876)
Sub-total	9,916,529	1,549,096	-	1,543,037	4,813,160	7,094,890
5.0 Bursary and Social Security						

National Government Constituencies Development Fund (NGCDF)

Turkana North Constituency

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

5.1 Primary Schools						1,543,037
5.2 Secondary Schools	28,000,000	821,548.00	321,490.00	28,821,548	26,727,640	2,093,908
5.3 Tertiary Institutions	25,910,259	862,000	35,159.00	26,807,418	24,132,000	2,675,418
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security	3,300,000			3,300,000		3,300,000
Sub-total	57,210,259	1,683,548	356,649.00	58,928,966	50,859,640	9,612,363
6.0 CONSTITUENCY DIGITAL HUBS						
Turkana North Technical and Vocational Training College	3,000,000			3,000,000		3,000,000
Sub-total	3,000,000	-	-	3,000,000	-	3,000,000
7.0 Climate Change Mitigation						
NGCDF Office			100,000	-		-
Turkana North Deputy County Commissioner Office	500,000			500,000		
Turkana North NG-CDF Office	500,000			500,000		
Turkana North Technical and Vocational Training College	1,000,000			1,000,000		
Sub-total	2,000,000	-	100,000.00	2,000,000	-	-
8.0 Primary Schools Projects						
Kopotea Primary School			2,600,000	2,600,000		2,600,000
Lowarengak Boys Primary School			1,500,000.00	1,500,000	-	1,500,000
Lowarengak Girls Primary School			1,500,000.00	1,500,000	-	1,500,000
Elelea Erus Primary School		400000	1,300,000	1,700,000	1,696,693	3,307

National Government Constituencies Development Fund (NGCDF)

Turkana North Constituency

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Lomeguro Primary School		108,932	2,500,000.00	2,608,932	2,049,108	559,824
Kaemongor Primary School		12,034	1,300,000.00	1,312,034	1,074,597	237,437
Nakare Arengak Primary School			1,300,000.00	1,300,000	1,297,726	2,284
Nakaororoi Primary School		5,000,000	5,600,000.00	10,600,000	3,033,606	7,566,394.00
Matangorio Primary School		3,000,000.00		3,000,000	2,998,967	1,033
Kaeris Primary School(cdf)			3,290,333.00	3,290,333		1,602,621
Kibish Primary School		50784	1,645,167.00	1,695,951	1,642,883	53,068
Nakalale Primary School			1,645,166.00	1,645,166		1,645,166
Nalekan Primary School			3,000,000.00	3,000,000		3,000,000
Lokamarinyang Primary School	3,000,000			3,000,000		3,000,000
Lokamarinyang Primary School	1,500,000		-	1,500,000		1,500,000
Kibish Primary school	1,050,000			1,050,000		1,050,000
Loruth Primary School	3,000,000			3,000,000		3,000,000
Longolemwar Primary school	2,000,000			2,000,000		2,000,000
Nakinomet Primary school	3,200,000			3,200,000		3,200,000
Sasame Primary school	1,500,000			1,500,000		1,500,000
Nabulukok Primary School	3,000,000			3,000,000		3,000,000
Nabulukok Primary School	500,000			500,000		500,000
Shabaha Primary school	2,200,000			2,200,000	1,983,430	216,570
Shabaha Primary school	500,000			500,000		500,000
Kaeris Primary school	4,500,000			4,500,000	1,687,712	2,812,288
Nauriendiria Primary school	3,000,000			3,000,000		3,000,000
Nakapelewoi Primary School	1,500,000			1,500,000		1,500,000
Kaloyara Primary School	1,500,000			1,500,000		1,500,000
Loitanit Primary School	1,500,000			1,500,000		1,500,000
Kachoda Primary School	2,000,000			2,000,000		2,000,000
Kaituko Primary School	3,000,000			3,000,000		3,000,000
Riokomor Primary school	3,600,000			3,600,000		3,600,000
Nachukui Primary School	1,500,000			1,500,000		1,500,000

