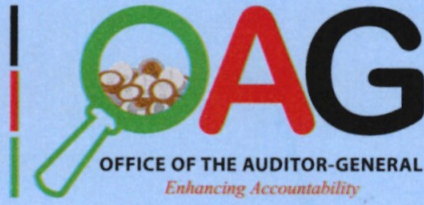
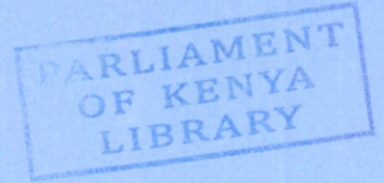


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - LAISAMIS
CONSTITUENCY**

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 FEB 2026	DAY: TUESDAY
TABLED BY:	DEPUTY MAJORITY LEADER
CLERK AT THE TABLE:	FINLAY



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LAISAMIS CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional Financial Statement Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
DFAC	Decentralized Funds Accounts Committee
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
NSSF	National Social Security Fund
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NG-CDF Laisamis Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Salim Hassan Hussein
2.	National Sub-County Accountant	David Kipsang
3.	Chairperson NG-CDFC	Mpirawon Raphaela Neepe
4.	Member NG-CDFC	Rehoboam Ltapanwa Letapo
5.	Member NG-CDFC	Charles Lesupuko Lekaldero

(c) Fiduciary Oversight Arrangements

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

(a) NG-CDF Laisamis Constituency Headquarters

Laisamis NG-CDF
P.O. Box 71-60500,
Laisamis Deputy County Commissioner office,
Marsabit Satellite office – Total Service Station building
Marsabit, Kenya.,

NG-CDF Laisamis Constituency Contacts

Telephone: (254) 720 108 050
E-mail: cdflaisamis@ngcdf.go.ke
Website: www.ngcdf.go.ke

(b) NGCDF Laisamis Constituency Bankers

1. Laisamis Constituency Development Fund
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
2. Laisamis Constituency NG-CDF Deposit Account
Equity Bank
Marsabit Branch
P.O Box 60500 Marsabit
3. Laisamis NG-CDF PMC Accounts.
 - 3.1. Amalio Primary School PMC NG-CDF Account
1239233736
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
 - 3.2. Arapal AP Post PMC NG-CDF Account
1266817859
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
 - 3.3. Balah Primary School PMC NG-CDF Account
1239971761
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya

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

- 3.4. Faith Primary School PMC NG-CDF Account
1276043848
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.5. Farakoren Primary School PMC NG-CDF Account
1127935127
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.6. Gangeisa Primary School PMC NG-CDF Account
1239556063
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.7. Gatab Primary School PMC NG-CDF Account
1267525355
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.8. Guuram Primary School PMC NG-CDF Account
1240288018
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.9. Hadad Primary School PMC NG-CDF Account
1240018657
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.10. Jijja Primary School PMC NG-CDF Account
1254913556
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.11. Kamboe Primary School PMC NG-CDF Account
1267666846
Kenya Commercial Bank Ltd,

National Government Constituencies Development Fund (NGCDF)
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- Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.12. Kargi AP Line PMC NG-CDF Account
1252310323
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.13. Kargi Primary School PMC NG-CDF Account
1249754291
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.14. Korolle Boys Secondary School PMC NG-CDF Account
1149510730
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.15. Korr AP Line PMC NG-CDF Account
1271960133
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.16. Korr Day Mixed Secondary School PMC NG-CDF Account
1259723771
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.17. Kulal Girls Secondary School PMC NG-CDF Account
1252511949
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.18. Laisamis Primary School PMC NG-CDF Account
1266559639
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya

National Government Constituencies Development Fund (NGCDF)
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- 3.19. Laisamis Sport Activities PMC NG-CDF Account
1246856883
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.20. Lbaarok Primary School PMC NG-CDF Account
1261423267
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.21. Lependera Primary School PMC NG-CDF Account
1240270003
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.22. Loglogo Muslim Primary School PMC NG-CDF Account
1258915499
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.23. Loglogo Primary School PMC NG-CDF Account
1254931287
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.24. Loiyangalani DCC PMC NG-CDF Account
1281606189
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.25. Losikiriachi Primary School PMC NG-CDF Account
1286633761
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.26. Marti Primary School PMC NG-CDF Account

National Government Constituencies Development Fund (NGCDF)
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1249923034
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya

- 3.27. Merille Mixed Day Secondary School PMC NG-CDF Account
1259948129
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.28. Merille Primary School PMC NG-CDF Account
1286403928
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.29. Ngororoi Primary School PMC NG-CDF Account
1239868367
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.30. Oltorot Ap Line PMC NG-CDF Account
1285185560
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.31. St. Dominic Savio Primary School PMC NG-CDF Account
1141410664
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.32. Ulauli Primary School PMC NG-CDF Account
1265720037
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.33. New dawn Primary School PMC NG-CDF Account
1327796171
Kenya Commercial Bank Ltd,
Marsabit Branch

National Government Constituencies Development Fund (NGCDF)
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P.O. Box 83 - 60500 Marsabit, Kenya

- 3.34. Moite Primary school PMC NG-CDF Account
1328839435
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.35. Two Sisters Primary School - Civicon PMC NG-CDF Account
1294096540
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.36. Serichoi Primary School PMC NG-CDF Account
1251995152
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.37. Tirgamo Primary School PMC NG-CDF Account
1297716760
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.38. Sakardala Primary School PMC NG-CDF Account
1138497215
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.39. Silapani Primary School PMC NG-CDF Account
1252837771
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.40. Logologo Girls Secondary School PMC NG-CDF Account
1254838007
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.41. Laisamis Secondary School PMC NG-CDF Account

National Government Constituencies Development Fund (NGCDF)
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1254701796
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya

- 3.42. Arapal Primary School PMC NG-CDF Account
1267176539
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.43. Arge Primary School PMC NG-CDF Account
1292012692
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.44. Ilmoti Primary School PMC NG-CDF Account
1335499903
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.45. Nairibi Primary School PMC NG-CDF Account
1114746312
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.46. Soito Primary School PMC NG-CDF Account
1335941827
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.47. Ngurunit Secondary School PMC NG-CDF Account
1209221896
Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 - 60500 Marsabit, Kenya
- 3.48. Ngurunit Police Post PMC NG-CDF Account
1339476088
Kenya Commercial Bank Ltd,
Marsabit Branch

National Government Constituencies Development Fund (NGCDF)
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P.O. Box 83 - 60500 Marsabit, Kenya

(d) Independent Auditor






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

(e) Principal Legal Adviser





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

3. NG-CDF Committee

Laisamis NG-CDF Committee has seven members, one co-opted member, Deputy County commissioner and Fund Account Manager. The details of NG-CDF Committee members are provided in the table below.

Name	Details
 CHAIRPERSON MPIRAWON RAPHAELA NEEPE FEMALE ADULT	Date of Birth.01/01/1980 Academic Qualification; certificate in secondary education Work Experience; Businesswoman, Women Leader.
 REHOBOAM LTAPANWA LETAPO MALE YOUTH	Date of Birth.07/08/1994 Academic Qualification; certificate in secondary education Work Experience; Youth Leader.
 CHARLES LESUPUKO LEKALDERO MALE ADULT	Date of Birth.01/01/1962 Academic qualification; certificate in secondary education Work experience; Retired Chief. Wazee wa Amani member.
 WILLIAM EBUKUT MALE ADULT	Date of Birth.01/01/1962 Academic Qualification; certificate in secondary education Work Experience; Loiyangalani Fish Co-operative Chairman, Community Elder.
	Date of Birth.28/11/1986 Academic Qualification; certificate in secondary education Work Experience; Businesswoman. Youth Leader

*National Government Constituencies Development Fund (NGCDF)
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<p>MARIA GUMATO KOCHALE PWD REPRESENTATIVE</p>	
 <p>STELLA GALAHO OBEILE FEMALE YOUTH</p>	<p>Date of Birth.04/04/1996 Academic Qualification; certificate in primary education Work Experience; Youth Leader.</p>
 <p>PETER EYSIMKELE CO-OPTED MEMBER</p>	<p>Date of Birth.28/02/1988 Academic Qualification; certificate in secondary education Work Experience; Self-Employed</p>
 <p>FATUMA FARHIA JUMAALI FEMALE ADULT</p>	<p>Date of Birth.01/01/1972 Academic Qualification; certificate in secondary education Work Experience; Businesswoman, Women Leader.</p>
 <p>FUND ACCOUNT MANAGER SALIM HASSAN HUSSEIN</p>	<p>Date of Birth. 24/02/1992 Academic Qualifications: - Bachelor of Economics and Statistics – University of Nairobi - Master of Business Administration (Finance) – On-going final stage (Research Project) – Kenyatta University - Senior Management Course – Kenya School of Government Work Experience; Employed Public Officer</p>

