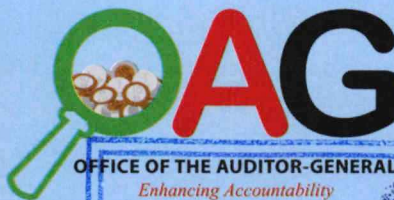


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 13 NOV 2025

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Tuesday

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BY:

Hon Eric Karemba  
MP

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OF KENYA  
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REPORT

OF

THE AUDITOR-GENERAL



ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
DADAAB CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**DADAAB CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025**

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

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

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

**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 Dadaab 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 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Hussein Mohamud Abdullahi
2.	National Sub-County Accountant	Yasin Golicha Borora
3.	Chairman NGCDFC	Mohamed Sheikh Osman

#### **(c) Fiduciary Oversight Arrangements**

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

**(d) NGCDF Dadaab Constituency Headquarters**

P.O. Box 1522-70100  
Behind Deputy County Commissioners Office  
Garissa, KENYA.

**(e) NGCDF Dadaab Constituency Contacts**

P.O. Box 1522-70100  
Telephone: (254) 712242334  
E-mail: [cdfdadaab@ngcdf.go.ke](mailto:cdfdadaab@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) NGCDF Dadaab Constituency Bankers**

1. Co-operative Bank Limited (Operations Bank Account)  
Account Number: 01100447669001  
P.O. Box 43258-70100 Garissa Branch  
Garissa- Kenya
2. Co-operative Bank Limited (Deposit Bank Account)  
Account Number: 01101910857001  
P.O. Box 43258-70100  
Garissa Branch  
Garissa- Kenya
3. Co-operative Bank Limited (Various Accounts PMC accounts)  
Account Number: Various  
Garissa Branch  
P.O. Box 43258-70100  
Garissa- Kenya





**(g) Independent Auditor**

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



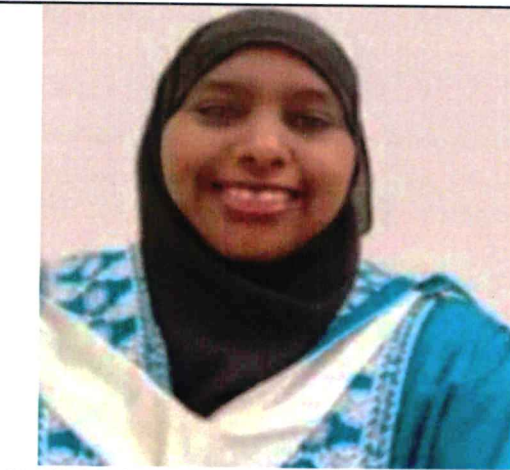
**(h) Principal Legal Adviser**

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


**3. NG- CDF Committee**

	<b>Name</b>	<b>Details</b>
1	 <b>MOHAMED SHEIKH OSMAN</b>	Date of Birth: 01/01/1988 Highest Academic Qualification: DEGREE Professional Qualification: Governance Work Experience: BUSINESSMAN Position: NG- CDFC Chairman
2	 <b>SAHARA ABDI NOOR</b>	Date of Birth: 24/04/1975 Highest Academic Qualification: Diploma Professional Qualification: Business Work Experience: Business Position: NG- CDFC Secretary
3	 <b>ABDISALAN MUHUMED DUALE</b>	Date of Birth: 01/01/1968 Highest Academic Qualification: DEGREE Professional Qualification: TEACHER Work Experience: TEACHER Position: NG- CDFC Member
4	 <b>AMINA MOHAMED DEK</b>	Date of Birth: 29/4/1974 Highest Academic Qualification: KCSE Professional Qualification: Social Worker Work Experience: Business Position: NG- CDFC Member

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5	 <p><b>MOHAMED HASSAN MUHUMED</b></p>	<p>Date of Birth: 1/02/1992  Highest Academic Qualification: KCSE  Professional Qualification: KCSE  Work Experience: BUSINESS  Position: NG- CDFC Member</p>
6	 <p><b>HABIBA SHEIKH MOHAMED</b></p>	<p>Date of Birth: 1/01/1997  Highest Academic Qualification: College  Professional Qualification: KCSE  Work Experience: BUSINESS  Position: NG- CDFC Member</p>
7	 <p><b>HALIMA HAMDİ GURE</b></p>	<p><b><u>Female Youth Representative</u></b>  Date of Birth: 01/01/1982  Highest Academic Qualification: KCSE  Professional Qualification: BUSINESS  Work Experience: BUSINESS  Position: NG- CDFC Member</p>

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8	 <p><b>ABDINASIR MOHAMED HUSSEIN</b></p>	<p><b><u>Male Adult Representative</u></b>  Date of Birth: 00/00/1982  Highest Academic Qualification: KCSE  Professional Qualification: BUSINESS  Work Experience: BUSINESS  Position: NG- CDFC Member</p>
9	 <p><b>HUSSEIN MOHAMUD ABDULLAHI</b></p>	<p><b><u>Fund Account Manager</u></b>  Date of Birth: 15/01/1990  Highest Academic Qualification: Degree  Professional Qualification: Degree  Work Experience: Accountant  Position: Ex-Oficio Member</p>

**OUTGOING NG-CDF COMMITTEE**

	<b>NAME</b>	<b>DETAILS</b>	<b>PERIOD SERVED</b>
1	MOHAMED SHEIKH OSMAN	Male Youth Representative	2 and ½ Years
2	HABIBO SHEIKH MOHAMED	Female Youth Representative	2 and ½ Years
3	MOHAMED HASSAN MUHUMED	PWDs Representative	2 and 1/2 Years
4	SAHARA ABDI NOOR	Female Adult Representative	2 and 1/2 Years
5	ABDISALAN MUHUMED DUALE	Male Adult Representative	2 and 1/2 Years
6	HAKIMA HAMDI GURE	Female Adult Representative	2 and 1/2 Years
7	ABDINASIR MOHAMED HUSSEIN	Male Adult Representative	2 and 1/2 Years
8	AMINA MOHAMED DEK	Co - Opted Member	2 and 1/2 Years

#### 4. NG-CDFC Chairman’s Report



**MOHAMED SHEIKH OSMAN**

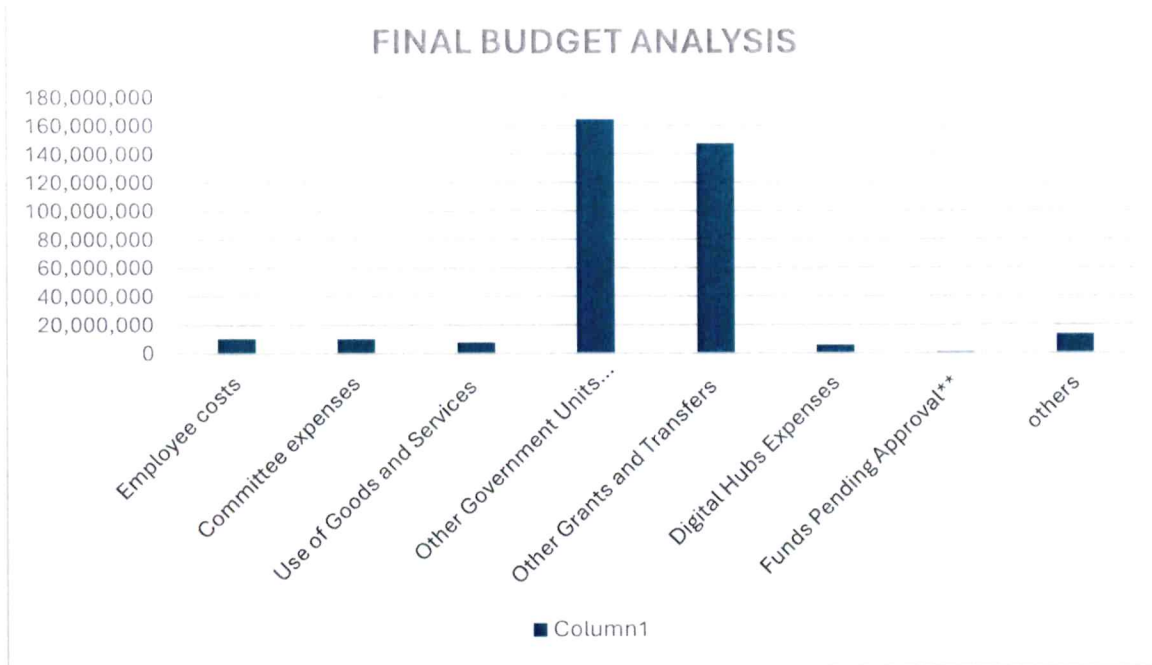
I am pleased to present NGCDF Dadaab annual reports and financial statements on behalf of the Dadaab Constituency NG-CDF for the period ending June 30, 2025. This report outlines the revenue and expenditure for the recently concluded financial period.