**National Government Constituencies Developments Fund (NGCDF)
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Nariamawoi Primary School	3,000,000			3,000,000		3,000,000
Kalisp Primary school	3,000,000			3,000,000		3,000,000
Kalisp Primary school	500,000			500,000		500,000
Kobuin Primary school	3,000,000			3,000,000		3,000,000
Lokichar Primary school	3,000,000			3,000,000		3,000,000
Komotogae Primary School	3,000,000			3,000,000		3,000,000
Lokitaung Mixed Primary School	3,600,000			3,600,000		3,600,000
Natedelim Primary school	3,000,000			3,000,000		3,000,000
Kokuro Primary School	1,200,000			1,200,000		1,200,000
Lokapelpus primary school		158		158		158
Natoo Anam primary school		6,831		6,831		6,831
Morueris primary school		771		771		771
Nakitoe Anam primary school		5,941		5,941		5,941
Nayanae Kabaran primary school		5,209		5,209		5,209
Naurukurio primary school		46,829		46,829		46,829
Natukobenyo primary school		147,314		147,314		147,314
Kangakipur primary school		83,096		83,096		83,096
Kajukujuk primary school		22,271		22,271		22,271
Sasame primary school		3,254		3,254		3,254
Mulango primary school		32,811		32,811		32,811
Ekicheles primary school		22,228		22,228		22,228
Kalisp primary school		1,069		1,069		1,069
Nachukui primary school		7,922		7,922		7,922
Kachoda primary school		599,886		599,886		599,886
Riokomor primary school		8,357		8,357		8,357
Nalekan primary school		1,359,586		1,359,586		1,359,586
Kokiselei primary school		108,932		108,932	-	108,932
Nakare Arengak primary school		10		10		10
Ataerika primary school		1,220		1,220		1,220
Koyasa primary school		51,695		51,695		51,695

National Government Constituencies Development Fund (NGCD)

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Loitanit primary school		17,839		17,839		17,839
Maisa primary school		8,317		8,317		8,317
Kaito primary school		1178		1,178		1,178
Kangamaliteny primary school		1045155		1,045,155		1,045,155
				-		-
Sub-total	66,850,000	12,159,629	27,180,666.00	106,190,295	17,464,722	73,068,625
9.0 Secondary Schools Projects (List all the Projects)						
Kibish Secondary School	4,000,000		7,400,000.00	11,400,000		11,400,000
Nariokotome Girls Secondary School		2164.5	9,000,000.00	9,002,165	5,186	8,996,979
Kaikor Boys High School			2,000,000.00	2,000,000	1,995,152	4,848
Kibish Secondary School	4,000,000			4,000,000	-	4,000,000
Kokuro Secondary School	1,000,000			1,000,000	-	1,000,000
Kokuro Secondary School	100,000			100,000	-	100,000
Kokuro Secondary School	1,180,000			1,180,000	-	1,180,000
Kokuro Secondary School	1,000,000			1,000,000	-	1,000,000
Lokitaung Secondary School	5,000,000			5,000,000	-	5,000,000
Lapur Boys Secondary School	1,700,000			1,700,000	-	1,700,000
Lapur Boys Secondary School	500,000			500,000	-	500,000
Kokuro boys Secondary school		2,433		2,433		2,433
Milimatatu Secondary school		949,669		949,669		949,669
Lokitaung girls Secondary school		3,400,000		3,400,000		3,400,000
				-		-
Sub-total	14,480,000	4,354,267	18,400,000.00	37,234,267	2,000,338	39,233,929
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-