4. NG-CDFC Chairperson's Report



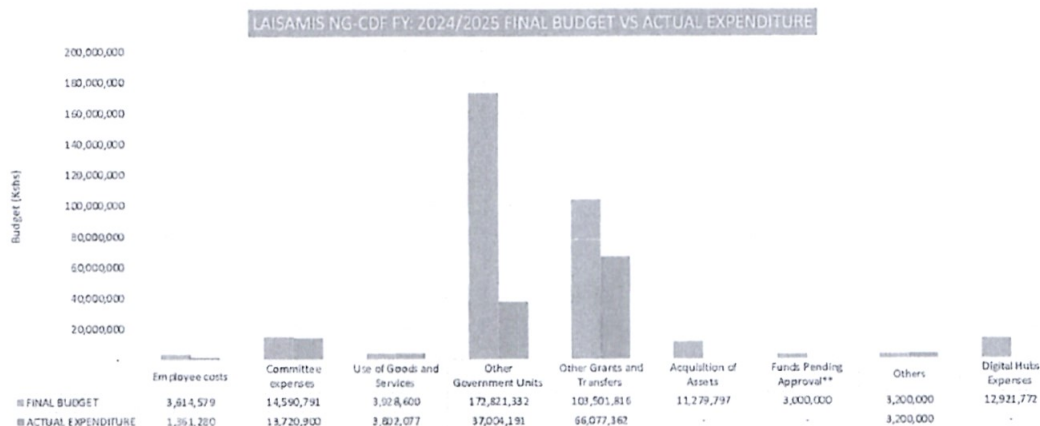
The National Government Constituency Development Fund Laisamis has experienced a successful year, notwithstanding a few challenges. The organization had an approved budget of Kshs. **179,441,954** out of which we received Kshs. **127,000,000** as a funding for the financial year budget and Kshs. **37,838,131** for balances from the preceding financial year, 2023/2024. In addition, the balance brought forward from the operations account amounted to Kshs. **95,272,148**, the balances from the Project Management Committee (PMCs) were Kshs. **13,306,454**, there were no balance brought forward from deposits account, and other receipts included AIA collected during the financial year.

the organization had a final budget totaling to Kshs. **328,858,687** out of which we successfully utilized Kshs **125,165,810** which is 38% utilization rate.

The actual utilization for specific sectors was as follows: employee costs amounted to Kshs. 1,361,280; committee expenses amounted to Kshs. 13,720,900; use of goods and services amounted to Kshs. 3,802,077; while Kshs. 37,004,191 was other government units certified works, other grants and transfers amounted to Kshs. 66,077,362; Digital Hubs Expenses is zero; Other payments which included renovation and construction of double pit latrine of Laisamis sub-county education office amounted to Kshs. 3,200,000. As compared to the final budget, however, the utilization rate was 38% which is due to the funds that have not been received from the board amounting to Kshs. 55,441,954 and late disbursement towards end of financial year 30th June 2025.

Below is a chart detailing the actual expenditure as compared to the final budget.

National Government Constituencies Development Fund (NGCDF)
Laisamis Constituency
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As per the above graph transfers to other government units certified works which includes: primary schools and secondary schools’ projects had the highest final budget, followed by other grants and transfers which included; bursary to secondary schools, bursary to tertiary institutions, bursary to special schools, security projects, climate change and mitigation projects and emergency projects. As per the graph Employee cost and other payments had the lowest share in the final budget. During the financial year the constituency utilized more funds received on transfers to other grants and transfers as depicted in the graph above.

The fund was successful in that we were able to disburse bursary to needy students in the constituency for both tertiary institutions and secondary schools. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.

Some of the projects implemented during the year are;

a) Kamboe Primary School

Renovation to completion of 8 classrooms; flooring with tiles, painting, fixing of doors and windows. Prior to the renovation, all eight classrooms that were scheduled for renovation were in poor condition due to the absence of windows, wooden doors that were mostly broken, and outdated flooring. The project involved installing new windows and metallic doors, repainting both the interior and exterior surfaces, and renovating the floors with tiles.



b) Loglogo Primary School

Construction to completion of one classroom, Supply and Delivery of 40 lockers and 40 chairs installation of gutters

Below is a photo to support the progress of the projects in the school in respect to the PMC members that oversaw the project from the grassroots to how it was completed.



Emerging Issues

- New curriculum in education sector requiring construction of new classrooms for Junior Secondary Schools classes in primary schools and construction and equipping laboratories.
- The impending change in education funding policy by the national government especially in the institutions of higher learning may require review of bursary allocations to the students.
- The impact of inflation and increase of school fees by education institutions may require review of minimum bursary allocations to the students.

Challenges

In course of the project implementation the NG-CDF encountered several challenges:

- Delay in approval of the budget by NG-CDF Board
- Delay in receipt from the NG-CDF Board leading to underutilization of the budget
- Demand for infrastructural projects exceeds annual allocation.
- The initial budget allocation was based on engineers estimate that was later affected by increase in the cost of building materials.

Way forward/Recommendation

National Government Constituencies Development Fund (NGCDF)
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- The NG-CDF Laisamis will work closely with NG-CDF Board to ensure budgets are approved on time and all funds are received on time to solve the challenge of underutilization.
- There is need for NG-CDF Board to review allocation of funds to the constituency to meet the demand for infrastructural projects.
- Our public works department has reviewed upwards the initial cost estimates to reflect the current economic conditions.



.....
MPIRAWON RAPHAELA NEEPE
CHAIRPERSON NG-CDF COMMITTEE

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

Introduction

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

The key development objectives of the NG-CDF Laisamis Constituency 2023-2027 plan are to:

- a) To improve education outcomes at all levels of learning
- b) To empower Constituents of Laisamis Constituency socially and economically
- c) To enhance Security for constituents
- d) To Address environmental challenges and reduce the impact of disaster risks
- e) To improve efficiency and effectiveness of Projects & programmes
- f) To support building of capacity and capability for timely response and management of disaster risks

Progress on the attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Build a stronger education sector in Laisamis to support children and youth	<ul style="list-style-type: none"> • Increased transition from primary to secondary schools • Increased transition from 	Increase provision of bursaries to students in primary and secondary schools, Technical,	Number of form one enrolment increased from 1,000 to 2,500 Number of

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		secondary school to technical and vocational skills <ul style="list-style-type: none"> • Increase the number of youths with technical and vocational skills • Increase the employability of skilled youths 	Industrial, Vocational and Entrepreneurship Training Institutions, and Universities	Bursary fund beneficiaries increased from 2,000 to 3,200
	To improve the learning environment	Improved performance in primary, secondary and technical and vocational training institutions	To provide infrastructure in Primary and Secondary schools, Special Education Schools and TVET Institutions. To equip schools with learning materials and equipment	Number of classrooms increased by 50

Program	Objective	Outcome	Indicator	Performance
Environment	To promote environmental conservation	Increase in knowledge, skills and passion for sustainable environment	Adopting environmentally friendly practices promotional talks on increasing forest cover and environmental conservation	Number of trees planted increased during national tree planting day
Security	Support security agencies in the Constituency for enhanced security	Reduction in crime rate Secure business environment	Improving security infrastructure	Secure business environment Number of security personnel staff quarters increased from 10 to 20

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

Information Communication and Technology (ICT)	To improve access to infrastructure for ease of doing business	Increase in online business uptake by youth	Establish four ICT hubs in the Constituency	Number of ICT centres at the constituency increased from 0 to 1
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6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG-CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG-CDF regulations requires that one to serve as member of the NG-CDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Process

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency.

Out of the total 17 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Laisamis Constituency Office as per section 43 of the NG-CDF Act, 2015. The NG-CDFC Laisamis comprises the following members as published through the Kenya Gazette Vol. CXXIV – No.276 dated 16th December 2022.

No.	NAME	CATEGORY	WARD
1.	Rehoboam Ltapanwa Letapo	Male Youth Representative	Laisamis
2.	Peter Eysimkele	Co-opted Member	Loglogo
3.	Stella Galaho Obeile	Female Youth Representative	Kargi/South Horr
4.	Mpirawon Raphaela Neepe	Female Adult Representative	Loglogo

*National Government Constituencies Development Fund (NGCDF)
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5.	Maria Gumato Kochale	Representative Of Persons Living with Disability	Laisamis
6.	William Ebukut	Male Adult Representative	Loiyangalani
7.	Fatuma Farhia Jumaali	Female Adult Representative	Korr/Ngurunit
8.	Charles Lesupuko Lekaldero	Male Adult Representative	Kargi/South Horr

The NG-CDFC LAISAMIS members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position -Mr. Mpirawon Raphaela Neepe
2. Secretary position – Mr. Rehoboam Ltapanwa Letapo

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are; Convene public meetings in every ward in the constituency to deliberate to on development matters, Deliberate on project proposals and any other projects considers beneficial to constituency, List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act, Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund, Ensure that all projects receive adequate funding and are completed within three years, Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board, Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act, Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.

Removal of NG-CDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds: lack of integrity, gross

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misconduct, embezzlement of public funds, bringing the committee into disrepute through unbecoming personal public conduct, promoting unethical practices, causing disharmony within the committee, physical or mental infirmity. In LAISAMIS the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2023/2024 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Laisamis.

Number of meetings held

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. During the financial year 2024/2025 the NGCDFC Laisamis held twenty meetings.

	Name of committee member	Meetings Held																			
		5/8/24	20/8/24	6/9/24	9/10/24	30/10/24	15/11/24	22/11/24	5/12/24	19/12/24	10/1/25	24/1/25	13/2/25	4/3/25	28/3/25	11/4/25	30/4/25	13/5/25	28/5/25	6/6/25	24/6/25
1	Rehoboa m Letapo	√	√	√	√	√	√	√	√	√	√	√	√	√	√	x	x	x	x	x	x
2	Peter Eysimkele	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Stella Obeile	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Mpirawo n Neepe	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Maria Kochale	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6	William Ebukut	√	√	√	√	√	√	√	√	√	√	√	√	√	√	x	x	x	x	x	x
7	Charles Lekaldero	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
8	Fatuma Jumaali	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9	Salim Hussein	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

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10	Kepha K. Marube	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
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Ethics & conduct

Members of NG-CDFC are required to observe the following ethical issues, Confidentiality, Honesty, integrity and Leadership.