**Dadaab Constituency** is one of the six constituencies in **Garissa County**. The constituency comprises **six wards**, namely: **Dertu, Abakaile, Labasigale, Dadaab, Damajaley and Liboi**.

In the financial year 2024/2025, NG-CDF Dadaab Constituency was allocated Kshs. 188,414,052. However, a total of **Kshs 206,770, 783 was** available for spending during the financial year. The final budget comprised an opening balance of **Kshs. 21,085,214** and **Kshs 46,014,984** owing from the Board, for the previous year received in the current financial year and the allocation for the period.

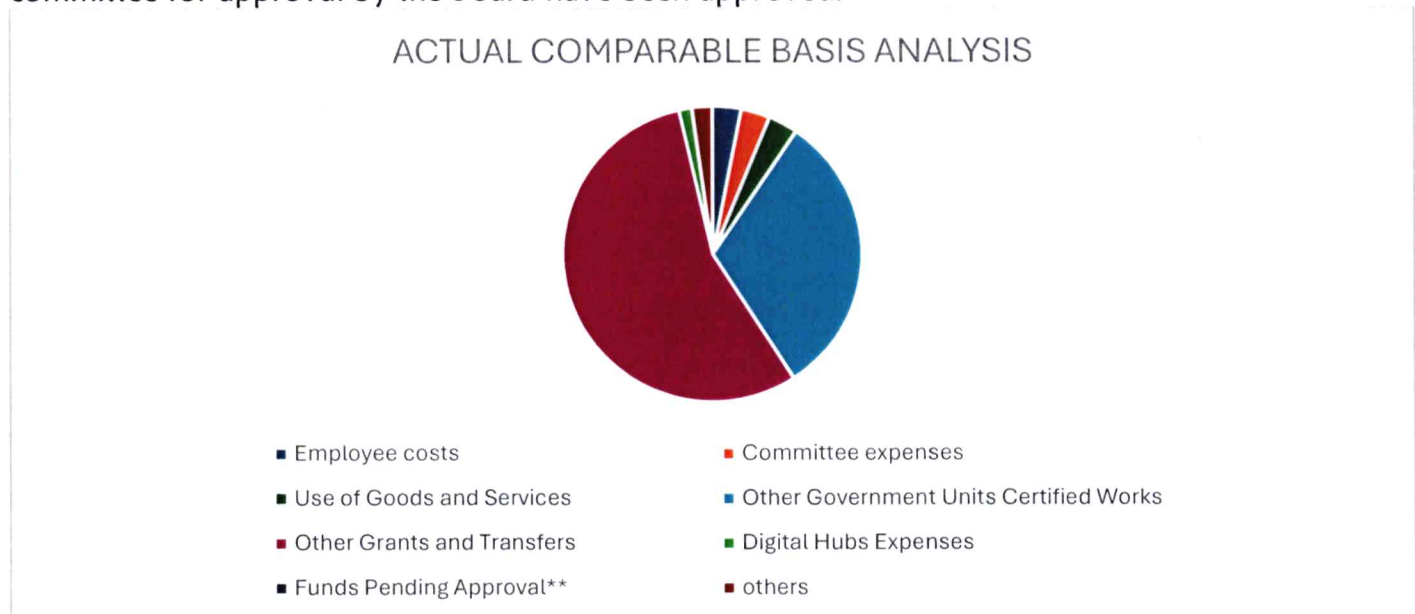
The following is the summary breakdown of proposed projects for funding during the financial year 2024/2025.

<b>S/NO</b>	<b>PROPOSED NAME</b>	<b>AMOUNT ALLOCATED</b>
1.	Office administration	<b>11,304,843</b>
2.	Monitoring and evaluation	<b>5,652,422</b>
3.	Bursary	<b>75,365,000</b>
4.	Primary projects	<b>54,100,000</b>
5.	Secondary school projects	<b>12,400,000</b>
6.	Security projects	<b>7,430,544</b>
7.	Emergency reserve	<b>9,916,529</b>
8.	Environmental projects	<b>8,145,826</b>
9.	Others	<b>4,098,888</b>
	<b>TOTAL</b>	<b>188,414,052</b>



### SUMMARY BUDGET FOR APPROPRIATION STATEMENT 2024/2025

Total actual expenditure for the period was **Kshs 120,725,026**, translating to 47% of the final allocation. The unutilized funds of **Kshs. 134,789,223** include a PMC balance of **Ksh 7,592**. The slow utilization of the PMC funds resulted from delayed funding and the sluggishness in meeting some approval conditions by the PMC members. All the projects proposed by the committee for approval by the Board have been approved.



## **ACTUAL UTILIZATION SUMMARY FOR 2024/2025**

Section 81 of the Public Finance Management Act, 2012 requires National Government entities to prepare annual reports and financial statements at the end of each financial year. Further, section 81(3) mandates the entities to prepare the annual reports in formats prescribed by the Public Sector Accounting Standards (PSAS) Board, further section 39(4) of the NG- CDF Act 2015 as amended in 2023 mandates the NG- CDF Board to submit separate financial statements for the secretariat and constituencies to the Auditor General. The constituency is in compliance with the above legal requirements.

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

## **PERENIAL ISSUES**

Dadaab Constituency suffers from pre-independence challenges of;

### **1. High Demand for Bursaries and Education Support**

Dadaab has a large student population, and while the NG-CDF has consistently supported education through bursaries and infrastructure, the demand continues to exceed the available resources, especially for tertiary-level students.

### **2. Insecurity**

Being a constituency bordering Somalia, several areas are prone to terrorist attacks.

As a result, the Dadaab Constituency NG-CDF has remained committed to addressing these challenges by prioritizing education through consistent bursary support to thousands of students across all levels, despite the ever-growing demand. The fund has also successfully implemented key infrastructure projects in existing public schools. In efforts to enhance security, several police posts and chief's offices have been constructed, especially in several areas and former insecurity hot spots, thereby strengthening community safety and response.

## **EMERGING ISSUES**

- I. Rising bursary demand stretches NG-CDF resources
- II. Youth unemployment triggers dependency, frustration and social unrest
- III. Mental health and drug abuse affect youth development and school performance

#### IV. Digital exclusion

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

#### **KEY ACHIEVEMENTS**

NG-CDF Dadaab has issued bursary to 2,200 students in secondary school and 1,500 students in tertiary in FY 2024/2025 as compared to previous financial year 2023/2024 where NG CDF-Dadaab had issued bursaries to 2,000 students in secondary schools and 1,000 students in tertiary institution.

NGCDF Dadaab also did construction of three (3) single rooms and armory at Dertu Police Station, for security personnel in the area as they safeguard against frequent Alshabab attacks.

