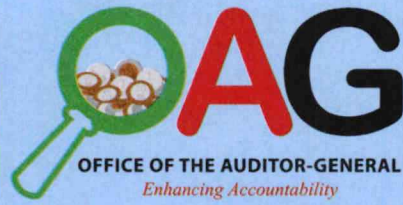


REPUBLIC OF KENYA



REPORT




OF

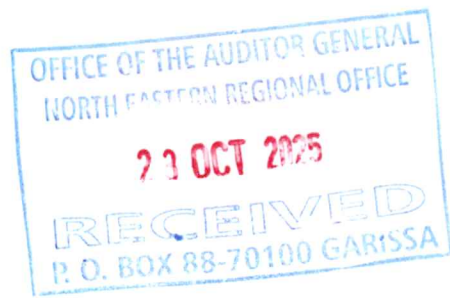
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
MANDERA WEST CONSTITUENCY**

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MANDERA WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|---------|---|
| AIE | Authority to Incur Expenditure |
| AC | Audit Committee |
| DCC | Deputy County Commissioner |
| 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 |
| 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;

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

- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Mandera West 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 | Daud Adow Ibrahim |
| 2. | National Sub-County Accountant | Joseph Karanja |
| 3. | Chairman NGCDFC | Mohamed Noor Daud |
| 4. | Member NGCDFC | Fatuma Hassan Mohamed |
| 5. | Member NG CDFC | Fatuma Adan Mohamed |

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Mandera West Constituency Headquarters

Mandera West NG-CDF Building
Mandera West DCC Compound
Takaba, Mandera Kenya.

(e) NGCDF Mandera West Constituency Contacts

P.O. Box 254-70300
Telephone: (254) 721720543
E-mail: cdfmanderawest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Mandera West Constituency Bankers

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1. Equity Bank. A/C No: 1000296633736.(Operations Account).
Branch: Equity Mandera
P.O. Box 254-70300
2. Equity Bank A/C No.1000286038900. (Deposit account).
Branch: Equity Mandera
P.O. Box 254-70300
3. Equity Bank, KCB Bank A/C No. Various(as per annex 2)(PMC Accounts)
Branch: Mandera
P.O. Box 536 -70300 Mandera
Mandera County, Kenya
KCB Bank Takaba Mandera county, Kenya


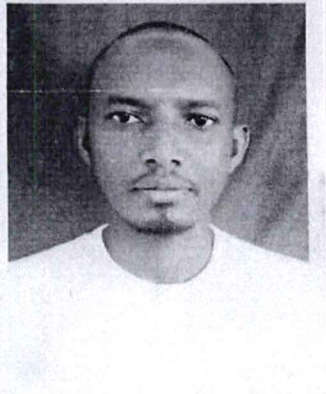

(g) Independent Auditor

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


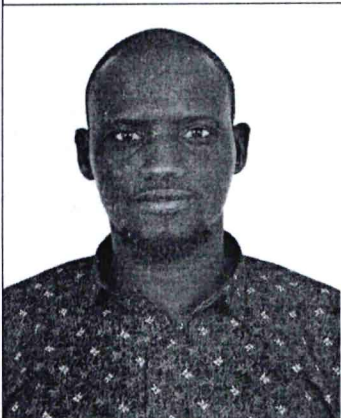

(h) Principal Legal Adviser

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




3. NGCDF Committee

| Name | Details |
|--|--|
|  <p data-bbox="165 887 614 920">Chairman: Mohamed Noor Daud</p> | <p data-bbox="628 427 879 456">Date of Birth: 1976</p> <p data-bbox="628 468 1050 497">Academic Qualification: degree</p> <p data-bbox="628 508 868 537">Work Experience:</p> <p data-bbox="628 548 1257 577">Served as Mandera west NGC-DFC for 8 years</p> |
|  <p data-bbox="159 1384 544 1451">Co-opted Member: Hussein Ibrahim Mohamed</p> | <p data-bbox="635 931 887 960">Date of Birth: 1980</p> <p data-bbox="628 972 1077 1001">Academic Qualification: Diploma</p> <p data-bbox="628 1012 868 1041">Work Experience:</p> <p data-bbox="628 1052 1257 1081">Served as Mandera west NGC-DFC for 3 years</p> |
|  | <p data-bbox="635 1462 887 1491">Date of Birth: 1983</p> <p data-bbox="628 1503 1054 1532">Academic Qualification: Degree</p> <p data-bbox="628 1543 868 1572">Work Experience:</p> <p data-bbox="628 1583 1257 1612">Served as Mandera west NGC-DFC for 8 years</p> |

National Government Constituencies Development Fund (NGCDF)
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| | |
|---|---|
| <p>Female Adult Member: Fatuama Adan Mohamed</p> | |
|  <p>Male Adult Member: Muktar Mohamed Issack</p> | <p>Date of Birth: 1976 Academic Qualification: degree Work Experience: Served as Mandera west NGC-DFC for 3 years</p> |
|  <p>Youth Member: Mohamud Mohamed Alio</p> | <p>Date of Birth: 1992 Academic Qualification: form four certificate Work Experience: Served as Mandera west NGC-DFC for 8 years</p> |
|  <p>Youth member: Zeituna Hassan Mohamed</p> | <p>Date of Birth: 1994 Academic Qualification: form four certificate Work Experience: Served as Mandera west NGC-DFC for 8 years</p> |