During the financial year 2024/2025 members of NG-CDFC Laisamis adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NG-CDFC Laisamis contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NG-CDF staff in their respective technical areas of service, training of the NG-CDFCs 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.

Tenure of NG-CDFC members

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

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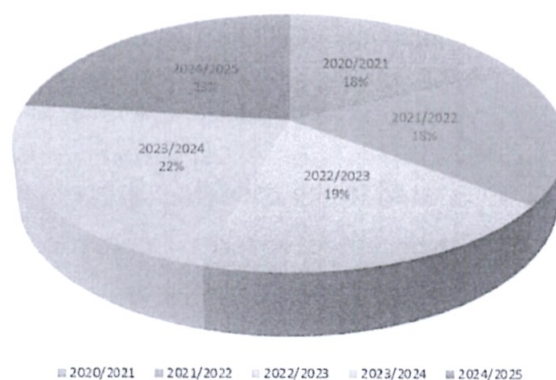
7. Management Discussion and Analysis

The National Government Constituencies Development Fund (NG-CDF) Laisamis Constituency has received a total of Kshs. **774,069,125** over the past five years. The fund has implemented several development projects in the constituency. The table below shows different allocations for the past five years.

S/NO	Financial Year	Allocation (Kshs)
1.	2020/2021	137,088,879
2.	2021/2022	137,088,879
3.	2022/2023	145,087,603
4.	2023/2024	175,361,810
5.	2024/2025	179,441,954
	TOTAL	774,069,125

In line with the Fund's mandate to promote equitable development and improve service delivery at the grassroots level, the funds have been allocated and utilized across different sectors such as education, infrastructure, security, digital hubs and social welfare. Below is a pie chart illustrating the percentage distribution of budget allocations across five financial years.

Laisamis NG-CDF Annual Budget Allocations from 2020/2021 to 2024/2025






The chart reveals that the budget allocation remained consistent at 18% for the years 2020/2021, 2021/2022, and 19% for 2022/2023, indicating a stable funding pattern during those periods. A notable increase is observed in 2023/2024, which received the highest allocation at 22%. The budget increased since the Ministry of Education channeled funds for construction of Junior Secondary classrooms through the NG-CDF fund. Followed closely by 2024/2025 with 23%. This upward trend in the last two years suggests an increased allocation

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in more recent periods, possibly reflecting new initiatives such as construction of digital hubs, climate change mitigation projects such as solarization of boreholes, supply of laboratory equipment to Junior Secondary schools and infrastructural development for primary, secondary and security projects.

Fund's key projects implemented

Detailed in the table below are the funds key projects implemented for education, security, climate change mitigation and Digital hub.

S/NO	Project Name/Activity	Amount	Financial Year	Photo
1	Kamboe Primary School- Renovation of classrooms	3,108,811	2023/24	
2	Loglogo Primary school School- Construction of one classroom - JSS	1,802,116	2023/24	
3	Gurram Primary School- Construction of one unit with 3 rooms staff house	1,500,000	2023/24	

Fund's Compliance with Statutory Requirements

The NG-CDF is established and governed under the National Government Constituencies Development Fund Act. NG-CDF Laisamis has complied with statutory requirements by adherence to the set financial guidelines, timely disbursement and utilization of funds, and submission of reports to oversight bodies such as the NG-CDF Board and the Auditor General.

Continuous training for NG-CDF committees and stricter enforcement by oversight institutions are necessary to ensure full compliance across the board.

Major Risks Facing the Fund

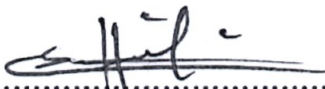
The NG-CDF Laisamis faces critical risks that may undermine its effectiveness and sustainability. These include delays in the release of funds from the National Treasury through NG-CDF Board. Furthermore, legal challenges questioning the constitutionality of the Fund have occasionally disrupted operations.

Review of the Economy and sector

The performance of the NG-CDF Laisamis is directly influenced by the national economy. Economic challenges such as inflation, budget deficits, and currency depreciation affect the amount of funding allocated to the Fund. However, when the economy grows and revenues improve, the Fund benefits from increased budgetary allocations, enabling it to support more projects at the constituency level. The NG-CDF Laisamis primarily operates within the development sector, focusing on infrastructure, education and security at the grassroots level. Over the past five years, it has contributed significantly to building classrooms, disbursement of bursaries for needy students, and constructing security projects such as police stations, posts and administrative offices.

Future Developments on the fund

Looking ahead, the NG-CDF is likely to undergo reforms aimed at enhancing transparency, efficiency, and constitutional alignment. Digitization of fund management, increased use of data for decision-making, and improved citizen engagement are expected to shape the Fund's future operations. Legislative amendments may also arise to address constitutional concerns and redefine the Fund's scope in light of devolution. Strengthening the capacity of NG-CDF committees and promoting partnerships with civil society will also be key to scaling the Fund's impact.



.....
Salim Hassan Hussein
Fund Account Manager

FUND MANAGER
LAISAMIS NG-CDF
13 AUG 2025
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8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Laisamis 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 has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

NG-CDF Laisamis is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organization has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices. NG-CDF Laisamis has solarized the boreholes in response to climate change mitigation and adaptation by replacing diesel-powered water pumps with clean, renewable solar energy. This transition significantly reduces greenhouse gas emissions while providing a reliable and sustainable water source. By enabling consistent access to water for drinking, sanitation, and agriculture, solarized boreholes support climate-resilient livelihoods, improve food security, and reduce dependency on fossil fuels. Additionally, they enhance energy access, lower long-term operational costs, and contribute to social benefits such as improved health, education, and gender equality, making them a key component of climate-smart infrastructure.

3. Employee welfare

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

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

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put

in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Laisamis Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development

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plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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


.....
Salim Hassan Hussein
Fund Account Manager.

FUND MANAGER
LAISAMIS NG-CDF
13 AUG 2025
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9. Statement of Management Responsibilities

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

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

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

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

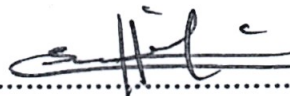
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NG-CDF Laisamis Constituency financial statements were approved and signed by the Accounting Officer on **13th August 2025**.



.....
Mpirawon Raphaela Neepe
Chairperson – NG-CDF Committee



.....
Salim Hassan Hussein
Fund Account Manager



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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

on pages 1 to 71, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following errors:

- i. The statement of financial position reflects cash and cash equivalents opening balance as at 1 July, 2024 of Kshs.108,578,602 which includes PMC's account balance of Kshs.13,306,454 as disclosed in Note 19 to the financial statements. However, the balance varies with that reflected in Annex 2 to the financial statements and the prior year audited financial statements balance of Kshs.3,222,918, resulting in unexplained variance of Kshs.10,083,535.
- ii. The statement of financial position and Note 29 to the financial statements reflect gratuity provision opening balance of Kshs.458,724 while the prior year audited statement of assets and liabilities reflects a nil amount. The variance was not explained or reconciled.
- iii. Note 30 to the financial statements on cash generated from operations reflects changes in receivables from non-exchange transactions of Kshs.14,411,950. However, recalculation of the change in receivables from non-exchange transactions as presented in the statement of financial position resulted to a change in the receivables of Kshs.14,603,823. The variance of Kshs.191,872 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position and Note 23 to the financial statements reflect property, plant and equipment balance of Kshs.315,000. However, the Fund did not provide the fixed assets register for audit review to support the balance, and therefore, asset movements and valuations during the year could not be verified.

As a result, the accuracy and completeness of the property, plant and equipment of Kshs.315,000 could not be confirmed.

3. Unsupported Projects Under other Grants and Transfers

The statement of financial performance and Notes 13 and 14 to the financial statements reflects Kshs.40,204,191 and Kshs.66,077,362 in respect to other government units and other grants and transfers actual expenditure respectively, disbursed for implementation of various projects. Projects amounting to Kshs.19,708,811 as shown in appendix ii were not properly supported with project management committee meeting minutes and attendance sheets, progress monitoring reports following monitoring and evaluation, evidence of project closure including labelling and handover reports upon completion of the projects.

In the circumstances, the accuracy and completeness of projects amounting to Kshs.19,708,811 could not be confirmed.

4. Non-Disclosure of Trade and Other Payables

The statement of financial position and Note 26 to the financial statements reflect a nil balance in respect of trade and other payables. However, review of available records revealed that the Fund had outstanding tax arrears amounting to Kshs.219,925 as indicated in the Kenya Revenue Authority (KRA) Enforcement Letter Ref: KRA/5/1002/26(12508) dated 17 June, 2025. The liability was not disclosed in the financial statements as required.

In the circumstances, the accuracy and completeness of the nil balance on trade and other payables 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 - Laisamis Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of comparison of budget and actual amounts reflects budgeted receipts of Kshs.328,858,687 and actual receipts of Kshs.273,416,733, resulting to a

shortfall of Kshs.55,441,954, or 17% of the approved budget. Similarly, the Fund spent a balance of Kshs.125,165,810 against the actual receipts of Kshs.273,416,733 resulting in under-absorption of Kshs.148,250,923, or 54% of the actual receipts.

The shortfall in receipts and under absorption affected the planned activities and may have impacted negatively on service delivery to the residents of Laisamis Constituency.