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Sub-total	0	-	-	-	-	-
11.0 Security Projects						
Kaeris Chief's Office		3,400,000.00		3,400,000	3,150,921	249,079
Nakalale Assistant County Commissioners Office		400,000	4,000,000.00	4,400,000	4,288,186	111,814
Kaikor Assistant County Commissioners Office		400,000.00		400,000		400,000
			-	8,200,000		760,893
Kaitede Assistant County Commissioners office	4,000,000			4,000,000		4,000,000
Kibish Chiefs Office	1,000,000			1,000,000		1,000,000
Lokitaung Assistant County Commissioners Office	1,000,000			1,000,000		1,000,000
Lokitaung Police Station	2,500,000			2,500,000		2,500,000
Lokitaung Police Station	500,000			500,000		500,000
Nakalale Chiefs Office	1,000,000			1,000,000		1,000,000
Kaaleng Assistant County Commissioners office	4,000,000			4,000,000		4,000,000
Kaikor Chiefs Office	1,000,000			1,000,000		1,000,000
Kataboi police post		14097		14,097		14,097
Kaemothia police post		36492		36,492		36,492
KAIKOR ASST. COUNTY COMM. OFFICE				-		-
NAKALALE A.C.C OFFICE				-		-
		50		50		50
				-		-
Sub-total	15,000,000	4,250,639	4,000,000.00	23,250,639	7,439,107	15,811,532
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office			1,029,840.00	1,029,840	430,875	598,965

*National Government Constituencies Development Fund (NGCDF)
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CDF office Fence						
Sub-total	0	-	1,029,840.00	1,029,840	430,875	598,965
13.0 Others						
Turkana North NG-CDF Strategic Plan		550,000	-	550,000		550,000
			-	-		-
Sub-total	0	550,000	0	550,000	0	550,000
Funds pending approval (Kibish Secondary School)	3,000,000			3,000,000		3,000,000
unapproved projects		-		-		-
AiA	0			-		-
Sub-total	3,000,000	-	-	3,000,000	-	3,000,000
Total	188,414,053	29,444,375	51,883,403	259,397,752	102,091,755	155,557,100

(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 Turkana North Constituency principal activity is for the implementation of National government functions in the constituency.

2. Statement of Compliance and Basis of Preparation

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

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

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

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.

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The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (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

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

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	operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> 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

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	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.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 1st 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).

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	188,414,052
TOTAL	188,414,052

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	0
Total	0

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	0
Total	0

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,764,232
Personal allowances paid as part of salary	0
House Allowance	540,000
Transport Allowance	453,000
Leave allowance	0
Gratuity to contractual employees	866,927
Employer Contributions Compulsory national social security schemes	190,000
Employer Contributions Compulsory Housing levy	55,127
Employer contributions to National Industrial Training Authority	600
Other Specify	10,000
Total	4,879,886

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	1,917,450
Other Committee expenses	3,228,008
Total	5,145,458

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12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	121,500
Communication, supplies and services	479,850
Domestic travel and subsistence	3,091,200
Printing, advertising and information supplies & services	253,598
Office Rent	-
Training expenses	856,580
Hospitality supplies and services	712,200
Insurance costs	-
Specialized materials and services	130,700
Office and general supplies and services	956,530
Fuel, oil & lubricants	1,096,430
Bank Charges	30,000
Routine maintenance – vehicles and other transport equipment	1,107,980
Routine maintenance – other assets	222,000
Strategic plan expenses	-
Other operating expenses	-
Total	9,058,568

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	17,464,722
Secondary Schools Actual Expenditure	2,000,338
Tertiary Institutions Actual Expenditure	-
Total	19,465,060

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14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	26,727,640
Bursary – tertiary institutions	24,132,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	7,439,107
Climate change mitigation projects	-
Emergency projects Actual Expenditure	4,813,160
Roads projects	-
Others specify	-
Total	63,111,907

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

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

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

18. Impairment Loss

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

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19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	64,554,215	13,323,281
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	47,875	-
<i>Name of Bank, account No. (PMC's account)</i>	44,633,932	16,121,094
Total	109,236,022	29,444,375
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	2024/25		Opening Statement 1st July 2025	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	58,414,052	51,883,403.00
Outstanding imprest		-
Total	58,414,052	51,883,403

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year		#DIV/0!	-	
Between 1- 2 years		#DIV/0!	-	
Between 2-3 years	-	#DIV/0!	-	#DIV/0!
Over 3 years	-	#DIV/0!	-	#DIV/0!
Total (a+b)	-	#DIV/0!	-	#DIV/0!