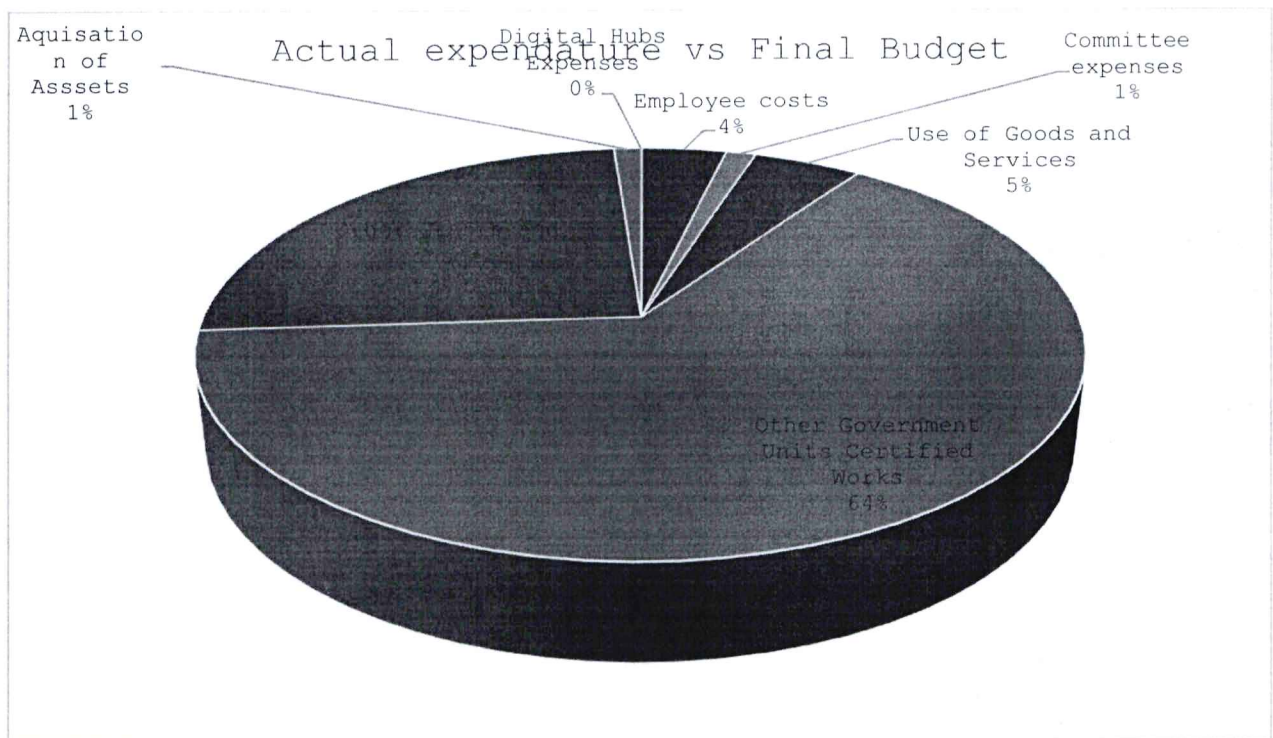
National Government Constituencies Development Fund (NGCDF)
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| | |
|--|--|
|  <p>Adult Member: Fatuma Hassan Mohamed</p> | <p>Date of Birth:1978 Academic Qualification: Degree Work Experience: Served as Mandera west NGC-DFC for 8 years</p> |
|  <p>Disability Member: Abdikadir Abdi kala</p> | <p>Date of Birth:1992 Academic Qualification: form four certificate Islamic studies Work Experience: Served as Mandera west NGC-DFC for 8 years</p> |
|  <p>Fund Account Manager</p> | <p>Date of Birth:1993 Academic Qualification: form four certificate Islamic studies Work Experience: Served as Mandera west fund account manager for 3 years Served as town as Administrator for one year wajir county</p> |

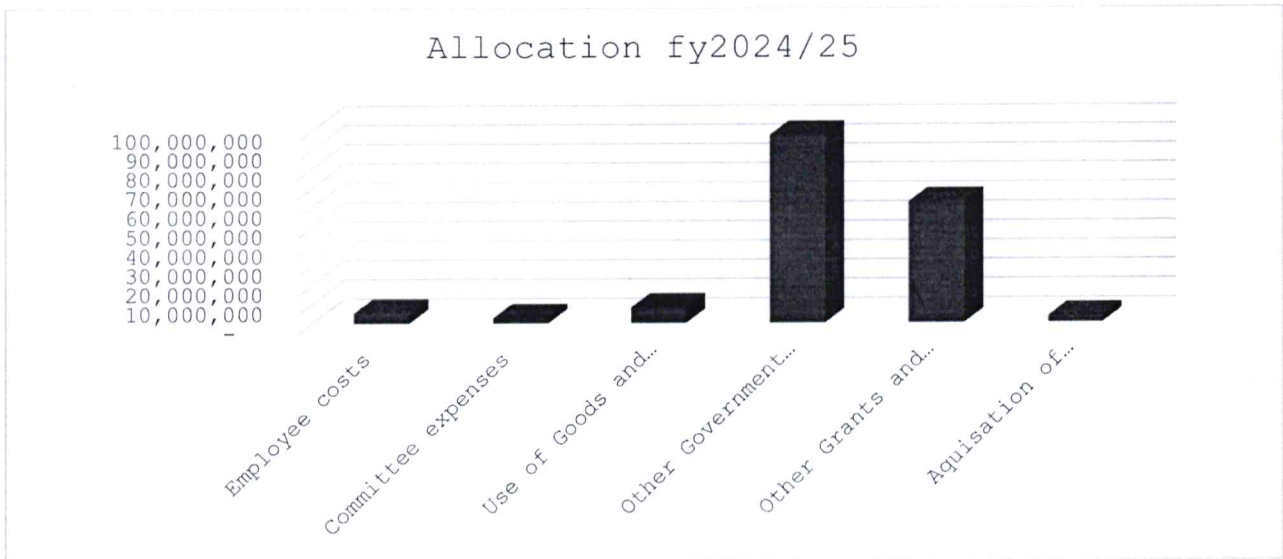
(List the NG CDFC members who exited during the financial year and the period they served.)