2. Late Transfers from the NG-CDF Board

The statement of financial performance and Note 6 to the financial statements reflect total transfers from the NG-CDF Board of Kshs.179,441,954. However, transfers totalling Kshs.39,641,954, or 22% of the total transfers, were received in July, 2025 after the closure of the financial year.

The late disbursement of funds by the NG-CDF Board disrupted the execution of planned projects and activities, thereby negatively impacting service delivery to the residents of Laisamis Constituency.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the National Government Constituencies Development Fund - Laisamis Constituency Management in the year 2024-2025 revealed that the following matters remained unresolved;

1. Inaccuracy in the Statement of Budget Execution by Sectors and Projects
2. Budgetary Control and Performance
3. Prior Year Unresolved Audit Matters
4. Projects Implementation Status
5. Failure to Return Unutilized PMC Bank Balances on Completed Projects
6. Irregularities in Project Implementation for Transfers to Primary Schools
7. Lack of Internal Audit Arrangements

8. Inaccuracy in the Statement of Budget Execution by Sectors and Projects
9. Budgetary Control and Performance
10. Projects Implementation Status
11. Failure to Return Unutilized PMC Bank Balances on Completed Projects

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance to PSASB Guidelines on the Preparation and Presentation of Financial Statements

The following omissions and misstatements were made contrary to the PSASB reporting template;

- i. The statement of comparison of budget and actual amounts has not presented the percentage (%) of utilization for the transfers from the NGCDF Board.
- ii. Note 27 to the financial statements reflects third party deposits (retentions) of Kshs.3,279,797. However, the Note has not disclosed the retention aging analysis as required.

In the circumstances, the Fund's financial statements did not comply with the reporting guidelines.

2. Irregularities in Procurement and Implementation of Primary Schools Projects

The statement of financial performance and Notes 13 and 14 to the financial statements reflect Kshs.40,204,191 and Kshs.66,077,362 in respect to other government units and other grants and transfers actual expenditure respectively disbursed for implementation of various projects. The following was noted on the audit of the projects;

2.1 Contraction of a Classroom and Supply of Furniture and Tank at Soito Primary

The Fund disbursed a total of Kshs.1,500,000 to the Project Management Committee (PMC) for Soito primary school for construction of one (1) classroom, furniture and rainwater harvesting. However, there was no evidence that a Tender Evaluation Committee was appointed, contrary to Section 46 of the Public Procurement and Assets Disposal Act, 2015 and the contract agreement was not provided for audit to confirm the terms and conditions of the contract, contrary to Section 135 (2) of the Public Procurement and Asset Disposal Act, 2015 that requires existence of a contract.

Further, Project Management Committee appointment letters, acceptance letter, inspection and acceptance committee, and tender opening and tender evaluation minutes, progress and handover reports, and delivery notes and invoice for the supply of furniture were not provided for audit.

2.2 Construction of Staff Quarters at Guram Primary School

The Fund disbursed a total of Kshs.1,500,000 to the Project Management Committee (PMC) to Guram primary school for construction of a teaching staff quarters block with three rooms meant for three occupants. However, the contract agreement was not provided for audit to confirm the terms and conditions of the contract, contrary to Section 135 (2) of the Public Procurement and Asset Disposal Act, 2015 that requires existence of a contract. In addition, appointment letters for the Project Management Committee Members, Inspection and Acceptance Committee meeting minutes, progress reports and handover reports were not provided for audit. Further, a project inspection carried out on 9 July, 2025 revealed that ceiling and electrical works worth Kshs.116,890 and Kshs.60,800 respectively, as per the bill of quantities were not done.

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

3. Failure to Return Unutilized Project Management Committee Balances

The statement of financial position and Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.148,250,923. Included and as disclosed under Annex 2 to the financial statements is forty-nine (49) Project Management Committee unutilized fund balances of Kshs.877,074 as at 30 June, 2025 which were not returned to the Constituency account. This is contrary to Section 12 (8) of the National Government Constituency Development Fund Act, 2015 that requires all unutilized funds of the Project Management Committee to be returned to the Constituency account. Further, included in the unutilized PMC balances was an amount of Kshs.625,740 from twenty-two (22) PMC accounts which had a constant balance brought forward from the previous year's financial statements and therefore they are dormant.

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

4. Non Implementation of Projects

The statement of financial performance and Note 13 and Note 14 to the financial statements reflect Kshs.40,204,191 and Kshs.66,077,362 in respect to other government units and other grants and transfers actual expenditure respectively, disbursed for implementation of various projects. Review of the approved project code list and implementation status reports for the year under audit revealed that the Fund had ninety-four (94) approved projects valued at Kshs.51,880,859 that were not implemented as at the time of the audit, with projects dating back to the 2022-2023 financial year.

In the circumstances, the constituents of Laisamis Constituency were denied the planned activities and benefits that were to come from the projects.

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

Lack of Involvement of Clerk of Works

The Fund did not engage the service of a Clerk of Works to oversee the implementation of its construction projects during the financial year, contrary to Section 45(1) of the National Government Constituencies Development Act, 2025 which requires Constituency Committees to engage staff as may be necessary for execution of its functions including persons with knowledge in construction.

In the circumstances, it was not possible to confirm whether supervision was consistently done on projects.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

01 December, 2025

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


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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	1,728,564
Committee expenses	11	13,606,800
Use of Goods and Services	12	3,658,050
Other Government Units Actual expenditure	13	40,204,191
Other Grants and Transfers Actual expenditure	14	66,077,362
Depreciation and amortization expense	15	135,000
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		125,409,967
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		54,031,987

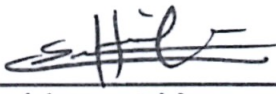
The Constituency financial statements were approved by the NGCDFC on **13th August 2025** and signed by



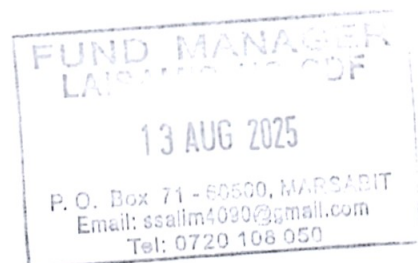
Chairperson NG-CDF
Committee
Raphaela Neepe



National Sub-County
Accountant
David Kipsang
ICPAK M/No: 17634



Fund Account Manager
Salim H. Hussein





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


12. Statement of Financial Position as at 30th June 2025

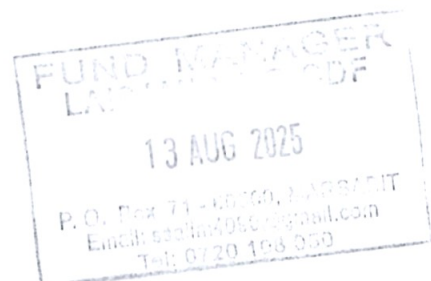
	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	19	148,250,923	108,578,602
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	55,441,954	40,838,131
Prepayments	22	-	191,873
Total Current Assets		203,692,877	149,608,606
Non-Current Assets			
Property, Plant and Equipment	23	315,000	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		315,000	-
Total Assets (A)		204,007,877	149,608,606
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	3,279,797	3,279,797
Lease Liabilities	28	-	-
Gratuity Provision	29	826,008	458,724
Total Current Liabilities		4,105,805	3,738,521
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,105,805	3,738,521
Net Assets (A-B)		199,902,072	145,870,085
Represented by:			
Revaluation Reserves		199,902,072	145,870,085
Accumulated Surplus		-	-
Total Net Assets		199,902,072	145,870,085

The Constituency financial statements set out on pages 1 to 22 approved by NG CDFC on **13th August 2025** and signed by:


Chairperson NG-CDF
Committee
Raphaela Neepe


National Sub-County
Accountant
David Kipsang
ICPAK M/No: 17634


Fund Account Manager
Salim H. Hussein



National Government Constituencies Development Fund (NGCDF)
LAISAMIS Constituency
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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 30th June 2024	95,272,148	-	95,272,148
Adjustments			
Recognition of Assets	54,336,458		54,336,458
Recognition of Liabilities	3,738,521		3,738,521
As at July 1, 2024	145,870,085		145,870,085
Surplus/(Deficit) For the Period	54,031,987		54,031,987
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	199,902,072	-	199,902,072

Note:

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

*National Government Constituencies Development Fund (NGCDF)
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14. Statement of Cash Flows for The Year Ended 30th June 2025

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		164,838,131
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income	9	-
Total Receipts		164,838,131
Payments		
Employee costs		1,361,280
Committee expenses	11	13,606,800
Use of Goods and Services	12	3,466,177
Other Government Units Certified Works	13	40,204,191
Other Grants and Transfers	14	66,077,362
Digital Hubs Expenses	16	-
Total Payments		124,715,810
Net Cash Flows from/ (used in) Operating Activities	30	40,122,321
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		450,000
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		450,000
Net increase/(decrease) in cash & Cash equivalents		39,672,321
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		39,672,321
Cash and cash equivalents at 1 July, 2024	19	108,578,602
Cash and cash equivalents at 30 June, 2025	19	148,250,923

National Government Constituencies Development Fund (NGCDF)
LAISAMIS Constituency
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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
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	179,441,954	108,578,602	40,838,131	328,858,687	273,416,733	55,441,954	
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	179,441,954	108,578,602	40,838,131	328,858,687	273,416,733	55,441,954	
Expenses							
Employee costs	1,993,891	1,620,688	-	3,614,579	1,361,280	2,253,299	38%
Committee expenses	11,421,885	3,168,906	-	14,590,791	13,720,900	869,891	94%
Use of Goods and Services	2,734,000	1,194,600	-	3,928,600	3,802,077	126,523	97%
Other Government Units Certified Works	75,037,601	79,445,600	18,338,131	172,821,332	37,004,191	135,817,141	21%

*National Government Constituencies Development Fund (NGCDF)
LAISAMIS Constituency
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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Other Grants and Transfers	82,871,319	14,930,497	5,700,000	103,501,816	66,077,362	37,424,454	64%
Others	-	2,600,000	600,000	3,200,000	3,200,000	-	100%
Digital Hubs Expenses	5,383,258	2,338,514	5,200,000	12,921,772	-	12,921,772	0%
Acquisition of Assets	-	3,279,797	8,000,000	11,279,797	-	11,279,797	0%
Funds Pending Approval**	-	-	3,000,000	3,000,000	-	3,000,000	0%
Total Expenditure	179,441,954	108,578,602	40,838,131	328,858,687	125,165,810	203,692,877	38%
Surplus for the period							

Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects. During the financial year 2023/2024 the constituency had Kshs.3,000,000 as funds pending approval.