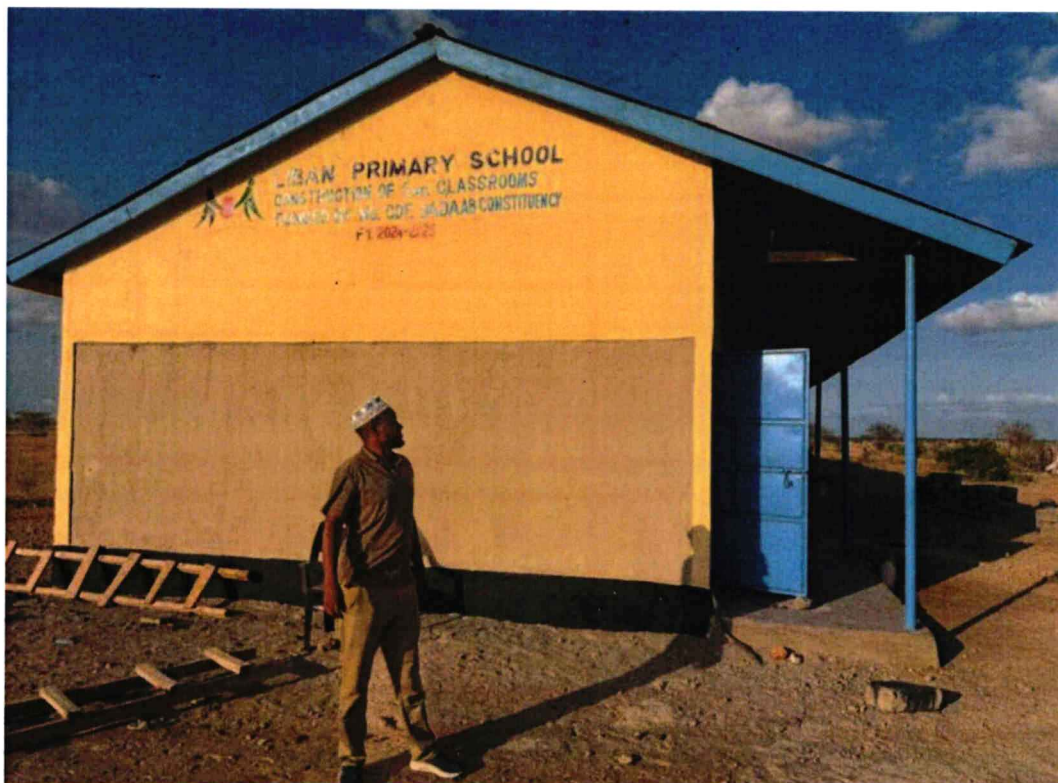
Sampled infrastructure development in the constituency are shown below;



**Construction of 2no classrooms at Damajaley Mixed Secondary School**



**Construction of 2no toilets at Damajaley Mixed Secondary School**



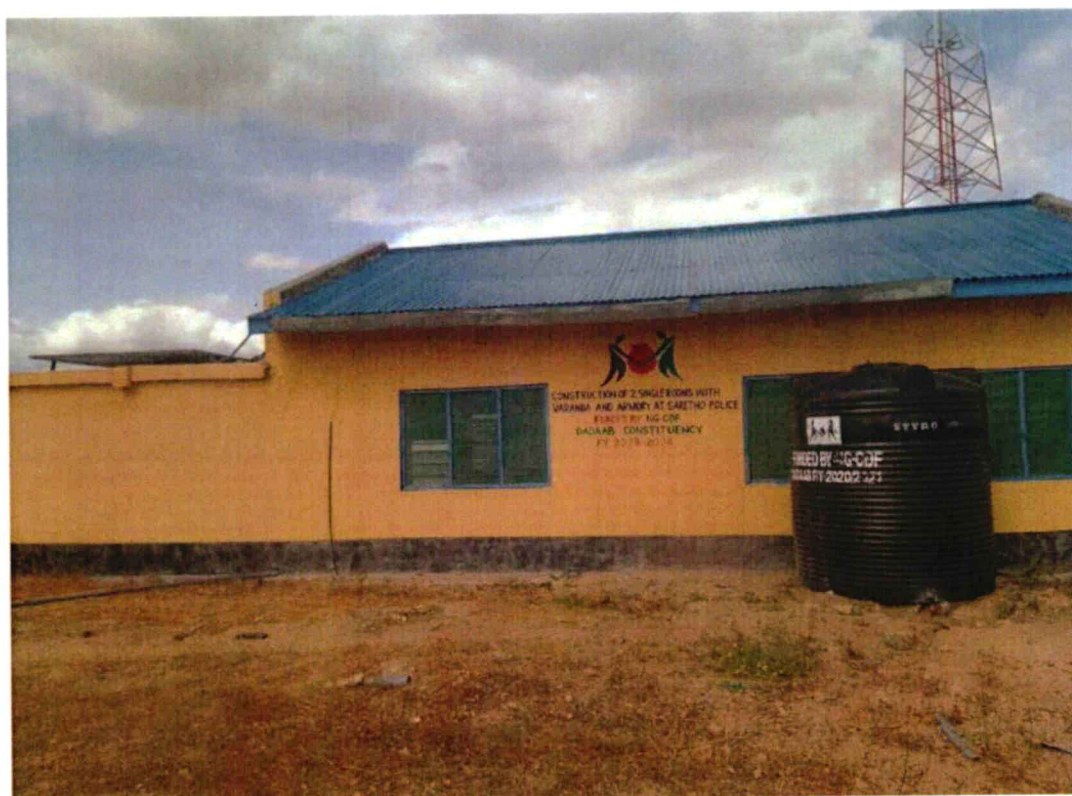
**Construction of 2no classrooms at Liban Primary School**

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**Construction of 2nd classrooms at Abaqaila Primary School**



**Construction of 2 single rooms with Veranda as Saretho Police**

.....  
**Name: MOHAMED SHEIKH OSMAN**  
**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 Dadaab NG-CDF in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government Dadaab NG-CDF's performance against predetermined objectives.

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

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

NG-CDF Dadaab Constituency Core Values:

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

**The key development objectives of the NGCDF Dadaab Constituency 2023-2027 plan are to:**  
The following are the strategic goals that will provide the strategic direction for the 2023-2027 MVT Strategic Plan:

1. **Improved learning conditions** in primary and secondary schools, fostering better academic performance through enhanced facilities and a supportive educational environment.
2. **Lowered school and college dropout rates**, thanks to sustained financial assistance that enables learners to continue their education without interruption.
3. **Boosted security operations** by providing law enforcement with modern infrastructure and essential resources to uphold peace, prevent crime, and enforce the rule of law.
4. **Advanced environmental cleanliness and conservation efforts**, focusing on biodiversity protection and climate resilience to reduce the impact of environmental hazards.
5. **Engaged and empowered the youth**, offering platforms for skill development and talent nurturing, which have enabled them to actively participate in the constituency's social and economic growth.

To ensure the effective implementation and application of the development objectives across various sectors, each goal was defined to be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART) and translated into clear development outcomes. We also established key indicators to monitor progress and evaluate performance. Below, we outline the progress made in reaching these objectives:

**Progress on the attainment of Strategic development objectives**

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

<b>Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	<ul style="list-style-type: none"> <li>○ Improved school environment</li> <li>○ Improve academic performance in national examination</li> <li>○ Accessibility to school fees for bright and needy students</li> <li>○ 100% transition to secondary and tertiary institutions</li> </ul>	<ul style="list-style-type: none"> <li>○ Increased enrolment in primary schools</li> <li>○ improved transition to secondary schools and tertiary institutions</li> <li>○ Improved bursary award and allocations</li> <li>○ Reward good performance</li> </ul>	<ul style="list-style-type: none"> <li>○ Performance improved</li> <li>○ Bursary/scholarships in Secondary schools, colleges, universities, technical and vocational institutions, and special needs</li> <li>○ Increased Primary Schools, JSS and Senior Schools development infrastructure</li> <li>○ Improved intake in university level</li> </ul>	<ul style="list-style-type: none"> <li>○ Improving health and hygiene by renovation of toilets</li> <li>○ Bursary beneficiaries at all levels were as per SP annual projections</li> <li>○ Completed stalled laboratories to enable learners inculcate the practical experience in learning</li> </ul>
Security	<ul style="list-style-type: none"> <li>○ Equipped security agents with appropriate security infrastructure and</li> </ul>	<ul style="list-style-type: none"> <li>○ Heightened security within the constituency that guarantees safe</li> </ul>	<ul style="list-style-type: none"> <li>○ Construction of one police station and furnished</li> <li>○ chiefs office to be constructed</li> </ul>	<ul style="list-style-type: none"> <li>○ Enhanced security by constructing Modern police station as gazetted by the Government</li> </ul>