4. NG-CDFC Chairman’s Report

The National Government Constituencies Development Fund (NG-CDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NG-CDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National government functions at the local level and particularly those that provide basic needs like education, social welfare, and security and education bursaries. During the Financial year under review, National Government Constituency Development Fund Mandera West Constituency was allocated a total of Kshs.179,441,954.47. The graph below is a representation of budget for the year against budget utilization.



The above is a snapshot of actual expenditure and final budget for Mandera constituency for the financial under review. The chart show the relationship between final budgets against actual expenditure.



The above chart shows allocation for the year in each sector for the constituency.

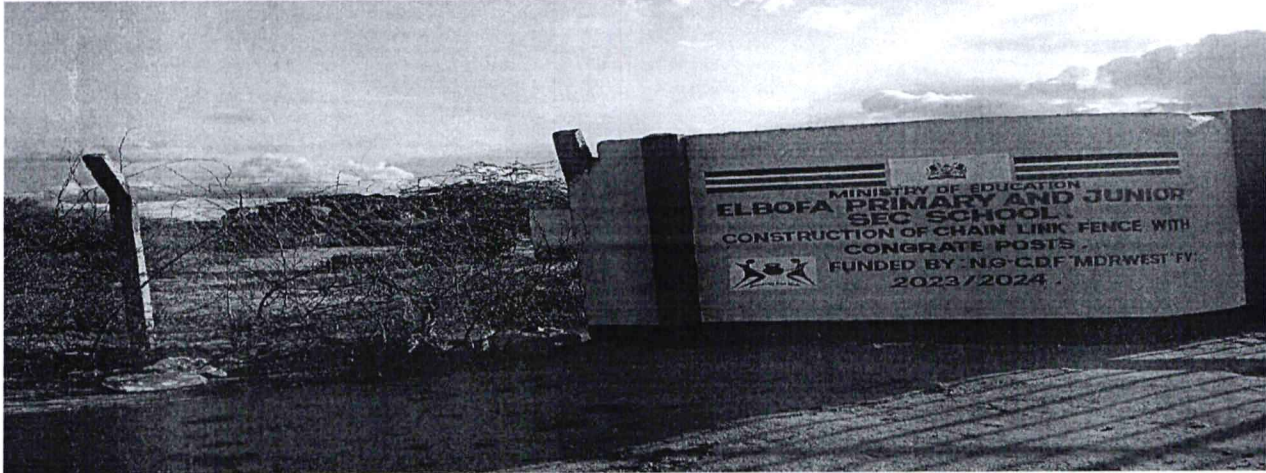
Key Achievements

During the financial under review the constituency was able to issue bursary to deserving and needy students within the constituency with 100% distribution of the amount received as at 30th June 2025.

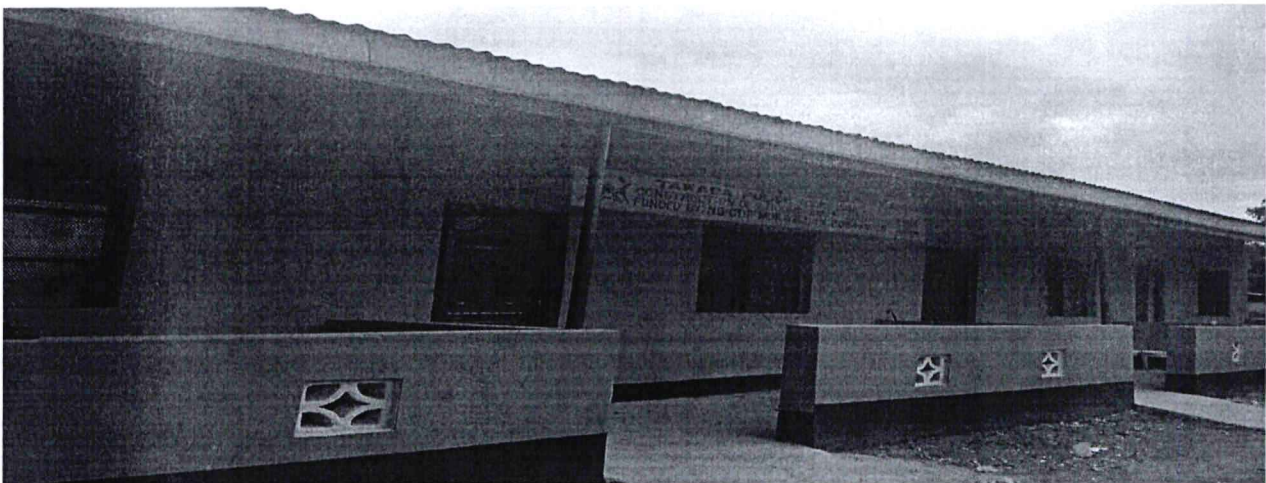
Seventy-six projects were implemented and were complete and in use; fifty-four for primary schools, twelve for secondary schools and ten project for security projects.