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	478,750	-	478,750
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	478,750	-	478,750
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-	-
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	478,750	-	478,750

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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	Period ended June 2025	Opening Statement 1st July 20XX
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions-internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2024	-	-	-	-
Accumulated Depreciation				
As at 1 July 2025	-	-	-	-
Charge for the year	-	-	-	-

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As at 30 June 2024	-	-	-	-
Carrying Amount				
As at 30 th June 2025	=	=	=	=

26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	47,875	-
Retention paid during the period (C)	-	-
Closing Retention as at period xx, D= A+B-C	47,875	-

Retentions aging analysis.

	2024/25	% of the total	2023/24	% 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)

28. Lease Liabilities

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	-	-
Gratuity held during the period (B)		-
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	-	-

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	86,753,172
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	6,530,649
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	80,222,523

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

31. Financial Risk Management

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

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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 30 th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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

iii) Market risk

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

a) Foreign currency risk

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

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Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
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

Current FY

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)	-	-	-

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 endeavoured 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 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)	-	-	-	-
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	2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
Gearing	-	-

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32. Related Party Disclosures

	2024/25	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,917,450	712,000
	-	-
Transaction with the NGCDF Board	-	-
Transfers from the NGCDF Board during the year	188,414,052	212,585,884
Total	190,758,502	213,297,884

33. Segment Information

(Where an Organisation operates in different geographical regions or in departments, IFRS 10 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	2024/25	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	-	-

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Contingent Liabilities

Description	Period ended June 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	-	-

35. Capital Commitments

Capital Commitments	Period ended June 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 authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The NG-CDF Turkana North 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	0	0	0		0
Buildings and structures	13,400,000.00	0	0	0	13,400,000.00
Transport equipment	8,414,000	0	0	0	8,414,000
Office equipment, furniture, and fittings	547,000	0	0	0	547,000
ICT Equipment and Other ICT Assets	265,000	0	0	0	265,000
Other Machinery and Equipment	0	0	0	0	0
Intangible assets	0	0	0	0	0
Total					22,626,000

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Table 1: Asset Register Template

ASSET NAME/ DESCRIPTION	ASSET CATEGORY	ASSET NO./TAG NO.	SERIAL NUMBER	ACQUISITION DATE	PURCHASE COST(KSH)	PHYSICAL LOCATION	CURRENT CONDITION
Motor Vehicle - Toyota Landcruiser	Vehicle	CDF/106/045	GKB 536R	1/25/2017	8,000,000	CDF OFFICE TURKANA NORTH	Serviceable
Motor Cycle	Motor Cycle	YBR125G			414,000	CDF OFFICE TURKANA NORTH	Serviceable
Giant Stapler	Equipment	CDF/106/038			3500	CDF OFFICE TURKANA NORTH	Usable
Executive Cabinet 6 No.	Furniture	CDF/106/46		4/1/2015	67,500.00	CDF OFFICE TURKANA NORTH	unsable
Executive Chairs 3 No.	Furniture	CDF/106/47		10/12/2015	90,000.00	CDF OFFICE TURKANA NORTH	unusable
Board room Chairs 20 No.	Furniture	CDF/106/48		4/4/23	246,000	CDF OFFICE TURKANA NORTH	Usable
H.B Chairs 10 No.	Furniture	CDF/106/50		10/12/2015	100,000	CDF OFFICE TURKANA NORTH	Usable
HP Computer	Machine	CDF/106/51		4/6/23	CDF BOARD DONATION	CDF OFFICE TURKANA NORTH	usable at the Sub County Treasury
Sumsung	Television			4/4/23	40,000	CDF OFFICE TURKANA NORTH	Usable