Explanatory Notes.

- a) The utilization rate for compensation of employees was 38%. This was due to the funds which were received late from the board.
- b) The committee expenses were 94% and use of goods and services was at the utilization rate of 97%. This was due to the funds which were received late from the board and undisbursed funds from the board at the end of financial year.

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

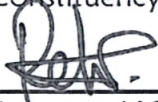
- c) Transfer to other government units was at the rate of 21% due to funds not yet received from the board as at 30th June, 2025 and funds which were received late and almost at closure of financial year.
- d) other grants and transfers utilization rate were 64%. This was due to the funds not yet received from the board as at the end of financial year.
- e) Digital Hubs Expenses utilization rate was 0% and other payments which included renovation of Laisamis sub-county director of education office were at the utilization rate of 100%.
- j) The utilization rate of funds compared to the final budget stands at 38% because of funds received late from the board and also due to undisbursed funds from the board as at 30th June, 2025. Specifically, Kshs. 55,441,954 which forms 31% of the budget is yet to be received from the board as at the close of financial year 2024/2025. However, we look at the utilization of actual funds available for use within the financial year that stands at 82%.

The changes between the original budget and final budget were due of opening cash and cash equivalents at 1st July, 2024 of Kshs. 95,272,148 and previous years outstanding balances of Kshs. 40,838,131 which Kshs. 37,838,131 were received during the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	203,692,877
Less undisbursed funds receivable from the Board as at 30 th June 2025	55,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	148,250,923

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

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 13th August 2025 and signed by:



Chairperson NG-CDF Committee
Raphaela Neepe



National Sub-County Accountant
David Kipsang
ICPAK M/No: 17634



Fund Account Manager
Salim H. Hussein

FUND MANAGER
LAISAMIS NG-CDF
13 AUG 2025
P. O. Box 71 - 60500, MARSABIT
Email: ssalim4090@gmail.com
Tel: 0720 108 050

National Government Constituencies Development Fund (NGCDF)
LAISAMIS Constituency
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16. Budget Execution by Sectors and Projects for the Year Ended 30th June 2025

Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,993,891	1,620,688	-	3,614,579	1,361,280	2,253,299
1.2 Committee allowances	6,338,626	-	-	6,338,626	5,733,900	604,726
1.3 Use of goods and services	2,434,000	641,972	-	3,075,972	2,962,077	113,895
Sub-total	10,766,517	2,262,660	-	13,029,177	10,057,257	2,971,920
2.0 Monitoring and evaluation						
3.02.1 Capacity building	1,900,000	160,680	-	2,060,680	1,945,200	115,480
2.2 Committee allowances	3,183,259	3,008,226	-	6,191,485	6,041,800	149,685
2.3 Use of goods and services	300,000	552,628	-	852,628	840,000	12,628
Sub-total	5,383,259	3,721,534	-	9,104,793	8,827,000	277,793
4.0 Emergency						
unutilized	9,444,313	6,134,354	-	15,578,667	9,200,000	6,378,667
Sub-total	9,444,313	6,134,354	-	15,578,667	9,200,000	6,378,667
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	35,627,006	6,546,143		42,173,149	36,403,362	5,769,787

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

Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.3 Tertiary Institutions	20,000,000			20,000,000	20,000,000	-
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	55,627,006	6,546,143	-	62,173,149	56,403,362	5,769,787
7.0 Environment						
Laisamis NG-CDF Climate Change and Mitigation Activities for laisamis town	900,000	-	-	900,000	-	900,000
Laisamis NG-CDF Climate Change and Mitigation Activities for loglogo town	900,000	-	-	900,000	-	900,000
Laisamis Secondary School	700,000	-	-	700,000	-	700,000
Laisamis primary school	700,000	-	-	700,000	-	700,000
Loglogo primary school	700,000	-	-	700,000	-	700,000
Korolle Boys Secondary School	800,000	-	-	800,000	-	800,000
Farakoren Primary School	800,000	-	-	800,000	-	800,000
kamotonyi primary school	800,000	-	-	800,000	-	800,000
Sub-total	6,300,000	-	-	6,300,000	-	6,300,000

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

Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.0 Primary Schools Projects						
Ureweno primary school	2,000,000	-	-	2,000,000		2,000,000
Kaben Primary School	1,740,000	-	-	1,740,000		1,740,000
Tirrim Primary School	1,740,000	-	-	1,740,000		1,740,000
Ndikir Primary School	2,000,000	-	-	2,000,000		2,000,000
Lbarok Primary School	500,000	-	-	500,000		500,000
Merille Primary School	2,800,000	-	-	2,800,000		2,800,000
Arge Primary School	500,000	-	-	500,000		500,000
Gatab Primary School	2,500,000	-	-	2,500,000		2,500,000
Lokilelengi Primary School	1,740,000	-	-	1,740,000		1,740,000
Kamboe Primary School	3,500,000	-	-	3,500,000		3,500,000
Ngoriong Elowa Primary School	1,740,000	-	-	1,740,000		1,740,000
Soit primary school	1,740,000	-	-	1,740,000		1,740,000
Lekuchula Primary School	2,500,000	-	-	2,500,000		2,500,000
Larachi Primary School	2,000,000	-	-	2,000,000		2,000,000
Moite primary school	2,000,000	-	-	2,000,000		2,000,000
Ureweno primary school	1,740,000	-	-	1,740,000		1,740,000
Two sisters primary school - Civicon	1,900,000	-	-	1,900,000		1,900,000

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

Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nebei primary school	2,000,000	-	-	2,000,000		2,000,000
Santur primary school	1,000,000	-	-	1,000,000		1,000,000
Mpagas Primary School	2,000,000	-	-	2,000,000		2,000,000
Barnai Primary School	1,740,000	-	-	1,740,000		1,740,000
Kurtider Nomadic Primary School	1,740,000	-	-	1,740,000		1,740,000
Layeni Primary School	1,740,000	-	-	1,740,000		1,740,000
Kurkum Primary School	1,740,000	-	-	1,740,000		1,740,000
Farakoren Primary School	1,740,000	-	-	1,740,000		1,740,000
Arapal Primary School	-	501,277	-	501,277	500,952	325
Dakhane Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Gurram Primary School	-	1,500,401	-	1,500,401	1,499,941	460
Kamboe Primary School	-	3,109,140	-	3,109,140	3,105,481	3,659
Kamotonyi Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Korr Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Kortider Nomadic Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Laisamis Primary School	-	2,000,000	-	2,000,000	-	2,000,000
Lekuchula Primary School	-	500,000	-	500,000	-	500,000
Lependera Primary School	-	1,500,000	-	1,500,000	-	1,500,000

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Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lontolio Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Lontolio Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Mark Ekale Primary School	-	1,740,000	-	1,740,000	-	1,740,000
Merille Primary School	-	500,496	-	500,496	499,855	641
Nairibi Primary School	-	500,000	-	500,000	-	500,000
Ndikir Primary School	-	1,740,000	-	1,740,000	1,740,000	-
Ngororo Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Ngurunit Primary School	-	1,000,115	-	1,000,115	500,115	500,000
Olturot Primary School	-	2,000,115	-	2,000,115	2,000,115	-
Santur Primary School	-	2,000,000	-	2,000,000	-	2,000,000
Serichoi Primary School	-	1,740,000	-	1,740,000	-	1,740,000
Serichoi Primary School	-	500,000	-	500,000	-	500,000
Serima Primary School	-	1,740,000	-	1,740,000	-	1,740,000
Two Sisters Primary School - Civicon	-	2,000,000	-	2,000,000	-	2,000,000
Mercy Primary School	-	463,986	1,338,131	1,802,117	-	1,802,117
Loglogo Primary School	-	1,802,116	-	1,802,116	-	1,802,116
Korr Primary School	-	1,802,117	-	1,802,117	-	1,802,117
Laisamis Primary School	-	1,802,116	-	1,802,116	-	1,802,116
Gatab Primary School	-	5,500,000	-	5,500,000	-	5,500,000