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	resources for preservation of peace, prevention and detection of crime, and maintenance of law and order	working environment and peaceful co-existence of communities and improved service delivery to the citizens		and reinforcing them with better facilities for better service delivery.
Climate Change Mitigation Activities	Enhance clean environment, conservation, Preservation and protection of biodiversity to mitigate impacts of climate change and emergency/disasters	Restoration of tree nurseries and forest  Tree growing and nurturing  Restoration from degradation and pollution	Number of tree seedlings planted, gabions constructed, water harvesting facilities initiated and pit-latrines constructed	Climate Change Mitigation activities were tree planting in line with the changes in the Act and the President initiative of planting 15 Billion tree seedlings by 2032. The committee through various PMCs will plant at least 2,000 seedlings in the financial year.
Emergency	To cater for unforeseen Occurrence in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	Working with other units and departments dealing with emergency response in the constituency to ensure quick identification and response.
Others (NG-CDF Office)	Enhancing healthy and conducive working environment	Capacity building, Equipping and having an enabling working environment for staff and Committee.	Renovating the Office, keeping a clean and sanitized environment and purchasing of working equipment	<ul style="list-style-type: none"> <li>○ Improved the working environment by putting up the cabro and planting trees</li> <li>○ Water harvesting and</li> </ul>

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				gardening the compound ○ Recruitment of competent staff in all key offices
--	--	--	--	---

**6. Governance Statement**

**Appointment and removal of Constituency Committee members:**

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

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

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

**SCHEDULE OF NG- CDFC MEETINGS**

<b>NO</b>	<b>NAMES COMMITTEE MEMBERS</b>	<b>OF</b>	<b>CATEGORY</b>	<b>WARD</b>	<b>MEETINGS HELD</b>	<b>SUB- MEETINGS HELD</b>
1	Mohamed Sheikh Osman		Male Youth Representative	Dadaab	14	-
2	Habibo Sheikh Mohamed		Female Youth Representative	Damajaley	14	-
3	Mohamed Hassan Muhumed		Male PWDs Representative	Liboi	14	

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NO	NAMES OF COMMITTEE MEMBERS	CATEGORY	WARD	MEETINGS HELD	SUB-MEETINGS HELD
4	Sahara Abdi Noor	Female Adult Representative	Labasigale	14	
5	Abdisalan Muhumed Duale	Male Adult Representative	Abakaile	14	
6	Halima Hamdi Gure	Female Adult Representative	Liboi	14	
7	Abdinasir Mohamed Hussein	Male Adult Representative	Dertu	14	
8	Amina Mohamed Dek	Co - Opted Member	Dadaab	14	

### **Convening of Constituency Meetings**

Section 43 (6) state that, “The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.”

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

CDF Committee that approved the appointment. As the management of NG- CDF Dadaab Constituency we complied with the Act and its regulations.

#### **Tenure of the Constituency Committee**

As per the provision of Section 43 (8) and (9) of the NG- CDF Act, the tenure of the members of NG- CDF Committee shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act and regulations, while the Fund Account Manager remain the custodian of all the records and equipment of the constituency. As per Regulation 24 of the Act, once the new committee members have been appointed, the Fund Account Manager in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG- CDF Committee members. To facilitate this, the Fund Account Manager prepares a comprehensive handover report on behalf of the outgoing committee.

#### **Functions and Operations of the Constituency Committee**

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

Section 43 (11) of the Act provides that the Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

## **Management of Transition and Handing over**

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

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

## **Conflict of Interest, Ethics and Conduct of NGCDFC**

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

## **Risk Management**

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service. Some of the risk mitigation strategies that Dadaab NGCDFC has implemented include

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

## 7. Management Discussion and Analysis

### Establishment and Management of the Fund

Section 4 of the Act state that: There is established a fund to be known as the National Government Constituencies Development Fund which shall—(a) Be a National Government Fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;

The Fund Account Manager shall hold the authority to incur expenditure of the funds at the constituency account. Further, projects under this Act shall only be in respect of works and services falling within the exclusive functions of the national government as provided in the Constitution. However, the administration of the fund is done through the Constituency Committee.

NG- CDF Dadaab Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 884,694,397 between FY 2020/2021 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	164,088,879
2021/2022	173,088,879
2022/2023	173,087,603
2023/2024	186,014,984
2024/2025	188,414,052

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

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	10,86,822	6%
Monitoring and Evaluation	15,228,411	3%
Bursary	71,578,815	40%
Emergency	9,444,313	5%
Capital Grants to Primary Schools	64,866,148	36%
Capital Grants to Secondary Schools	2,620,000	15%
Climate Change Mitigation Activities	2,868,562	3.6%
Security	9,351,927	11.8%
Constituency Innovation and Digital Hubs	1,129,954	1.4%

### **Bursary Sector**

The committee over the last 3 years managed to allocate bursary over 10,000 learners every financial year. In addition, the committee managed to train 300 learners through driving scholarship, Trained more than 150 learners on life guard and much more. Further, the committee allocates Kshs. 10,000 to learners at the University pursuing a degree program, Kshs. 8,000 to learners pursuing learners pursuing diploma and certificate courses.

### **Grants to Primary and Secondary Schools**

Poor academic performance in the constituency is contributed to by a lack of proper school infrastructure, such as laboratories and laboratory apparatus,

Toilets renovation was priority for the committee whereby most of the primary schools have modern toilets. These will enhance public health and hygiene at the learning institutions.

### **Security**

The committee has ensured completion of Dertu Police. In addition, the committee equipped with furniture and computer to enable their service delivery improved.

### **Future Development**

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

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



**Name: Hussein M Abdullah  
Fund Account Manager**

## 8. Environmental and Sustainability Reporting

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

### 1. Sustainability strategy and profile -

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

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

## **2. Environmental performance**

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

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

## **3. Employee welfare**

We invest in providing the best working environment for our employees. NG- CDF Dadaab 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.

Employees are encouraged and supported to build on their skills and knowledge continually. NG- CDF Dadaab 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. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Marketplace practices-**

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

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

NG- CDF Dadaab Constituency has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

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

NG- CDF Dadaab 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.

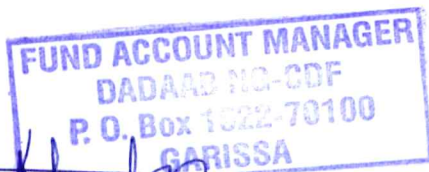
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

#### **7. Public Awareness**

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

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



Handwritten signature of Hussein M Abdullah in blue ink.

Name: Hussein M Abdullah  
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 Dadaab NG-CDF shall prepare financial statements in respect of that Dadaab NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF- Dadaab Constituency is responsible for the preparation and presentation of the Dadaab NG-CDF's financial statements, which give a true and fair view of the state of affairs of the Dadaab NG-CDF 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 Dadaab NG-CDF; 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 Dadaab NG-CDF; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Dadaab Constituency accepts responsibility for the Dadaab NG-CDF'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 Dadaab NG-CDF's transactions during the financial year ended June 30, 2025, and of the Dadaab NG-CDF's financial position as at that date. The Accounting Officer charge of the NG-CDF Dadaab Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the Dadaab NG-CDF'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 NG- CDF Dadaab Constituency confirms that the Constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Dadaab NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the Constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.


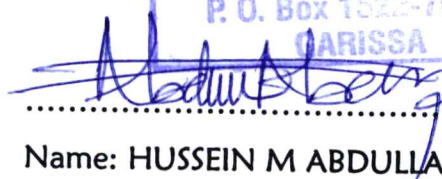
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The NG- CDF Dadaab Constituency financial statements were approved and signed by the Accounting Officer on 23/09 2025.



.....  
Name: MOHAMED SHEIKH OSMAN  
Chairman – NGCDF Committee



.....  
Name: HUSSEIN M ABDULLAH  
Fund Account Manager

# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying Financial Statements of National Government Constituencies Development Fund - Dadaab Constituency set out on pages 1 to 39, which

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

comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Bursary Funds**

The statement of financial performance and as disclosed in Note 11 to the Financial Statements reflects other grants and transfers amounting to Kshs.72,703,576. Included in the amount is Kshs.11,885,000 and Kshs.47,020,098 disbursed to various secondary schools and tertiary institutions respectively as bursary to needy students. However, review of payment records provided for audit revealed that bursary disbursements amounting to Kshs.1,053,500 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions. In addition, the expenditure was not supported by notice to the public on bursary issuance and bursary application register.