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Kyocera	Task Alfa			4/4/23	65,000	CDF OFFICE TURKANA NORTH	Usable
HP Laserjet Printer	Machine	CDF/106/52		4/6/22	CDF BOARD DONATION	CDF OFFICE TURKANA NORTH	Grounded
LENOVO LAPTOP 2 NO		CDF/106/52		4/4/2023	160,000	CDF OFFICE TURKANA NORTH	Serviceable
Mettallic Waiting bay 2NO				4/4/23	40,000	CDF OFFICE TURKANA NORTH	USABLE
HP Laserjet Printer	Machine				CDF BOARD DONATION	CDF OFFICE TURKANA NORTH	Usable at sub county Treasury
Sumsung Fridge	Sumsung			4/4/2023		CDF OFFICE TURKANA NORTH	Usable
Mettallic Office Cabinet	Mettallic			4/4/23	CDF BOARD DONATION	CDF OFFICE TURKANA NORTH	usable
NGCDF office	Building				13,400,000.00	CDF OFFICE TURKANA NORTH	Usable

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

PMC	Bank	Account number	Bank Balance Current 2024/25	Bank Balance Comparative 23	
Lokapelpus primary school	KCB	1294888250	158	158	
Natoo Anam primary school	KCB	1273495837	6831	6831	
Morueris primary school	KCB	1171610858	771.00	771	
Nakitoe Anam primary school	KCB	1295194260	5,941.00	5941	
Nayanae Kabaran primary school	KCB	1295194260	5,209.00	5209	
Naurukurio primary school	KCB	1267040467	46,829.00	46829	
Natukobenyo primary school	KCB	1290016488	147,314.00	147,314	
Kangakipur primary school	KCB	1112644180	83,096.00	83,096	
Kajukujuk primary school	KCB	1171210191	22,271.00	22,271	
Sasame primary school	KCB	1289466041	3,254.00	3,254	
Mulango primary school	KCB	1150171014	32,811.00	32,811	
Ekicheles primary school	KCB	1146324413	22,228.00	22,228	

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Kalisep primary school	KCB	290090068	1,069.00	1,069	
Nachukui primary school	KCB	273494865	7,922.00	7,922	
Kachoda primary school	KCB	1168751055	599,886.00	599,886	
Riokomor primary school	KCB	1130703215	8,357.00	8,357	
Nalekan primary school	KCB	1314156977	1,359,586.00	1,359,586	
Lomeguro primary school	KCB	1291967710	559,823.75	108,932	
Kokiselei primary school	KCB	1331954290	108,932.00	108,932	
Nakare Arengak primary school	KCB	1287158455	2,284.00	10	
Ataerika primary school	KCB	1150783358	1,220.25	1,220	
Koyasa primary school	KCB	1330579127	51,695.00	51,695	
Loitanit primary school	KCB	1292089091	17,839.00	17,839	
Maisa primary school	KCB	1289576904	8,317.00	8,317	
Kaito primary school	KCB	1318877539	1,178.00	1,178	
Kangamaliteny primary school	KCB	1317427807	1,045,155.00	1,045,155	
KOPOTEA PRIMARY SCHOOL	KCB	1275291880	2,600,000.00	0	
ELELEA ERUS PRIMARY SCHOOL	KCB	1333168454	3,307.00	400,000	
NAKALALE PRIMARY SCHOOL	KCB	1130703215	1,645,166.00	0	