Renovation of four (4) classrooms at takaba primary and junior secondary school



Construction of chain-link fence at Elbofa primary school



Construction of staff quarter at Takaba police Station

EMERGING ISSUES

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increased in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

Implementation Challenges And Solutions

- Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have been however able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students are many compared to the available funds for the same. However, we have been able to seek for help from other government organizations on the same and enable most of the needy students get scholarships. We also wish to increase the amount allocated to bursary funds in the coming financial years.
- The range of Staff Salaries amount paid to the employees at the constituency level doesn't attract those who are capable of delivering as per the requirements set by the Board. However, we have been always able to do continuous capacity Building and Training where necessary for our staff to enable them deliver.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise, the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.



.....
Name: Mohamed Noor Daud
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDF Mandera West Constituency 2022-2027** plan are to:

1. To improve learning environment
 2. To improve working conditions of security personnel
 3. To enhance environmental conservation
 4. Improve access to education
 5. To improve organizational performance
- (Enumerate the key objectives of the constituency as per the Strategic Plan)**

Progress on the attainment of Strategic development objectives

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

| Sector | Objective | Outcome | Indicator | Performance |
|---------------|---|---|---|---|
| Education | To have all children of school-going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | Increased number of infrastructures built in primary, secondary, and tertiary institutions; number of bursary beneficiaries at all levels | In FY 2023/24 – increased number of classrooms by 32, renovated 12 classrooms, constructed 1 new laboratory. Bursary beneficiaries: 400 needy secondary students and 3,800 needy tertiary students. |

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| | | | | |
|----------------|---|--|--|---|
| Security | To enhance security in the constituency | Enhanced security among the community | Number of offices & houses built | Number of security residences constructed increased by 1; water tank for security increased by 1; toilets increased by 2 within the constituency. |
| Environment | To promote environmental sustainability in the constituency | Increase in forest cover by providing water to schools for tree planting | Increased number of trees planted in schools | Increased number of tree-planting activities at each institution. |
| Emergency | To cater for unforeseen occurrences | Mitigate unforeseen occurrences within the constituency | Number of classrooms in use in schools increased | Increased number of learning institutions sustained. |
| Strategic Plan | To develop constituency strategic plan | Enhance clear road map and improve performance | Five strategic plans developed | Easy identification of projects. |

6. Governance Statement

Introduction

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.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations requires that one to serve as member of the NGCDF 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.

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
 - (a) the national government official responsible for co-ordination of national government functions;
 - (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;

- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) One member co-opted by the Board in accordance with Regulations made by the Board.

(3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

(4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

(5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

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

(7) The quorum of the Constituency Committee shall be one half of the total membership.

(8) 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.

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

(11) 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.

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicised in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

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Out of the total 18 applicants, the selection panel developed a shortlisting criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Mandera west Constituency Office as per section 43 of the NG-CDF Act, 2015.

| NO | NAME | CATEGORY | WARD |
|----|------------------------|----------------|--------------|
| 1. | Mohamed Noor Daud | Male (Adult) | Takaba |
| 2. | Mohamud Mohamed Alio | Male (Youth) | Lagsure |
| 3. | Fatuma Adan Mohamed | Female (Adult) | Lagsure |
| 4. | Zeituna Hassan Mohamed | Female (Youth) | Takaba |
| 5. | Muktar Mohamed Issack | Male | Takaba |
| 6. | Fatuma Hassan Mohamed | Female | Takaba South |

Nominee of the Body representing Persons with Disability

| NO | NAME | NOMINATING ORGANIZATION | NATURE OF PHYSICAL IMPAIRMENT | WARD |
|----|---------------------|-----------------------------|-------------------------------|-------|
| 1. | Abdikadir Abdi Kala | Banisa Disabled Forum Group | Visual | Dandu |

Upon further consultation with the panel and the Constituency Office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

| S/N | Name | Gender | Ward |
|-----|-------------------------|--------|--------|
| 1. | Hussein Ibrahim Mohamed | Male | Gither |

The above committee was gazetted on 5th march 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXIV-No. 276. The members took over the office on the first meeting on 12th December 2022 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson Mohamed Noor Daud ID No. 13331576
2. **Secretary** Hussein Ibrahim Mohamed ID No. 22311416

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary Sub Committee
- ii. Complaints Resolution Sub Committee

The following were appointed to the different committee

a. Bursary committee

1. Fatuma Hassan Mohamed - Member

2. Zeituna Hassan Mohamed- Member
3. Hussein Ibrahim Mohamed -Member

b. Complaints Resolution Committee

1. Mohamed Noor Daud - Member
2. Muktar Mohamed Issack - Member
3. Abdikadir Abdi Kala - Member

The chairperson and the secretary are members of all the committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

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

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 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.
- Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

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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-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member ought to be removed shall be given a fair hearing before the resolution is made.