In the circumstances, the accuracy and propriety of the bursary payments amounting to Kshs.1,053,500 could not be confirmed.

#### **2. Unsupported Project Management Committee Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.95,375,172 as disclosed in Note 12 to the Financial Statements. Included in the balance is Kshs.7,592 in respect of Project Management Committee balances at various local commercial banks accounts. However, the Project Management Committee balances were not supported by cashbooks, certificates of bank balances, bank reconciliations and board of survey reports. Further, the Project Management Committee balances include an overdrawn balance of Kshs.631 at a local Commercial Bank which has been netted off from the other Project Management Committee balances as disclosed in Annex 2 to the Financial Statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents of the project management committee balance of Kshs.7,792 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 - Dadaab Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.255,514,249 and Kshs.216,100,198 respectively, resulting in an under-funding of Kshs.39,414,051 or 15% of the budget. Similarly, the Fund spent a total of Kshs.120,725,026 against actual receipts of Kshs.216,100,198, resulting in an under-utilization of Kshs.134,789,223 or 62%.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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**

#### **Project implementation Status**

During the year under review, the National Government Constituencies Development Fund – Dadaab Constituency allocated Kshs.74,430,544 to projects in various sectors including primary schools, secondary schools, security and emergencies within the Constituency. Analysis as per the Project Implementation Status report and expenditure returns indicated that projects worth Kshs.23,300,083 were completed, while thirteen (13) projects allocated Kshs.48,130,461 had not been started.

Failure to implement and delayed completion of planned projects may have impacted negatively on service delivery to the residents of Dadaab Constituency.

## **Unresolved Prior Year Matters**

Management did not provide a report on how it has addressed the recommendations and findings of the previous year's audit as required by Section 31(1)(a) of the Public Audit Act, 2015. The following prior year audit issues remained unresolved as at 30 June, 2025 as detailed below:

- i) Unaccounted for Bursary Grants
- ii) Budgetary Control and Performance
- iii) Project Implementation Status
- iv) Failure to report to the Board on utilization of Emergency reserves
- v) Failure to open Deposit Holding Account
- vi) Nondisclosure of Project Management Committee Bank balances

In the circumstances, the Management was in breach of Section 31(a) of the Public Audit Act, 2015, which requires the entity to submit a report on how it has addressed the recommendations and findings of the previous year's audit.

## **Other Information**

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis for Conclusion**

### **Irregularities in Utilization of Emergency Reserve**

The statement of financial performance reflects other grants and transfers of Kshs.72,703,576 as disclosed in Note 11 to the Financial Statements. Included in the amount is Kshs.11,897,244 in respect of the emergency projects. However, Management did not report to the National Constituencies Development Board the utilization of the emergency funds within thirty (30) days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on 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 Maintain an Asset Register**

The Fund had movable and non-movable assets including land, building, motor-vehicles and computers under its control. However, an asset register was not maintained. In addition, ownership documents for land and motor vehicles were not provided for audit verification. Further, the assets were not tagged with identification codes.

In the circumstance, the effectiveness of internal controls on assets management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

In addition to the responsibility for the preparation and presentation of the Financial Statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the Financial Statements comply with the authorities which govern them and that public resources are applied in an effective way. The National Government Constituencies Development Fund Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**


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

expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


29 October, 2025


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

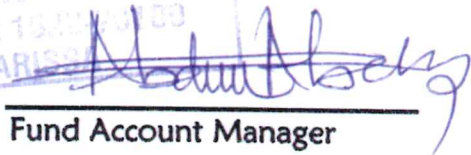
**11. Statement of Financial Performance for the Year Ended 30th June 2025**

	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	188,414,052
<b>Total revenue</b>		<b>188,414,052</b>
<b>Expenses</b>		
Employee costs	7	7,693,567
Committee expenses	8	8,358,500
Use of Goods and Services	9	2,578,825
Other Government Units Actual expenditure	10	30,720,772
Other Grants and Transfers Actual expenditure	11	72,703,576
<b>Total expenses</b>		<b>122,055,240</b>
<b>Surplus/(Deficit) for the year</b>		<b>66,358,812</b>

The Constituency financial statements were approved by the NGCDFC on 29/06/2025 and signed by:

  
 Chairman NG- CDF  
 Committee  
 Name: Mohamed Sheikh  
 Osman

  
 National Sub-County  
 Accountant  
 Name: Yasin Golicha Borora

  
 FUND ACCOUNT MANAGER  
 DADAAB NGCDF  
 P. O. Box 19, DADAAB  
 GARISA

Fund Account Manager  
 Name: Hussein M Abdullah

ICPAK M/No: 12255


*National Government Constituencies Development Fund (NGCDF)  
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**12. Statement Of Financial Position As At 30th June, 2025**

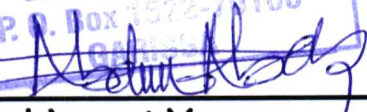
	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	12	95,375,172	21,085,214
Receivables from Non-Exchange Transactions	13	39,414,052	46,014,984
<b>Total Current Assets</b>		<b>134,789,224</b>	<b>67,100,198</b>
<b>Total Assets (A)</b>		<b>134,789,224</b>	<b>67,100,198</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Gratuity Provision	14	1,330,214	-
<b>Total Current Liabilities</b>		<b>1,330,214</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>1,330,214</b>	<b>-</b>
<b>Net Assets (A-B)</b>		<b>133,459,010</b>	<b>67,100,198</b>
<b>Represented by:</b>			
Accumulated Surplus		133,459,010	67,100,198
<b>Total Net Assets</b>		<b>133,459,010</b>	<b>67,100,198</b>

Note: The opening balance of Kshs. 21,085,214 is inclusive of the opening balance as per cash book of Kshs. 11,755,799 and PMC opening balance of Kshs. 9,329,415.

The Constituency financial statements set out on pages 1 to 11 approved by NG-CDFC on .....<sup>23/09/</sup>.....2025 and signed by:

  
Chairman NG-CDF  
Committee  
Name: MOHAMED SHEIKH  
OSMAN

  
National Sub-County  
Accountant  
Name: Yasin Golicha Borora  
ICPAK M/No: 12255

  
Fund Account Manager  
Name: HUSSEIN M  
ABDULLAH



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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024	-	11,755,799	11,755,799
<b>Adjustments</b>			
Recognition of Assets	-	55,344,399	55,344,399
<b>As at July 1, 2024</b>	-	<b>67,100,198</b>	<b>67,100,198</b>
Surplus/(Deficit) For the Period	-	66,358,812	66,358,812
Revaluation Gain/Loss	-	-	-
<b>As at June 30, 2025</b>	-	<b>133,459,010</b>	<b>133,459,010</b>

**Note:** Recognition of assets of Kshs. 55,344,399 comprises of Kshs. 46,014,984 which is receivable from the board from prior financial year and kshs. 9,329,415 which is PMC current financial year opening balance.

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

	Notes	2024-2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		195,014,984
<b>Total Receipts</b>		<b>195,014,984</b>
<b>Payments</b>		
Employee costs		6,363,354
Committee expenses		8,358,500
Use of Goods and Services		2,578,825
Other Government Units Certified Works		30,720,772
Other Grants and Transfers		72,703,576
<b>Total Payments</b>		<b>120,725,026</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>		<b>74,289,958</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>	15	<b>74,289,958</b>
Cash and cash equivalents at 1 July 2024	19	<b>21,085,214</b>
<b>Cash and cash equivalents at 30 June 2025</b>	19	<b>95,375,172</b>