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KIBISH PRIMARY SCHOOL	KCB	1107296994	53,068.00	50,784	
MATANGIKORIO PRIMARY SCHOOL	KCB	1332359434	1,033.00	2,600,000	
NAKAOROROI PRIMARY SCHOOL	KCB	1331074878	7,566,394.00	5,000,000	
LOWARENGAK GIRLS PRIMARY	KCB	1341067866	1,500,000.00	0	
KAEMONGOR PRIMARY	KCB	1149748761	237,437.00	12,034	
SHABAHA PRIMARY SCHOOL	KCB	1338173952	16,570.00	0	
LOWARENGAK BOYS PRIMARY	KCB	1342519930	1,500,000.00	0	
KAERIS PRIMARY	KCB	1340637383	1,602,621.00	0	
Nariokotome Secondary school	KCB	1178308154	8,996,978.50	2164.5	
Kokuro boys Secondary school	KCB	1279511982	2,433.00	2433	
Milimatatu Secondary school	KCB	1331074878	949,669.00	949669	
Lokitaung girls Secondary school	KCB	1178269175	3,400,000.00	3400000	
KIBISH SECONDARY	KCB		400,000.00	0	
KIBISH SECONDARY	KCB	1147778627	7,000,000.00	0	
ST. JAMES KAIKOR BOYS SEC	KCB	1338912828	4,848.00	0	
Kataboi police post	KCB	1295039605	14,097.00	14097	
Kaemothia police post	KCB	1337922528	36,492.00	36492	

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KAIKOR ASST. COUNTY COMM. OFFICE	KCB	1318786177	400,000.00	0	
NAKALALE A.C.C OFFICE	KCB	337922528	111,814.00	0	
KAERIS CHIEFS OFFICE	KCB	336849932	249,129.00	50	
KAKUMA SECONDARY SCHOOL PMC	KCB	1148749136	86,739.00	3,615.00	
NARIDING PRIMARY	KCB	1319621120	25,649.25	1,996.25	
NAURENDRIA PRIMARY	KCB	272439720	2,000,000.00	0	
KAREBUR PRIMARY	KCB	1146236069	91.50	447.50	
LOKUMWAE PRIMARY	KCB	340946440	80,419.00	0	
			0		
			0	0	
Total			44,633,932.25	16,170,593.50	

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	In accuracies in cash and cash equivalents The statement of Assets and Liabilities reflects Bank balance of Ksh 4,850,495 as disclosed in note 12 A to the financial statements. However , bank reconciliation as at 30 th June 2023 reflects an amount of Ksh payable to commissioner of VAT which had become stale	<i>Management will ensure that stale cheques are reversed and replaced on a timely basis.</i>	NOT RESOLVED	DECEMBER 2025
2.0	Un supported fixed asset Balance The size of land in which the constituency office stands has not been determined and included in the financial statements	<i>The NGCDF Office sits on Government land in Lokitaung. The management will liase with the County Government to ensure that the land in which the NGCDF office sits is valued and included in the financial statements.</i>	NOT RESOLVED	DECEMBER 2025
3.0	Un supported Project Management Committee Balance	<i>The management commits to ensuring that are PMC accounts are</i>	NOT RESOLVED	DECEMBER 2025

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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)
		<i>properly managed. We have attached PMC bank statements to this response.</i>		
4.0	Non Disbursement of funds from the Board	<i>There was delay in release of funds by the board. However, we received the funding in August 2024 and the projects have since been implemented. The projects are now complete. We have attached completion certificates to this response. We have put in place measures to ensure approved funds are received in timely manner and disbursed promptly to approved projects.</i>	NOT RESOLVED	DECEMBER 2025
5.0	Composition of bursary committee	<i>Bursary sub committee formed subject to the provisions of the circular issued by the Board</i>	NOT RESOLVED	DECEMBER 2025
6.0	Un satisfactory project implementation	<i>The management is liaising with the Board of Management in schools to ensure that completed projects are promptly put into use. We are also working with the ministry of Education and Teachers Service</i>	NOT RESOLVED	DECEMBER 2025