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Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kambinye Primary School	-	500,000	-	500,000	-	500,000
Arge Primary School	-	1,502,010	-	1,502,010	1,423,815	78,195
Burri Aramia Primary School (Re-allocation to Faith Primary School)	-	1,501,641	-	1,501,641	1,499,240	2,401
Lmoti Primary School	-	1,500,000	-	1,500,000	1,497,741	2,259
Soito Primary School	-	1,500,000	-	1,500,000	1,499,345	655
Soito Primary School	-	1,500,655	-	1,500,655	1,499,491	1,164
Losidan Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Nairibi Primary School	-	2,002,770	-	2,002,770	2,001,270	1,500
Amalio Primary School	-	907,377	-	907,377	900,590	6,787
Arapal AP Post	-	10,612	-	10,612	-	10,612
Balah Primary School	-	500,619	-	500,619	499,460	1,159
Farakoren primary School	-	887	-	887	-	887
Gangeisa Primary School	-	1,343	-	1,343	-	1,343
Gatab Primary School	-	1,908	-	1,908	-	1,908
Hadad Primary School	-	301,679	-	301,679	299,500	2,179
Jiija Primary School	-	801,817	-	801,817	801,120	697
Kargi AP Line	-	505,493	-	505,493	502,578	2,915
Kargi Primary School	-	3,085	-	3,085	-	3,085

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Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Korr AP Line	-	4,099	-	4,099	-	4,099
Kulal Girls Secondary School	-	1,494	-	1,494	-	1,494
Laisamis Primary School	-	1,034	-	1,034	-	1,034
Laisamis Sport Activities	-	353	-	353	-	353
Lbaarok Primary School	-	1,051,579	-	1,051,579	1,050,120	1,459
Lependera Primary School	-	4,865	-	4,865	-	4,865
Loglogo Muslim Primary School	-	434	-	434	-	434
Loglogo Primary School	-	4,912	-	4,912	-	4,912
Loiyangalani DCC	-	502,394	-	502,394	500,470	1,924
Losikiriachi Primary School	-	1,634	-	1,634	-	1,634
Marti Primary School	-	3,578	-	3,578	366	3,212
Merille Mixed Day Secondary School	-	1,405	-	1,405	-	1,405
Ngororoi Primary School	-	1,502,353	-	1,502,353	1,499,355	2,998
Oltorot AP Line	-	514	-	514	-	514
St. Dominic Savio Primary School	-	2,807,482	-	2,807,482	2,807,029	454
Ulauli Primary School	-	716	-	716	-	716
New dawn Primary School	-	4,425	-	4,425	-	4,425

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		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Moite Primary school	-	1,135	-	1,135	-	1,135
Two Sisters Primary School - Civicon	-	1,754	-	1,754	-	1,754
Serichoi Primary School	-	500,645	-	500,645	500,120	525
Tirgamo Primary School	-	450,360	-	450,360	449,575	785
Sakardala Primary School	-	75,945	-	75,945	-	75,945
Silapani Primary School	-	826,925	-	826,925	824,537	2,388
Logologo Girls Secondary School	-	145	-	145	-	145
Laisamis Secondary School	-	2,001,835	-	2,001,835	2,001,020	815
Sub-total	46,340,000	75,935,791	1,338,131	123,613,922	31,903,201	91,710,721
9.0 Secondary Schools Projects (List all the Projects)						
Loiyangalani Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Ngurunit Mixed Secondary School	700,000.00	-	-	700,000	-	700,000
Laisamis Secondary School	3,033,601.00	-	-	3,033,601	-	3,033,601
Loglogo Girls Secondary School	11,482,000.00	-	-	11,482,000	-	11,482,000
Ngurnit Mixed Secondary School	11,482,000.00	-	-	11,482,000	-	11,482,000

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Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Korolle Boys Secondary School	-	6,199	2,000,000	2,006,199	1,901,175	105,024
Korr Mixed Day Secondary School	-	503,041	500,000	1,003,041	500,000	503,041
Kulal Girls Secondary School	-	-	1,500,000	1,500,000	-	1,500,000
Loglogo Girls Secondary School	-	-	4,000,000	4,000,000	-	4,000,000
Loglogo Girls Secondary School	-	-	3,000,000	3,000,000	-	3,000,000
Loglogo Girls Secondary School	-	-	1,000,000	1,000,000	-	1,000,000
Loglogo Girls Secondary School	-	-	500,000	500,000	-	500,000
Ngurunit Secondary School	-	569	4,500,000	4,500,569	2,699,815	1,800,754
Korr Mixed Day Secondary School	-	1,500,000		1,500,000	-	1,500,000
Sub-total	28,697,601	2,009,809	17,000,000	47,707,410	5,100,990	42,606,420
10.0 Tertiary institutions Projects (List all the Projects)						
Merille Technical and Vocational College	-	1,500,000	-	1,500,000		1,500,000
Sub-total	-	1,500,000	-	1,500,000	-	1,500,000

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Programme/Sub-program	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
11.0 Security Projects						
Loiyagalani Police Station	4,000,000	-		4,000,000	-	4,000,000
Kargi Police Station	3,000,000	-	-	3,000,000	-	3,000,000
Arapal Chief's Office	2,500,000	-		2,500,000	-	2,500,000
Dakhaye Police Post	2,000,000	-		2,000,000	-	2,000,000
Laisamis Administration Police Line	-	500,000		500,000	-	500,000
Laisamis Deputy County Commissioner Residence	-	1,000,000		1,000,000	-	1,000,000
Loiyangalani Chief Office	-	-	2,200,000	2,200,000	-	2,200,000
Ngurunit Police Post	-	-	2,000,000	2,000,000	-	2,000,000
South-Horr Police Post	-	-	1,500,000	1,500,000	-	1,500,000
Ngurunit Police Post	-	500,000		500,000	474,000	26,000
Loglogo Police Post	-	250,000		250,000	-	250,000
Sub-total	11,500,000	2,250,000	5,700,000	19,450,000	474,000	18,976,000
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings -Laisamis NG-CDF Office			8,000,000	8,000,000	-	8,000,000

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Construction of CDF office		3,279,797		3,279,797	-	3,279,797
Sub-total	-	3,279,797	8,000,000	11,279,797	-	11,279,797
13.0 Others						
Laisamis Sub County Education Office		2,600,000	600,000	3,200,000	3,200,000	-
Innovation Hub		2,338,514		2,338,514	-	2,338,514
Digital Center-Loglogo Town	5,383,258.00			5,383,258	-	5,383,258
Digital Center-Laisamis Town			5,200,000	5,200,000		5,200,000
Sub-total	5,383,258	4,938,514	5,800,000	16,121,772	3,200,000	12,921,772
Funds pending approval**				-		-
unapproved projects		-		-		-
Lapikutok Ilout Sarima Junction Security Road			2,500,000	2,500,000	-	2,500,000
Mt. Kulal - Loolmugul Security Road		-	500,000	500,000	-	500,000
AiA	-			-	-	-
Sub-total	-	-	3,000,000	3,000,000	-	3,000,000
Total	179,441,954	108,578,602	40,838,131	328,858,687	125,165,810	203,692,877

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Laisamis Constituency principal activity is finance socio-economic and infrastructure development projects.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these are first set of transitional financial statements. The NG-CDF Laisamis Constituency has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>IPSAS 43, effective 1 January 2025, does not have impact on the NG-CDF Laisamis financial statements, as there are currently no lease agreements in place.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</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>

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	<p>IPSAS 44, effective 1 January 2025, does not have an impact on NGCDF Laisamis, as the Constituency currently has no non-current assets classified as held for sale or discontinued operations.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>IPSAS 45, effective 1 January 2025, is does not have an impact on NG-CDF Laisamis, as the Constituency's property, plant, and equipment mainly consists of standard assets such as office equipment, with no identified heritage or complex infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

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	<p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>IPSAS 46 does not have an impact on NG-CDF LAISAMIS financial statements.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>IPSAS 47, effective 1 January 2026, is expected to enhance revenue recognition practices for NGCDF Laisamis by providing a single, comprehensive framework for accounting for both exchange and non-exchange revenue.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>IPSAS 48, effective 1 January 2026, is not expected to have a significant impact on NG-CDF Laisamis, as the Constituency typically operates as a recipient rather than a provider of transfer expenses.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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	IPSAS 49, effective 1 January 2026, is not expected to have an impact on NGCDF Laisamis, as the Entity does not operate a retirement benefit plan but only pays gratuity when due.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>IPSAS 50, effective 1 January 2027, is not expected to have any impact on NG-CDF Laisamis, as the Entity is not involved in the exploration for or evaluation of mineral resources.</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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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

NGCDF Laisamis does not operate its own retirement benefit plan. Retirement benefits for employees are provided through government-established schemes, and the Entity does not manage any defined benefit or defined contribution plans. The Entity makes statutory contributions to the National Social Security Fund (NSSF) on behalf of its employees as required by law. In addition, gratuity payments are made to eligible employees upon completion of their contracts, in accordance with employment terms and government regulations. Both NSSF contributions and gratuity payments are recognized as expenses in the period in which the related employee service is rendered. 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 NG-CDF Laisamis regards a related party as a person or an Entity with the ability to exert control individually or jointly or to exercise significant influence over the NGCDF Laisamis, 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 NG-CDF Laisamis financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Provisions are recognized when NGCDF Laisamis has a present legal or constructive obligation 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. Applicable provisions for NGCDF Laisamis may include: Provision for pending project obligations, where funds have been committed to community projects but not yet disbursed; Provision for legal claims or disputes, where there is a probable outflow due to ongoing legal matters.