In Mandera West the NG-CDFC 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 Mandera West

Number of Meetings Held

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Mandera West Constituency Held a total of 21 meetings in the financial year 2023-2024 and the attendance was as follows.

| No. | Date of Meeting | Number of NG-CDFC Members Who Attended |
|-----|---------------------|--|
| 1 | 4th July 2024 | 10 |
| 2 | 27th July 2024 | 10 |
| 3 | 11th August 2024 | 10 |
| 4 | 22nd August 2024 | 10 |
| 5 | 5th September 2024 | 10 |
| 6 | 25th September 2024 | 10 |
| 7 | 13th October 2024 | 9 |
| 8 | 18th October 2024 | 10 |
| 9 | 1st November 2024 | 10 |
| 10 | 28th November 2024 | 10 |
| 11 | 7th December 2024 | 9 |
| 12 | 21st December 2024 | 10 |
| 13 | 15th January 2025 | 10 |
| 14 | 30th January 2025 | 10 |
| 15 | 2nd February 2025 | 9 |
| 16 | 26th February 2025 | 10 |
| 17 | 6th March 2025 | 9 |
| 18 | 20th March 2025 | 10 |
| 19 | 8th April 2025 | 10 |
| 20 | 30th April 2025 | 10 |
| 21 | 4th May 2025 | 10 |
| 22 | 29th May 2025 | 10 |
| 23 | 19th June 2025 | 10 |

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2023/2024 members of NGCDFC Mandera West adhered to the above ethical issues.

Members Remuneration

According to the board's circular, NG-CDFC members are not entitled to salaries. The chairperson receives an allowance of Ksh. 7,000 per meeting, while other members receive Ksh. 5,000 per sitting. In the 2023/2024 financial year, all NGCDFC members adhered to the Cabinet Secretary's circular on sitting and field allowances and upheld the ethics and code of conduct under the NGCDF Act.

Policy on conflict of interest

Any member with an interest in a contract or matter is required to disclose the interest at the meeting and refrain from participating in discussions, voting, or being counted in the quorum during consideration of the matter. The disclosure must be recorded in the minutes of the meeting to ensure transparency and compliance with conflict of interest regulations. During the 2023/2024 financial year, no member of NGCDFC Mandera West contravened this policy.

Risk management

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

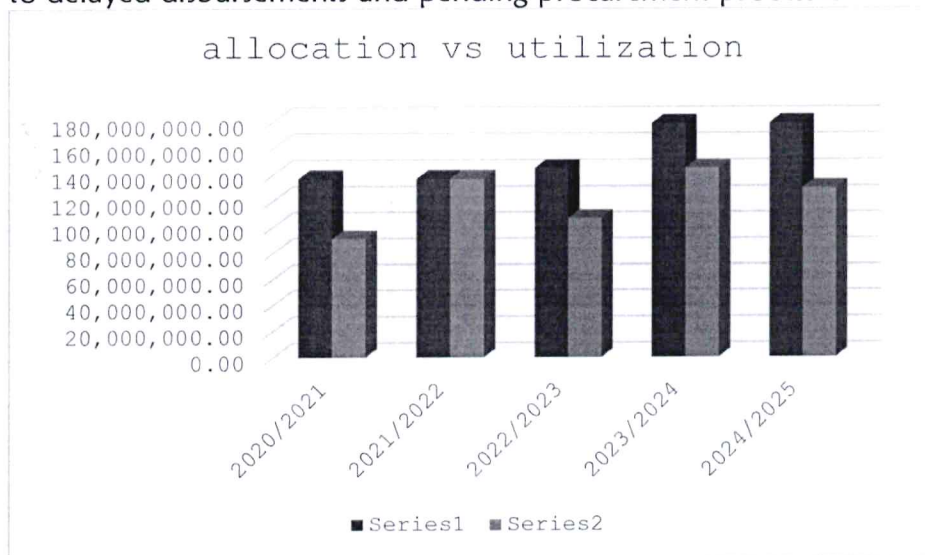
Some of the risk mitigation strategies that NGCDFC Mandera West has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC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

7. Management Discussion and Analysis
Operational and Financial Performance (FY2020/21 – FY2024/25)

Over the last five years, Mandera West NG-CDF has experienced consistent growth in allocations and effective fund utilization. The steady disbursement from the National Treasury enabled significant investment in education, security, and infrastructure.

| Financial Year | Allocation (KES M) | Utilized (KES M) | Absorption Rate (%) |
|----------------|--------------------|------------------|---------------------|
| 2020/2021 | 137,088,879.31 | 91,000,000.00 | 66% |
| 2021/2022 | 137,088,879 | 137,088,879 | 100% |
| 2022/2023 | 145,087,603 | 107,000,000 | 74% |
| 2023/2024 | 179,192,343 | 145,000,000 | 81% |
| 2024/2025 | 179,441,954.47 | 130,000,000 | 72% |

Note: Utilization rate has remained above 93% in four out of five years, reflecting prudent financial management and timely implementation, with the exception of FY2020/2021 due to delayed disbursements and pending procurement processes



(Under this section, the management gives a report on the operational and financial performance of the Fund for the past five (5) years, the Fund’s key projects implemented or ongoing, the Fund’s compliance with statutory requirements, major risks facing the Fund, material arrears in statutory and other financial obligations, review of the economy, review of the sector, future developments and any other information considered relevant to the users of the financial statements.)