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


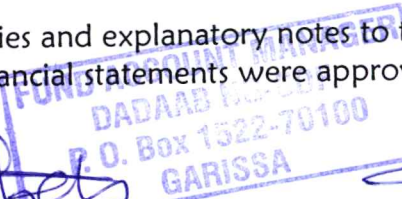


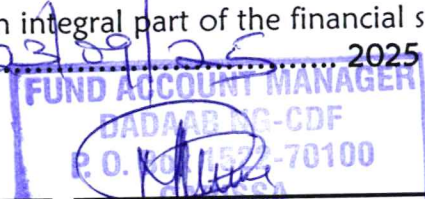
	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	188,414,052	21,085,214	46,014,983	<b>255,514,249</b>	<b>216,100,198</b>	<b>39,414,051</b>	<b>85%</b>
<b>Totals</b>	<b>188,414,052</b>	<b>21,085,214</b>	<b>46,014,983</b>	<b>255,514,249</b>	<b>216,100,198</b>	<b>39,414,051</b>	<b>85%</b>
<b>Expenses</b>							
Employee costs	6,224,207	722,065	1,672,061	8,618,333	6,363,354	2,254,979	<b>74%</b>
Committee expenses	4,555,010	619,602	5,445,478	10,620,090	8,358,500	2,261,590	<b>79%</b>
Use of Goods and Services	6,178,048	1,059,266	1,650,770	8,888,084	2,578,825	6,309,259	<b>29%</b>
Other Government Units Certified Works	66,215,272	15,433,713	17,500,627	99,149,612	30,720,772	68,428,840	<b>31%</b>
Other Grants and Transfers	101,142,617	3,250,568	9,746,047	114,139,232	72,703,576	41,435,656	64%
Digital Hubs Expenses	4,098,898	-	10,000,000	14,098,898	-	14,098,898	<b>0%</b>
Funds Pending Approval**	-	-	-	-	-	-	
others	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>188,414,052</b>	<b>21,085,214</b>	<b>46,014,983</b>	<b>255,514,249</b>	<b>120,725,026</b>	<b>134,789,223</b>	<b>47%</b>
<b>Surplus for the period</b>	<b>-</b>		<b>-</b>				

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\*\*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.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	134,789,223
Less undisbursed funds receivable from the Board as at period 30 June, 2025	39,414,051
Cash and Cash Equivalents at the end of the 30th June 2025	95,375,172

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

  <b>Fund Account Manager</b>	 <b>National Sub-County Accountant</b>	  <b>Chairman NG-CDF Committee</b>
Name: HUSSEIN M ABDULLAH	Name: YASIN GOLICHA BORORA ICPAK M/No: 12255	Name: MOHAMED SHEIKH OSMAN

National Government Constituencies Development Fund (NGCDF)  
Dadaab Constituency

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16. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	6,224,207	722,065	1,672,061	8,618,333	6,363,354	2,254,979
1.2 Committee allowances	2,755,010		322,615	3,077,625	1,831,000	1,246,625
1.3 Use of goods and services	2,325,626	500,000	-	2,825,626	578,825	2,246,801
<b>Sub-total</b>	<b>11,304,843</b>	<b>1,222,065</b>	<b>1,994,676</b>	<b>14,521,584</b>	<b>8,773,179</b>	<b>5,748,405</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	220,000	80,000	590,000	890,000	527,500	362,500
2.2 Committee allowances	1,800,000	619,602	5,122,863	7,542,465	6,527,500	1,014,965
2.3 Use of goods and services	3,632,422	479,266	1,060,770	5,172,458	1,472,500	3,699,958
<b>Sub-total</b>	<b>5,652,422</b>	<b>1,178,868</b>	<b>6,773,633</b>	<b>13,604,923</b>	<b>8,527,500</b>	<b>5,077,423</b>
<b>4.0 Emergency</b>						

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*Dadaab Constituency*

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unutilized	9,916,529	91,776	8,791,047	18,799,352		18,799,352
Boygar Primary School		225.00		225	500,000	(499,775)
Damajaley Pry		2,000.00		2,000	3,450,174	(3,448,174)
Alikune Pry		-		-	4,135,870	(4,135,870)
Liboi Primary School		-		-	2,600,000	(2,600,0000)
Liban Primary School		950.00		950	1,212,200	(1,211,250)
<b>Sub-total</b>	<b>9,916,529</b>	<b>94,951</b>	<b>8,791,047</b>	<b>18,802,527</b>	<b>11,898,244</b>	<b>6,904,283</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools				-		-
5.2 Secondary Schools	55,365,000	270,000		55,635,000	11,885,000	43,750,000
5.3 Tertiary Institutions	20,000,000	1,870,838		21,870,838	47,020,098	(25,149,260)
5.4 special needs				-		-
<b>Sub-total</b>	<b>75,365,000</b>	<b>2,140,838</b>	<b>-</b>	<b>77,505,838</b>	<b>58,905,098</b>	<b>18,600,740</b>
<b>7.0 Environment</b>						
Liban Primary School	2,715,272			2,715,272		2,715,272
Kadakso Primary School	2,715,272			2,715,272		2,715,272
Dertu Girls			55,000	55,000		55,000
<b>Sub-total</b>	<b>5,430,544</b>	<b>-</b>	<b>55,000</b>	<b>5,485,544</b>	<b>-</b>	<b>5,485,544</b>
<b>8.0 Primary Schools Projects</b>						
Liboi Primary School	4,000,000	1,886,658	1,885,083	7,771,741	3,771,466	4,000,275
Maleley Junior Secondary School	1,250,000			1,250,000		1,250,000
Maleley Junior Secondary School	750,000			750,000		750,000
Madhagisi Junior Secondary school	1,250,000			1,250,000		1,250,000
Kulan Primary School	2,000,000	500,000		2,500,000		2,500,000

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Istanbul primary School	2,500,000			2,500,000		2,500,000		2,500,000
Daryoley Primary School	2,500,000	825		2,500,825		2,500,825		2,500,825
Labiqaloc Primary School	2,500,000	1,001,358		3,501,358	1,000,617	2,500,741		2,500,741
Dolal Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Dadaab Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Gurow Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Abaiqala Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Rubaale Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Warsan Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Kumahmato Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Boransis Primary School	1,500,000			1,500,000		1,500,000		1,500,000
Boransis Junior Secondary School	1,250,000			1,250,000		1,250,000		1,250,000
Bahuri Primary School	4,000,000			4,000,000		4,000,000		4,000,000
Liban Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Saretho Primary School	4,000,000			4,000,000		4,000,000		4,000,000
Labiqaloc Primary School	400,000			400,000		400,000		400,000
Hamey Primary School	800,000	1,400	1,000,000	1,801,400	1,000,575	800,825		800,825
Haji Aden Primary School	400,000	600	1,000,000	1,400,600	1,000,575	400,025		400,025
Landig Primary School	2,500,000			2,500,000		2,500,000		2,500,000
Igaal Primary School		1,000,900		1,000,900		1,000,575		325
Laheley primary school		1,000,658		1,000,658		1,000,617		41
Libaxlow primary school		2,501,975		2,501,975		2,501,750		226
Rahole Primary School		1,000,358		1,000,358		1,000,017		342
Shebtacad Primary School		1,500,975	1,000,272	2,501,247	2,500,000	1,247		1,247
Adensantur Primary School		1,426,175	1,000,000	2,426,175	2,426,150	25		25
Alikune Primary School		601,000		601,000	500,900	100,100		100,100

*National Government Constituencies Development Fund (NGCDF)*

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Maslah Primary School		2,200	1,000,000	1,002,200	1,001,750	450
Damajaley Primary school			2,000,000	2,000,000	2,000,000	-
<b>Sub-total</b>	<b>51,600,000</b>	<b>12,425,082</b>	<b>8,885,355</b>	<b>72,910,437</b>	<b>20,704,991</b>	<b>52,205,446</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
Kulan Secondary School	4,500,000	1,500,000		6,000,000	5,500,631	499,369
Damajaley Secondary School	2,500,000.00	6,964		2,506,964		2,506,964
Haji Dekow Secondary School	400,000.00	1,000		401,000		401,000
Haji Dekow Secondary School	4,500,000.00			4,500,000	1,000,575	3,499,425
Dadaab Secondary School			2,600,000	2,600,000		2,600,000
Alikune Secondary School			2,000,000	2,000,000		2,000,000
Dertu Girls Secondary			1,000,000	1,000,000		1,000,000
Haji Idris Girls Secondary School			500,000	500,000		500,000
Liboi Secondary School			500,000	500,000		500,000
Labasigale Secondary School	2,715,272	1,500,667	2,015,272	6,231,211	3,514,575	2,716,636
<b>Sub-total</b>	<b>14,615,272</b>	<b>3,008,631</b>	<b>8,615,272</b>	<b>26,239,175</b>	<b>10,015,781</b>	<b>16,223,394</b>
<b>11.0 Security Projects</b>						
Dertu Police Station	2,715,272	1,000,316	900,000	4,615,588	1,900,234	2,715,354
Saretho Police Station	2,715,272			2,715,272		2,715,272
Dertu Police Station	1,500,000			1,500,000		1,500,000
Abdisugow Boarder Police Unit	3,500,000			3,500,000		3,500,000
Dadaab DCC		14,463		14,463		14,463