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NG-CDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

Description	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	-

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10. Employees cost

Description	2024-2025
	Kshs
NG-CDFC Basic staff salaries	1,204,538
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	367,284
Employer Contributions Compulsory national social security schemes	125,395
Employer Contributions Compulsory Housing levy	31,347
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	1,728,564

11. Committee Expenses

Description	2024-2025
	Kshs
Sitting allowance	1,040,000
Other Committee expenses	12,566,800
Total	13,606,800

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12. Use of Goods and services

Description	2024/2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	608,250
Domestic travel and subsistence	754,100
Printing, advertising and information supplies & services	-
Office Rent	420,000
Training expenses	-
Hospitality supplies and services	-
Insurance costs	191,873
Specialized materials and services	-
Office and general supplies and services	102,600
Fuel, oil & lubricants	1,000,000
Bank charges	24,389
Routine maintenance – vehicles and other transport equipment	556,838
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	3,658,050

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	35,103,201
Secondary Schools Actual expenditure	5,100,990
Tertiary Institutions Actual expenditure	-
Total	40,204,191

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14. Other Grants and transfers Actual expenditure

Description	2024/2025
	Kshs
Bursary – secondary schools	32,228,362
Bursary – tertiary institutions	24,175,000
Bursary – special schools	-
Bursary - Education Support program	-
Social Security program (SHIF)	-
Security projects Actual expenditure	474,000
Climate change mitigation projects	-
Emergency projects Actual expenditure	9,200,000
Roads projects Actual expenditure	-
Sub-County Education office	-
Others (Purchase of Revision books)	-
Total	66,077,362

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	135,000
Intangible Assets	-
Total	135,000

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others	-
Total	-

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
1. Laisamis Constituency Development Fund Kenya Commercial Bank Ltd, Marsabit Branch Account No.1102625191 (Operations account)	147,373,849	95,272,148
Operations account pending closure (Indicate name & account no.)	-	-
2. Laisamis Constituency NG-CDF Deposit Account Equity Bank Marsabit Branch, Account no.1010286227183 (Deposit account)	-	-
Equity Bank, Tala Branch, account No. (PMC's account)	877,074	13,306,454
Total	148,250,923	108,578,602
Cash Balances		
Location 1	-	-
Total	-	-

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20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	55,441,954		40,838,131	
Outstanding imprest	-		-	
Total	55,441,954		40,838,131	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		191,873	
Prepaid Electricity Costs	-		-	
Other Prepayments	-		-	
Total	-		191,873	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2025	-	-	-	-	-	-	-	-
Additions	-	-	-	-	450,000	-	-	450,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	450,000	-	-	450,000
Depreciation And Impairment								
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	-	-	-	135,000	-	-	135,000
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025		-	-	-	135,000	-	-	135,000
Net Book Values					315,000	-	-	315,000
Opening Bal as at 1st July 2025	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	315,000	-	-	315,000

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Valuation

Computers and ICT Equipment were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 1st July, 2024.

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	450,000	135,000	315,000
Office Equipment, Furniture, And Fittings	-	-	-
Total	450,000	135,000	315,000

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

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

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24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1st 2024	-
NBV at June 30th 2025	-

25. Right-of use assets

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

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26. Trade and Other Payables

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

27. Third-Party deposits

	2024/2025
	Kshs
Retention as at 1 st July (A)	3,279,797
Retention held during the year (B)	-
Retention paid during the Year (C)	-
Closing Retention as at 30th June,2025 D= A+B-C	3,279,797

Retentions aging analysis.

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

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28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July, 2024(A)	458,724
Gratuity held during the year(B)	367,284
Gratuity paid during the year(C)	-
Total Gratuity Provision 30th June (A+B-C)	826,008

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30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	54,031,987
Adjusted for:	
Depreciation	135,000
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	14,411,950
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	(367,284)
Changes in payments received in advance	-
Net cash flow from operating activities	40,122,321

31. Financial Risk Management

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

i) Credit risk

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

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the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	55,441,954	55,441,954	-	-
Bank balances	148,250,923	148,250,923	-	-
Total	203,692,877	203,692,877	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	40,838,131	40,838,131	-	-
Bank balances	108,578,602	108,578,602	-	-
Total	149,416,733	149,416,733	-	-

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

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Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 2023/24 financial year. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

i) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			826,008	826,008
Total	-	-	826,008	826,008
As at 30th June 2024			-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			458,724	458,724
Total	-	-	458,724	458,724

ii) Market risk

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

a) Foreign currency risk

The entity has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices 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 carrying amount of the entity foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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2024/25 FY

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

Foreign currency sensitivity analysis

2024/2025 FY

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

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Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one

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percentage point as a decrease/increase. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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As at 30 th June 2024	-	-	-	-
Financial Assets	-	-	-	-
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	199,902,072	145,870,085
Retained Earnings	54,031,987	-
Capital Reserve	-	-
Total Funds	253,934,059	145,870,085
Total Borrowings	-	-
Less: Cash and Bank Balances	148,250,923	108,578,602
Net Debt/(Excess Cash and Cash Equivalents)	105,683,136	37,291,483
Gearing	0%	0%

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	13,606,800	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	164,838,131	-
Total	164,838,131	-

33. Segment Information

NG-CDF Laisamis does not operate in different geographical areas, the office only operates at Laisamis constituency in Marsabit county, Kenya. Therefore, no segmental information to report or present.

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Laisamis National Government Constituency Development Fund is a fund under The National Treasury and Planning & managed by NG-CDF Board at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	4,889,726	-	-	4,889,726
Transport equipment	9,925,000	-	-	9,925,000
Office equipment, furniture, and fittings	287,000	450,000	-	737,000
ICT Equipment and Other ICT Assets	1,029,508	-	-	1,029,508
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	16,131,234	450,000	-	16,581,234

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Annex 2 –PMC Bank Balances as at 30th June 2025

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
AMALIO PRIMARY SCHOOL PMC	KCB	1239233736	6,787	7,377
ARAPAL AP POST PMC	KCB	1266817859	10,612	10,612
BALAH PRIMARY SCHOOL PMC	KCB	1239971761	1,159	300,619
FAITH PRIMARY SCHOOL PMC	KCB	1276043848	2,401	616
FARAKOREN PRIMARY SCHOOL PMC	KCB	1127935127	887	887
GANGEISA PRIMARY SCHOOL PMC	KCB	1239556063	1,343	1,343
GATAB PRIMARY SCHOOL PMC	KCB	1267525355	1,908	1,908
GUURAM PRIMARY SCHOOL PMC	KCB	1240288018	460	401
HADAD PRIMARY SCHOOL PMC	KCB	1240018657	2,179	1,679
JIIJA PRIMARY SCHOOL PMC	KCB	1254913556	697	801,817
KAMBOE PRIMARY SCHOOL PMC	KCB	1267666846	3,659	329
KARGI AP LINE PMC	KCB	1252310323	2,915	5,493
KARGI PRIMARY SCHOOL PMC	KCB	1249754291	3,085	3,085
KOROLLE BOYS SECONDARY SCHOOL PMC	KCB	1149510730	105,024	6,199
KORR AP LINE PMC	KCB	1271960133	4,099	4,099
KORR DAY MIXED SECONDARY SCHOOL PMC	KCB	1259723771	503,041	503,041
KULAL GIRLS SECONDARY SCHOOL PMC	KCB	1252511949	1,494	1,494
LAISAMIS PRIMARY SCHOOL PMC	KCB	1266559639	1,034	1,034
LAISAMIS SPORT ACTIVITIES PMC	KCB	1246856883	353	353
LBAAROK PRIMARY SCHOOL PMC	KCB	1261423267	1,459	1,579
LEPENDERA PRIMARY SCHOOL PMC	KCB	1240270003	4,865	4,865
LOGLOGO MUSLIM PRIMARY SCHOOL PMC	KCB	1258915499	434	434
LOGLOGO PRIMARY SCHOOL PMC	KCB	1254931287	4,912	4,912
LOIYANGALANI DCC PMC	KCB	1281606189	1,924	502,394
LOSIKIRIACHI PRIMARY SCHOOL PMC	KCB	1286633761	1,634	1,634
MARTI PRIMARY SCHOOL PMC	KCB	1249923034	3,212	3,578

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
MERILLE MIXED DAY SECONDARY SCHOOL PMC	KCB	1259948129	1,405	1,405
MERILLE PRIMARY SCHOOL PMC	KCB	1286403928	641	496
NGOROROI PRIMARY SCHOOL PMC	KCB	1239868367	2,998	2,353
OLTOROT AP LINE PMC	KCB	1285185560	514	514
ST. DOMINIC SAVIO PRIMARY SCHOOL PMC	KCB	1141410664	454	7,482
ULAULI PRIMARY SCHOOL PMC	KCB	1265720037	716	716
NEW DAWN PRIMARY SCHOOL PMC	KCB	1327796171	4,425	4,425
MOITE PRIMARY SCHOOL PMC	KCB	1328839435	1,135	1,135
TWO SISTERS PRIMARY SCHOOL - CIVICON PMC	KCB	1294096540	1,754	1,754
SERICHOI PRIMARY SCHOOL PMC	KCB	1251995152	525	500,645
TIRGAMO PRIMARY SCHOOL PMC	KCB	1297716760	785	450,360
SAKARDALA PRIMARY SCHOOL PMC	KCB	1138497215	75,945	75,945
SILAPANI PRIMARY SCHOOL PMC	KCB	1252837771	2,388	1,925
LOGLOGO GIRLS SECONDARY SCHOOL PMC	KCB	1254838007	145	145
LAISAMIS SECONDARY SCHOOL PMC	KCB	1254701796	815	1,835
ARAPAL PRIMARY SCHOOL PMC	KCB	1267176539	325	0
ARGE PRIMARY SCHOOL PMC	KCB	1292012692	78,195	0
ILMOTI PRIMARY SCHOOL PMC	KCB	1335499903	2,259	0
NAIRIBI PRIMARY SCHOOL PMC	KCB	1114746312	1,500	0
SOITO PRIMARY SCHOOL PMC	KCB	1335941827	655	0
SOITO PRIMARY SCHOOL PMC	KCB	1335941827	1,164	0
NGURUNIT SECONDARY SCHOOL PMC	KCB	1209221896	754	0
NGURUNIT POLICE POST PMC	KCB	1339476088	26,000	0
TOTAL			877,074	3,222,918