The management should make use of tables, graphs, pie charts, and other descriptive tools to make the information as understandable as possible.)

.....
Name: Daud Adow Ibrahim
Fund Account Manager



8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- Mandera West NGCDF normally organizes clean up exercise in schools and during the same time tree planting exercise is done.
- Through the Member of Parliament Office Sensitization programs are normally organized to encourage the youth to stay out of drugs and crimes.
- Sports events are also always organized annually to nature talents and keep the youth out of drugs abuse and crimes.

3. Employee welfare

We invest in providing the best working environment for our employees. Mandera West 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. xxx 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-

Mandera west 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-

Mandera West 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

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


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

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

Public Awareness

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

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


Name: David Adon
Fund Account Manager.



9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Mandera west 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 ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The Accounting Officer in charge of the NGCDF Mandera West 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.


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

Approval of the financial statements

The NGCDF- Mandera West Constituency financial statements were approved and signed by the Accounting Officer on __21 August__2025.



.....
Name: Mohamed Noor Daud
Chairman – NGCDF Committee



.....
Name: Daud Adow Ibrahim
Fund Account Manager

REPUBLIC OF KENYA



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying Financial Statements of National Government Constituencies Development Fund - Mandera West Constituency set out on pages 1 to 69, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

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

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

Basis for Qualified Opinion

1. Unsupported Bursary Payments

The statement of financial performance reflects an amount of Kshs.51,780,350 in respect of other grants and transfers, as disclosed under Note 14 to the financial statements. Included in the amount is Kshs.3,000,000 and Kshs.36,520,000 for bursaries to secondary schools and tertiary institutions, respectively. However, bursary payments amounting to Kshs.1,968,000 were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy of bursary disbursements amounting to Kshs.1,968,000 could not be confirmed.

2. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position reflects property plant and equipment balance of Kshs.10,810,691 as disclosed in Note 23 to the Financial Statements. However, balance does not include the value of land on which the Fund buildings sit. In addition, ownership documents for the land were not provided for audit.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.10,810,691 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 - Manderu West Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budget and Budgetary Control

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.273,622,474 and Kshs.224,180,519 respectively, resulting in an underfunding of Kshs.49,441,954 or 18% of the approved budget. Similarly, the Fund spent Kshs.179,667,040 against actual receipts of Kshs.224,180,519 resulting in an under-utilization of Kshs.44,513,479 or 20 % of actual receipts.

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

My opinion is not modified in respect of 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, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Unresolved Prior Year Matters

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

| No. | Financial Year | Audit Issue |
|-----|----------------|---|
| 1. | 2023/2024 | Unsupported Transfers to Primary Schools |
| 2. | 2023/2024 | Unsupported Bursary Payments |
| 3. | 2023/2024 | Unsupported Project Management Committee Bank Balances |
| 4. | 2023/2024 | Lack of Ownership Documents and Incomplete Disclosure of Assets |
| 5. | 2023/2024 | Project Implementation Status |
| 6. | 2023/2024 | Failure to Report Expenditure from Emergency Reserve |
| 7. | 2023/2024 | Failure to Open a Deposit Holding Account |

2. Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.163,292,180 to sixty-nine (69) projects, including primary schools, secondary schools and security projects. However, review of the project implementation status report revealed that twenty-eight (28) projects costing Kshs.102,254,180 were completed, while forty-one (41) projects, with an allocation of Kshs.61,038,000 were on-going as of October, 2025.

Delayed implementation of planned project negatively impacted on expected service delivery to constituents of Mandera West.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Preparation of Quarterly Financial Reports

Review of records revealed that the Fund did not prepare quarterly financial reports for the year under review. This is contrary to Section 83(1) of the Public Finance Management Act, 2012, which requires each National Government entity to prepare a report for each quarter of the financial year.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

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

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

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

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

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

The National Government Constituencies Development Fund Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements,

ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

6 November, 2025

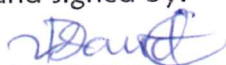
*National Government Constituencies Development Fund (NGCDF)
Mandera West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

| | Note | Period ended June 2025 |
|---|------|------------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Transfers from the NGCDF Board | 6 | 179,441,954 |
| Grants/donations from other entities | 7 | - |
| Revenue from exchange transactions | | |
| Finance income | 8 | - |
| Miscellaneous income | 9 | - |
| Total revenue | | 179,441,954 |
| Expenses | | |
| Employee costs | 10 | 5,262,437 |
| Committee expenses | 11 | 3,030,600 |
| Use of Goods and Services | 12 | 9,835,645 |
| Other Government Units Actual expenditure | 13 | 107,719,415 |
| Other Grants and Transfers Actual expenditure | 14 | 51,780,350 |
| Depreciation and amortization expense | 15 | 2,243,647 |
| Digital Hubs Actual expenditure | 16 | - |
| Total expenses | | 179,872,094 |
| Other gains/(losses) | | |
| Gain/Loss on Sale of Assets | 17 | - |
| Impairment loss | 18 | - |
| Surplus/(Deficit) for the year | | (430,140) |

The Constituency financial statements were approved by the NGCDFC on 21 August 2025

and signed by:



Chairman NG-CDF
Committee
Mohamed Noor Daud



National Sub-County
Accountant
Joseph karanja
ICPAK M/No:26858



Fund Account Manager
Daud Adow

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

National Government Constituencies Development Fund (NGCDF)
Mandera West 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 | 44,513,479 | 44,988,175 |
| Receivables from Exchange Transactions | 20 | - | - |
| Receivables from Non-Exchange Transactions | 21 | 49,441,954 | 49,192,343 |
| Prepayments | 22 | 155,290 | 188,858 |
| Total Current Assets | | 94,110,724 | 94,369,376 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 23 | 10,810,691 | 9,784,338 |
| Intangible Assets | 24 | - | - |
| Right-of-use assets | 25 | - | - |
| Total Non- Current Assets | | 10,810,691 | 9,784,338 |
| Total Assets (A) | | 104,921,415 | 104,153,714 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | - | - |
| Third-Party Deposits | 27 | - | - |
| Lease Liabilities | 28 | - | - |
| Gratuity provision | 29 | 3,388,920 | 2,191,080 |
| Total Current Liabilities | | 3,388,920 | 2,191,080 |
| Non-Current Liabilities | | | |
| Lease Liabilities | 28 | - | - |
| Total Liabilities (B) | | 3,388,920 | 2,191,080 |
| Net Assets (A-B) | | 101,532,495 | 101,962,634 |
| Represented by: | | | |
| Revaluation Reserves | | 101,532,494 | 101,962,634 |
| Accumulated Surplus | | | |
| Total Net Assets | | 101,532,494 | 101,962,634 |

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

The Constituency financial statements set out on pages 1 to 23 approved by NG CDFC on _21 August _ 2025 and signed by:



Chairman NG-CDF
Committee
Mohamed Noor Daud



National Sub-County
Accountant
Joseph Karanja
ICPAK M/No: 26858



Fund Account Manager
Daud Adow Ibrahim



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

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

| Description | Reserves | Accumulated | Total |
|---|--------------------|-----------------|--------------------|
| | | surplus/Deficit | |
| | Kshs | Kshs | Kshs |
| As at 30th June 2024 (cash basis) | 35,086,468 | - | 35,086,468 |
| Adjustments: (to recognize assets and liabilities) | | | |
| Add Assets | 69,067,246 | | 69,067,246 |
| Less Liabilities | 2,191,080 | | 2,191,080 |
| As at July 1, 2024 | 101,962,634 | | 101,962,634 |
| | | | |
| Surplus/(Deficit) For the Period | (430,140) | | (430,140) |
| Revaluation Gain/Loss | - | - | - |
| As at 30th June 2025 | 101,532,494 | - | 101,532,494 |

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.

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

| | Notes | Period ended |
|---|-------|--------------------|
| | | June 2025 |
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from the NGCDF Board | | 179,192,343 |
| Grants/donations from other entities | | - |
| Finance income | | - |
| Miscellaneous income | | - |
| Total Receipts | | 179,192,343 |
| Payments | | |
| Employee costs | | 4,064,597 |
| Committee expenses | | 3,030,600 |
| Use of Goods and Services | | 9,802,078 |
| Other Government Units Certified Works | | 107,719,415 |
| Other Grants and Transfers | | 51,780,350 |
| Digital Hubs Expenses | | - |
| Total Payments | | 176,397,040 |
| Net Cash Flows from/ (used in) Operating Activities | 30 | 2,795,303 |
| Cash flows From Investing Activities | | |
| Purchase of PPE | | 3,270,000 |
| Purchase of Intangible assets | | - |
| Proceeds From Sale of PPE | | - |
| Net Cash Flows from Investing Activities | | 3,270,000 |
| Net increase/(decrease) in cash & Cash equivalents | | (474,697) |
| Cash Flows from Financing Activities | | |
| Lease payment | | - |
| Net Cash Flows from Financing Activities | | (474,697) |
| Cash and cash equivalents at Period Start | 19 | 44,988,175 |
| Cash and cash equivalents at Period End | 19 | 44,513,478 |

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

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

| | Original Budget | | | Final Budget | Actual on | Budget utilization | % of Utilization |
|--------------------------------------|--------------------|--|---|--------------------|--------------------|--------------------|------------------|
| | | | | | comparable basis | difference | |
| | | Adjustments | | | | | |
| | Kshs | Kshs | | Kshs | Kshs | Kshs | |
| | a | b | | C=(a+b) | D | e=(c-d) | f=d/c*100 |
| | 2024-2025 | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding disbursements | 2024-2025 | 2024-2025 | | |
| Revenue | | | | | | | |
| Transfers From the NGCDF Board | 179,441,954 | 44,988,176 | 49,192,343 | 273,622,474 | 224,180,519 | 49,441,954 | 82% |
| Grants/donations from other entities | - | - | - | - | - | - | |
| Finance income | - | - | - | - | - | - | |
| Miscellaneous income | - | - | - | - | - | - | |
| Totals | 179,441,954 | 44,988,176 | 49,192,343 | 273,622,474 | 224,180,519 | 49,441,954 | 82% |
| Expenses | | | | | | | |
| Employee costs | 5,330,760 | 4,829,885 | - | 10,160,645 | 4,064,597 | 6,096,048 | 40% |
| Committee expenses | 2,728,000 | 802,969 | - | 3,530,969 | 3,030,600 | 500,369 | 86% |
| Use of Goods and Services | 8,091,014 | 4,698,369 | - | 12,789,383 | 9,802,078 | 2,987,305 | 77% |