*National Government Constituencies Development Fund (NGCDF)  
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<b>Sub-total</b>	<b>10,430,544</b>	<b>1,014,779</b>	<b>900,000</b>	<b>12,345,323</b>	<b>1,900,234</b>	<b>10,445,089</b>
<b>12.0 Others</b>						
Dadaab Huduma Centre	4,098,898	-	10,000,000	14,098,898		14,098,898
<b>Sub-total</b>	<b>4,098,898</b>	<b>-</b>	<b>10,000,000</b>	<b>14,098,898</b>	<b>-</b>	<b>14,098,898</b>
<b>Funds pending approval**</b>						
unapproved projects	-					
AiA						
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>188,414,052</b>	<b>21,085,214</b>	<b>46,014,983</b>	<b>255,514,249</b>	<b>120,725,026</b>	<b>134,789,223</b>

(NB: This statement is a disclosure statement indicating the utilization in the same format as the Dadaab NG-CDF'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 Dadaab Constituency principal activity is to target grassroots development, funding Education, Security Institutions, Health facilities, Bursary and Community initiatives

### 2. Statement of Compliance and Basis of Preparation

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Dadaab NG-CDF.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b>This IPSAS is not applicable to the constituency this F/Y</b></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>This IPSAS is not applicable to the constituency this F/Y</b></p>

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>The IPSAS will be adopted effective 1st July 2025</b></p>
<p>IPSAS 46: Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>The IPSAS is not relevant this F/Y</b></p>
<p>IPSAS 47: Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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	<p>under one standard. The objective of the standard is to establish the principles that an Dadaab NG-CDF shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>The IPSAS was not applicable this F/Y</b></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>The IPSAS was not applicable this F/Y</b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>IPSAS not applicable at the Constituency</b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>iii. Disclosures that identify and explain the amounts in the Dadaab NG-CDF'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.</li> </ol> <p><b>IPSAS not applicable at the Constituency</b></p>

**iii. Early adoption of standards**

The Dadaab NG-CDF 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 Dadaab NG-CDF.

**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 5<sup>th</sup> March 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> 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 Dadaab NG-CDF 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 Dadaab NG-CDF. 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF. 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 Dadaab NG-CDF 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 Dadaab NG-CDF and a financial liability or equity instrument of another Dadaab NG-CDF. At initial recognition, the Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF'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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF.

### **h) Provisions**

Provisions are recognized when the Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF will incur in fulfilling the present obligations represented by the liability.

**j) Contingent liabilities**

The Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF 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 Dadaab NG-CDF provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Dadaab NG-CDF pays fixed contributions into a separate Dadaab NG-CDF (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 Dadaab NG-CDF regards a related party as a person or an Dadaab NG-CDF with the ability to exert control individually or jointly or to exercise significant influence over the Dadaab NG-CDF, 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 Dadaab NG-CDF'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 Dadaab NG-CDF 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 Dadaab NG-CDF. 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 Dadaab NG-CDF.
- 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

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required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**6. Transfers from the NGCDF Board**

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
<b>Total</b>	<b>188,414,052</b>

**7. Employees cost**

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	5,938,200
Gratuity to contractual employees	1,330,214
Employer Contributions Compulsory national social security schemes	287,178
Employer Contributions Compulsory Housing levy	137,976
<b>Total</b>	<b>7,693,567</b>

**8. Committee Expenses**

	2024-2025
	Kshs
Sitting allowance	1,831,000
Other Committee expenses	6,527,500
<b>Total</b>	<b>8,358,500</b>

**9. Use of Goods and services**

	2024-2025
	Kshs
Utilities, supplies and services	56,896
Communication, supplies and services	18,900
Domestic travel and subsistence	1,050,900
Office Rent	840,000
Office and general supplies and services	334,900
Fuel, oil & lubricants	150,000
Bank charges	127,229
<b>Total</b>	<b>2,578,825</b>

10. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	20,704,991
Secondary Schools Actual expenditure	10,015,781
<b>Total</b>	<b>30,720,772</b>

11. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	11,885,000
Bursary – tertiary institutions	47,020,098
Security projects Actual expenditure	1,900,234
Emergency projects Actual expenditure	11,898,244
<b>Total</b>	<b>72,703,576</b>

12. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
Co-operative Bank Dadaab NG-CDF, 0460297599144. (Operations account)	94,037,366	11,755,799
Co-operative Bank Dadaab NG-CDF Deposit Account, 0460285496100. (Deposit account)	1,330,214	-
Co-operative Bank, account No. as per annex 2(PMC accounts)	7,592	9,329,415
<b>Total</b>	<b>95,375,172</b>	<b>21,085,214</b>

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13. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	39,414,052		46,014,984.00	
<b>Total</b>	<b>39,414,052</b>		<b>46,014,984</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024-2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	39,414,052	100%	46,014,984	100%
Between 1-2 years		0%	-	0%
Over 3 years	-	0%	-	%
<b>Total</b>	<b>39,414,052</b>	<b>100%</b>	<b>46,014,984</b>	<b>100%</b>

14. Gratuity Provision

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 <sup>st</sup> of July 2024	-
Gratuity held during the year	1,330,214
Gratuity paid during the year	-
<b>Total Gratuity Provision 30th June 2025(A+B-C)</b>	<b>1,330,214</b>

15. Cash Generated from Operations

	2024-2025
	Kshs
<b>Surplus/Deficit for the year</b>	<b>66,358,812</b>
<b>Adjusted for:</b>	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
<b>Working capital adjustments</b>	
Increase/decrease in receivables	(6,600,932)
Increase/decrease in third party deposits	-
Increase/decrease in payables	(1,330,214)
<b>Net cash flow from operating activities</b>	<b>74,289,958</b>

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

## 16. Financial Risk Management

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

### i) Credit risk

The Dadaab NG-CDF has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Dadaab NG-CDF'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 Dadaab NG-CDF 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
<b>As at 30<sup>th</sup> June 2024-2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	39,414,052	39,414,052	-	-
Bank balances	<b>95,375,172</b>	<b>95,375,172</b>	-	-
<b>Total</b>	<b>134,789,224</b>	<b>134,789,224</b>	-	-
<b>As at 30 June 2023-2024</b>				

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Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	46,014,984	46,014,984	-	-
Bank balances	<b>21,085,214</b>	<b>21,085,214</b>	-	-
<b>Total</b>	<b>67,100,198</b>	<b>67,100,198</b>	-	-

### **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 Dadaab NG-CDF has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Dadaab NG-CDF has no significant concentration of credit risk. The board of directors sets the Dadaab NG-CDF'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 Dadaab NG-CDF's directors, who have built an appropriate liquidity risk management framework for the management of the Dadaab NG-CDF's short, medium and long-term funding and liquidity management requirements. The Dadaab NG-CDF manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Dadaab NG-CDF 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
<b>As at 30<sup>th</sup> June 2025</b>				
Employee payables	-	-	-	-
Current proportion 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
Gratuity Provision	-	-	1,330,214	1,330,214
<b>Total</b>	-	-	<b>1,330,214</b>	<b>1,330,214</b>

**iii) Market risk**

The Dadaab NG-CDF has put in place an internal audit function to assist it in assessing the risk faced by the Dadaab NG-CDF 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 Dadaab NG-CDF'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 Dadaab NG-CDF'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 Dadaab NG-CDF's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

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

**Financial Risk Management**

The following table demonstrates the effect on the Dadaab NG-CDF's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant.