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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)
OAG/IRO/NG-CDF-LAISAMIS/2023/2024	<p>Basis for Qualified Opinion Inaccuracy in the Statement of Budget Execution by Sectors and Projects The statement of budget execution by sectors and projects reflects Kshs. 10,138,514 in respect to total budget utilization difference for the Innovation hub. However, computation of the same balance indicates Kshs. 10,738,514 resulting in an unreconciled variance of Kshs.600,000. In the circumstances, the accuracy of the statement of budget execution by sectors and projects could not be confirmed.</p>	<p>The error variance is corrected in subsequent financial year 2024/2025. Kshs. 600,000 project allocated Laisamis Sub County Director of Education office for construction of double pit latrine to completion.</p>	Not Resolved	In consultation with Auditor General pending appearance before Decentralized Fund Account Committee of Parliament
	<p>Budgetary Control and Performance The summary statement of appropriation reflects total</p>	<p>The under-expenditure was occasioned by late</p>	Not Resolved	In consultation with Auditor General pending appearance before Decentralized

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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>budgeted receipts of Kshs.277,665,597 and actual receipts of Kshs.236,827,466 resulting to under realization of Kshs. 40,838, 131 or 15% of the budget. Similarly, the same statement reflects total budgeted expenditure of Kshs. 277,665,597 and actual expenditure of Kshs.141,555,318 resulting to under-absorption of Kshs. 136, 110,279 or 49% of the budget. The under realization and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Laisamis Constituency.</p>	<p>disbursement of funds by the Ex chequer. A copy of AIE has been availed to the auditor for review.</p>		<p>Fund Account Committee of Parliament</p>
	<p>Other Matter Prior Year Unresolved Audit Matters In the previous audit report one (1) issue was raised under Basis for Qualified opinion,</p>	<p>Laisamis NG-CDF management was awaiting invite by the DFAC</p>	<p>Not Resolved</p>	<p>In consultation with Auditor General pending appearance before Decentralized Fund Account</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>one (1) paragraph under Emphasis of Matter, one (1) paragraph under Other Matter, three (3) paragraphs under Report on Lawfulness and Effectiveness in Use of Public Resources and one (1) paragraph under Report on Effectiveness of Internal Controls, Risk Management and Governance However, the matter remains unresolved since the relevant committee of Parliament has not deliberated on the matters</p>	<p>committee to deliberate on auditor issues raised,</p>	<p>Not Resolved</p>	<p>In consultation with Auditor General pending appearance before Decentralized Fund Account Committee of Parliament</p>
	<p>Basis for Conclusion 1. Projects Implementation Status Review of the project implementation status report for the year ended 30 June, 2024 revealed that the National Government Constituencies Development Fund - Laismis Constituency budgeted for eighty-seven (87) projects</p>	<p>The delay in implementation of the projects was due to late disbursement. The funds were received, and projects were fully implemented. Certificate of Completion</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>amounting to Kshs. 165,205,028 to be undertaken during the year. However, thirty (30) projects amounting to Kshs.57,636, 190 were completed, three (3) projects amounting to Kshs. 14,391,561 were ongoing and fifty-four (54) projects amounting to Kshs.93,177,277 had not commenced.</p> <p>In the circumstances, the residents of the Constituency failed to get the expected benefits from projects equivalent to Kshs. 107,568,838 on projects that had not commenced or were incomplete as at 30 June, 2024.</p>	<p>and Photos for the projects have been availed to the auditor for review.</p>		
	<p>Failure to Return Unutilized PMC Bank Balances on Completed Projects</p> <p>Note 19.4 to the financial statements reports Project Management Committees' (PMC) unutilized fund balances of Kshs.3,222,918 as</p>	<p>Kshs.3,222,918 PMC balance is utilized that was allocated for pending project that was ongoing during audit</p>	<p>Not Resolved</p>	<p>In consultation with Auditor General pending appearance before Decentralized Fund Account Committee of Parliament</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>at 30 June 2024, as detailed in Annex 5. However, Kshs. 1,526,532, related to completed projects, had not been returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 (amended 2022). In the circumstances, Management was in breach of the law.</p>			
	<p>Irregularities in Project Implementation for Transfers to Primary Schools The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.46,986,992 in respect to transfers to other government units which includes Kshs.42,986,992 transfers to primary schools. However, the following anomalies were noted during the audit:</p>	<p>At the time of audit, the project was still on-going. The project was completed and is in use. Completion certificate and photos have been availed to the auditor for review.</p>	Not Resolved	In consultation with Auditor General pending appearance before Decentralized Fund Account Committee of Parliament

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>3.1 Construction of Staff Quarters at Log Logo Muslim Primary School Included in the transfers to primary schools was Kshs.2,000,000 transferred to Log Logo Muslim Primary School for the construction of a four-room staff quarter. However, physical verification of the project in November 2024 revealed the following unsatisfactory issues:</p> <p>3.1.1 Deviation from the Approved Structural Design The building's structural design specified a four-room staff quarter with a width of 4000 mm. However, the actual construction deviated from the approved design with the width reduced to 3250 mm, making the rooms smaller than required. Additionally, the front verandah, initially designed with a width of 150 mm was constructed with a width of 110 mm. The</p>	<p>All projects were implemented in accordance with BQ specifications and under the supervision of the public works officer.</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>contractor therefore irregularly deviated from the approved design despite receiving full payment.</p> <p>3.1.2 Incorrect Window Specifications The Bill of Quantities specified the supply and installation of eight (8) steel casement windows, each measuring 1000x1200 mm at a unit cost of Kshs. 12,000. However, windows installed were measuring 830x710 mm with substandard quality of putty therefore deviating from the specified dimensions.</p> <p>3.1.3 Ceiling Works not Done The Bill of Quantities provided for ceiling works totaling Kshs. 152,060 including timber brandering, ceiling boards, cornice, and painting. However, physical inspection revealed that these ceiling works had not been carried out despite the total contract price being fully paid.</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>3.1.4 Incomplete Doors Installation The Bill of Quantities specified the installation of four doors at Kshs.25,000 each, totaling Kshs. 100,000. However, only three doors were installed, leaving one doorway without a door.</p> <p>3.1.5 Electrical Works Not Performed The Bill of Quantities included Kshs. 119,000 for the supply, installation, testing, and commissioning of electrical works, including lighting points, fittings, socket outlets, consumer units, and sub-mains cables. However, physical verification revealed that none of the listed electrical works were carried out despite the funds being allocated for the works</p>			
	<p>3.2 Renovation to Completion of 8 Classrooms at Laisamis Primary School</p>	<p>At the time of audit, the project was still on-going. The</p>	<p>Not Resolved</p>	<p>In consultation with Auditor General pending appearance before Decentralized</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>Included in transfers to primary schools was Kshs.3,161,992 which was incurred on renovation of eight (8) Classrooms at Laisamis Primary School which included flooring with tiles, painting, fixing of doors and windows. However, physical verification of the project in November 2024, revealed the following anomalies:</p> <p>i. The Contract Agreement between the supplier and the project management committee for the works was not available in the project file, and as such, the timelines and conditions of the contract could not be confirmed.</p> <p>ii. There were major cracks on the walls that remained unattended, with paint applied over these cracks despite the Bill of Quantities providing for provisional sum</p>	<p>project was completed and is in use. Completion certificate and photos have been availed to the auditor for review.</p> <p>All projects were implemented in accordance with BQ specifications and under the supervision of the public works officer.</p>		Fund Account Committee of Parliament

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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>for attending to such cracks using cement-sand screed.</p> <p>iii. Four windows remained unrepaired and unfixed, contrary to the requirements outlined in the Bill of Quantities.</p> <p>iv. The Bill of Quantities required the contractor to supply, assemble, and fix steel easement doors with standard metal sections for all 8 doors however, the windows were not fitted properly, and the finishing was rough, indicating poor workmanship.</p> <p>v. Although the floor tiling work was completed in all eight (8) classrooms, the 20x100 mm high skirting, as specified in the Bill of Quantities, was only applied in four (4)</p> <p>vi.</p>			

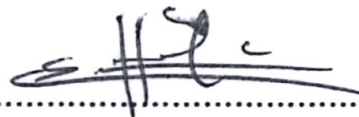


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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>classrooms, with the remaining four (4) classrooms left without skirting. The Bill of Quantities specified the application of one undercoat and two finishing coats of plastic emulsion paint for all the areas however, the surfaces only had an undercoat, with no proper finishing coats applied in accordance with the specifications in the bill of quantities.</p> <p>In the circumstances, value for money for the projects may not have been achieved and the incomplete work pose safety hazards to beneficiaries.</p>			



Salim Hassan Hussein
Fund Account Manager.

FUND MANAGER
LAISAMIS NGCDF
13 AUG 2025
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