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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)
7.0	<p>Budgetary control and performance</p> <p>The Summary statement of appropriation reflect final budget of Ksh 174,858390 and actual budget of Ksh 97,809337resulting in underfunding of Ksh 77,049,053 or 44% of the budget may have impacted negatively on service delivery</p> <p>The underfunding and under utilization</p>	<p>commission to ensure that newly registered schools are made operational by posting teachers to those schools.</p> <p>There was delay in release of funds by the board. However, we received the funding in August 2024 and the projects have since been implemented.</p> <p>The projects are now complete. We have attached completion certificates to this response.</p> <p>We have put in place measures to ensure approved funds are received in timely manner and disbursed promptly to approved projects.</p>	NOT RESOLVED	DECEMBER 2025
	<p>1. Unsupported Project Management Committee Bank Balances</p> <p>Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs 9,516,044 held in</p>	<p>PMC bank statements and certificate of bank balances are attached to this response. The NGCDFC will however ensure that the capacities of PMCs are built to enable THEM prepare cashbooks and bank reconciliations</p>	NOT RESOLVED	DECEMBER 2025

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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>thirty-four (34) project bank accounts in various commercial banks as at 30 June, 2024. However, cash books, bank reconciliation statements, certificates of bank balances and board of survey reports for all the thirty-four (34) bank accounts were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the Project Management Committee (PMC) bank balances amounting to Kshs. 9,516,044 could not be confirmed.</p>			
	<p>Unsupported Fixed Asset Balance</p> <p>The summary of fixed assets register in Annex 4 reflects nil balance in respect of land. However, the size and value of the land on which the constituency office building stands has not been determined and included in the financial statements. In addition, the title deed for the land to confirm the</p>	<p><i>The NGCDF Office sits on Government land in Lokitaung. The management will liaise with the County Government to ensure that the land in which the NGCDF office sits is valued and included in the financial statements.</i></p> <p><i>The NGCDF is not hosted in the Treasury building. ALL operations are based in NGCDF office in Lokitaung .</i></p>	NOT RESOLVED	DECEMBER 2025

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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>ownership was not provided for verification.</p> <p>In the circumstances, the accuracy, completeness and ownership of the land in the assets register could not be confirmed.</p>	<p><i>The National Sub County Accountant, based in Lodwar, is the mandatory Signatory and custodian of accounting documents for NGCDF. That's why some of the services are based in Lodwar.</i></p>		
	<p>Budgetary Control and Performance</p> <p>The Fund had final budgeted receipts of Kshs. 269,319,783 against actual receipts Kshs. 217,436,379. This resulted into under-funding by Kshs. 51,883,404 or approximately 19% of the budget. Similarly, the Fund recorded total expenditure of Kshs. 204,113,098 against total receipts of Kshs. 217,436,379 resulting in under-utilization of Kshs. 13,323,281 or approximately 6% of the total funds available.</p> <p>The under-funding and under-utilization of budget hindered the delivery of the planned activities, and</p>	<p><i>The management notes the recommendations of the auditors and that appropriate measures are implemented to ensure timely utilization of funds.</i></p> <p><i>The underutilization however is due to late disbursement of funds from the Board</i></p>	<p>NOT RESOLVED</p>	<p>DECEMBER 2025</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>may have negatively affected service delivery to the citizens.</p> <p>My opinion is not modified in respect of this matter.</p>			
	<p>1. Project Verification Report</p> <p>The statement of receipts and payments reflects transfers to other government units of Kshs. 127,400,000 as disclosed in Note 7 to the financial statements. The payments were for the funding of projects earmarked by the Fund for implementation in the financial year under review. However, projects verification conducted on 14 November, 2024 for six (6) projects costing a total of Kshs. 14,000,000 revealed that six (6) classrooms costing Kshs. 7,800,000 were completed but not in use.</p> <p>In the circumstances, value for money was not obtained from the construction of the classrooms</p>	<p><i>Most of the projects were completed in October 2024 when schools were closing for the holidays. The completed facilities will be ready for use when schools open next year.</i></p> <p><i>The management notes the recommendations of the auditors and will put in place appropriate internal control measures to ensure approved projects are completed as per approved schedule and then put into intended use.</i></p>	<p>NOT RESOLVED</p>	<p>DECEMBER 2025</p>