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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

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

**iv) Capital Risk Management**

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

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Accumulated Surplus	133,459,010	67,100,198
Retained Earnings	66,358,812	-
Capital Reserve	-	-
<b>Total Funds</b>	<b>199,817,822</b>	<b>167,100,198</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(95,375,172)	(21,085,214)
Net Debt/(Excess Cash And Cash Equivalents)	104,442,650	146,014,984
<b>Gearing</b>	<b>52%</b>	<b>87%</b>

**17. Related Party Disclosures**

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	8,358,500	-
<b>Total</b>	<b>8,358,500</b>	
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	195,014,984	-
<b>Total</b>	<b>195,014,984</b>	-

**18. Events after the Reporting Period**

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

**19. Ultimate and Holding Dadaab NG-CDF**

The Dadaab 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.

**20. 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**

<b>Asset class</b>	<b>Historical Cost/valuation cost balance brought forward (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	3,000,000	-	-	3,000,000
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	755,000	-	-	755,000
ICT Equipment and Other ICT Assets	145,000	-	-	1,000,000
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>3,900,000</b>	<b>-</b>	<b>-</b>	<b>3,900,000</b>

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

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**Annex 2 –PMC Bank Balances as at 30<sup>th</sup> June 2025**

PMC	Bank	Account number	Bank Balance FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
Haji Aden Primary School Pmc	Coop Bank Garissa	1100891669001	25	600
Igaal Primary School Pmc	Coop Bank Garissa	1100902194001	325	900
Labi Qaloc Primary Project Pmc	Coop Bank Garissa	1100824787001	741	1,358
Hamey Primary School Pmc	Coop Bank Garissa	1100908888001	825	1,400
Leheley Primary School Pmc	Coop Bank Garissa	1100841712001	41	658
Libaxlow Primary School Pmc	Coop Bank Garissa	1100905456001	226	1,501,975
Liboi Primary School Pmc	Coop Bank Garissa	1100902224001	275	1,886,658
Rahole Primary School Pmc	Coop Bank Garissa	1100823454001	342	358
Shebta Cad Primary School Pmc	Coop Bank Garissa	1100939848001	975	1,500,975
Adensantur Primary School Pmc	Coop Bank Garissa	1100891359001	25	1,426,175
Alikune Primary School Pmc	Coop Bank Garissa	1100909164001	100	1,000
Maslah Primary School Pmc	Coop Bank Garissa	1100916556001	450	2,200
Damajaley Primary School	Coop Bank Garissa	1100886661001	0	-
Haji Dekow Secondary School Pmc	Coop Bank Garissa	1100916238001	425	1,000
Kulan Secondary School Pmc	Coop Bank Garissa	1100907850001	(631)	1,500,000
Labasigale Secndary School Pmc	Equity Garissa	580284353022	1,092	1,500,667
Dertu Police Pmc	Coop Bank Garissa	1100839721001	82	316
Boy Gar Primary School	Equity Bank Garissa	580284544377	225	225
Damajaley Pry	Coop Bank Garissa	1100886661001	850	2,000
Alikune Pry	Coop Bank Garissa	1100909164001	250	-
Liboi Primary School	Coop Bank Garissa	1100902224001	0	-
Liban Primary School	Coop Bank Garissa		950	950
<b>Total</b>			<b>7,592</b>	<b>9,329,415</b>

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**Annex 3: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p><b>Unaccounted for Bursary Grants:</b> The Statement of receipts and payments reflects an amount of Kshs. 136,992,801 in respect to other grants and transfers. Included in the amount are bursary disbursements of Kshs. 31,627,020 and Kshs. 82,115,000 to secondary schools and tertiary institutions respectively. However, review of payment records provided for audit revealed that bursary disbursements amounting to Kshs. 4,100,000 were not supported by acknowledgement receipts and students fee statements from the institutions that received the bursaries. In the circumstances, the accuracy and completeness of the of the transfers to secondary schools of kshs. 4,100,000 for the year ended 30 June 2024 could not be confirmed</p>	<p>We have provided the acknowledge ments for review.</p>	<p>Not Resolved</p>	<p>In consultation with Office of the Auditor General as we await appearance before Decentralized Funds Accounts Committee of the National Assembly</p>
2.	<p><b>Emphasis of matter</b> <b>Budgetary control and Performance:</b> The summary statement of appropriation reflects the final budget and actual on comparable basis of Kshs. 292,731,209 and Kshs. 246,716,225 respectively, resulting to a budget under funding of Kshs. 46,014,984 representing 16% of the budget. Similarly, the fund spent</p>	<p>The under absorption of funds were as result of delayed disbursement of funds from</p>	<p>Not Resolved</p>	<p>In consultation with Office of the Auditor General as we await appearance before Decentralized Funds Accounts Committee of the National Assembly</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs. 234,960,426 against an actual receipt of Kshs. 246,716,225 resulting to under absorption of Kshs. 11,755,799 representing 5% of the receipts.</p> <p>The underfunding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter.</p>	<p>the NG-CDF Board.</p>		
3.	<p><b>Key Audit matters</b> <b>Other matter</b> <b>Unresolved Prior Year Matters:</b> In the audit of the previous year, several issues were raised under the report of financial statements and report of Lawfulness and Effectives in use of public Resources and report on Effectiveness of Internal Controls, Risk Management and Governance. Even though the management indicates the issues as resolved, the evidence of resolution has been provided. The issues remain unresolved.</p>	<p>All unresolved prior year matters raised by the Auditor General during the period under review have been addressed by the committee and the supporting documents are available</p>	<p>Not Resolved</p>	<p>In consultation with Office of the Auditor General as we await appearance before Decentralized Funds Accounts Committee of the National Assembly</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.	<p><b>Project Implementation status</b> During the Year under review, NG-CDF Dadaab constituency allocated Kshs. 271,481,916 to projects in various sectors including primary schools, secondary schools, security and emergencies within the constituency. Analysis as per the Project Implementation status report and expenditure returns indicated that 32 projects amounting to Ksh 94,547,517 were completed, 24 projects amounting to Kshs. 31,443,173 were ongoing while 10 projects allocated a total amount of ksh. 30,080,902 had not been started. Failure to implement and delayed completion of planned projects may have impacted negatively on service delivery to the residents of Dadaab Constituency.</p>	<p>for review and clearance by DFAC.  The delayed implementation of projects was due to delayed disbursements of funds from the NG-CDF Board.</p>	Not Resolved	In consultation with Office of the Auditor General we await appearance before Decentralized Funds Accounts Committee of the National Assembly
5.	<p><b>Failure to open deposit account:</b> The Fund failed to open a deposit holding account as required by section 7(1)(A) of the NG-CDF (Amendment) Act, 2022 which provides that each constituency shall open one deposit account for holding third party monies. In the circumstances, Management was in breach of the law.</p>	<p>We were waiting for approval to open account form the NG-CDF Board.  We have reported the</p>	Not Resolved	In consultation with Office of the Auditor General as we await appearance before Decentralized Funds Accounts Committee of the National Assembly
6.	<p><b>Failure to report to the Board on Utilization of Emergency Reserve:</b></p>		Not Resolved	In consultation with Office of the Auditor General as

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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)
	The statement of receipts and payments reflects other grants and transfer amount of Kshs 136,992,801. Included in the amount is Kshs. 3,772,378 incurred from emergency reserve. However, Management did not report to the NG-CDF Board the utilization of the funds within 30 days as required by the regulation 20(2) of the NG-CDF regulations, 2016. In the circumstances, the management was in breach of the law.	utilization of the fund.		we await appearance before Decentralized Funds Accounts Committee of the National Assembly
7.	<p><b>Non-Disclosure of PMC Bank Balances:</b> Annex 4 of the financial statements reflects a table of PMC bank balances. However, the management did not disclose the projects, bank, account number and balances as at 30<sup>th</sup> June 2024 as required. This was contrary to section 81(3) of Public Finance Management Act, 2012 requires the accounting officers from a National Government entity to prepare the financial statements in a form that complies with the relevant accounting standards board from time to time. In the circumstances, the management was in breach of the law.</p>	We have disclosed the PMC balances for review.	Not Resolved	In consultation with Office of the Auditor General as we await appearance before Decentralized Funds Accounts Committee of the National Assembly

FUND ACCOUNT MANAGER  
DADAAB-NG-CDF  
P. O. Box 1522-70100  
GARISSA

Name: HUSSEIN M ABDULLAH  
Fund Account Manager.