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| | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--|--------------------|-------------------|-------------------|--------------------|----------------------------|-------------------------------|------------------|
| | | | | | | | |
| | | Adjustments | | | | | |
| Other Government Units Certified Works | 97,468,000 | 29,458,788 | 49,192,343 | 176,119,131 | 107,719,415 | 68,399,716 | 61% |
| Other Grants and Transfers | 62,554,180 | 5,196,664 | - | 67,750,845 | 51,780,350 | 15,970,495 | 76% |
| Aquisition of Assets | 3,270,000 | 1 | - | 3,270,001 | 3,270,000 | 1 | 100% |
| Digital Hubs Expenses | - | 1,500 | - | 1,500 | - | 1,500 | 0% |
| Funds Pending Approval** | - | - | - | - | - | - | #DIV/0! |
| Total Expenditure | 179,441,954 | 44,988,175 | 49,192,343 | 273,622,473 | 179,667,040 | 93,955,433 | 66% |
| Surplus for the period | | | | | | | |

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

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Explanatory Notes.

Underutilization in the Various Sectors is due to delay in disbursement of funds from the NG-CDF Board.

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|------------|
| Description | Amount |
| Budget utilization difference totals | 93,955,433 |
| Less undisbursed funds receivable from the Board as at period 30 th June, 2025 | 49,441,954 |
| Cash and Cash Equivalents at the end of the 30 th June 2025 | 44,513,478 |

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 21 August 2025 and signed by:



Fund Account Manager

Daud Adow Ibrahim



National Sub-County Accountant

Joseph Karanja
ICPAK M/No:26858



Chairman NG-CDF Committee

Mohamed Noor Daud



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

| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--|---|-------------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| | | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 5,330,760 | 4,829,885 | | 10,160,645 | 4,064,597 | 6,096,048 |
| 1.2 Committee allowances | 1,128,000 | 443,940 | | 1,571,940 | 1,128,400 | 443,540 |
| 1.3 Use of goods and services | 4,307,756 | 3,171,826 | | 7,479,582 | 6,413,478 | 1,066,104 |
| Sub-total | 10,766,516 | 8,445,650 | - | 19,212,166 | 11,606,475 | 7,605,691 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 2,883,258 | 876,230 | | 3,759,488 | 2,364,400 | 1,395,088 |
| 2.2 Committee allowances | 1,600,000 | 359,029 | | 1,959,029 | 1,902,200 | 56,829 |
| 2.3 Use of goods and services | 900,000 | 650,313 | | 1,550,313 | 1,024,200 | 526,113 |
| Sub-total | 5,383,258 | 1,885,572 | - | 7,268,830 | 5,290,800 | 1,978,030 |
| 4.0 Emergency | | | | | | |
| 4.1primary | | | | | | |
| sukela lowo primary school | 1248266 | - | - | 1,248,266 | 1,248,266 | - |
| takaba primary school | 2500012.28 | - | - | 2,500,012 | 2,500,012 | - |
| Gambela primary | 2571429 | - | - | 2,571,429 | - | 2,571,429 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|------------------------|----------------|-----------|-------------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| takaba primary | 1321883.4 4 | - | - | 1,321,883 | - | 1,321,883 |
| elbofa primary | 1,802,723 | 125,848 | - | 1,928,571 | - | 1,928,571 |
| Sub-total | 9,444,313 | 125,848 | - | 9,570,162 | 3,748,278 | 5,821,883 |
| 5.0 Bursary and Social Security | | | | | | |
| 5.1 Primary Schools | | | | - | | - |
| 5.2 Secondary Schools | 3,000,000 | 37,658 | - | 3,037,658 | 3,000,000 | 37,658 |
| 5.3 Tertiary Institutions | 36,500,00 0 | 31,513 | - | 36,531,513 | 36,520,00 0 | 11,513 |
| 5.4 special needs | | | | - | | - |
| 5.5 Education Support Programmes | | | | - | | - |
| 5.6 Social Security | | | | - | | - |
| Sub-total | 39,500,00 0 | 69,172 | - | 39,569,172 | 39,520,00 0 | 49,172 |
| 7.0 Environment | | | | | | |
| Deputy county commissioner | 800,000 | | | 800,000 | 716,816 | 83,184 |
| | 2,909,867 | | | 2,909,867 | 2,858,696 | |
| Sub-total | 3,709,867 | - | - | 3,709,867 | 3,575,512 | 83,184 |
| sports | | | | | | |
| vote book balance | - | 1 | | 1 | - | 1 |
| Total | - | 1 | - | 1 | - | 1 |
| 8.0 Primary Schools Projects | | | | | | |
| Takaba primary and junior Secondary School | 7,090,000 | 137,567 | 1,915,266 | 9,142,833 | 8,903,065 | 239,768 |
| Rocky hill primary and junior Secondary School | 3,305,000 | 58,775 | - | 3,363,775 | 3,361,847 | 1,928 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-----------------|-------------|-----------|--------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| | | | | | | |
| Rocky hill primary and junior Secondary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Didkuro Primary and Junior secondary school | 1,140,000 | 36,555 | - | 1,176,555 | 1,155,150 | 21,405 |
| Gather Primary and Junior Secondary School | 950,000 | - | 1,900,000 | 2,850,000 | 2,788,971 | 61,029 |
| Eldanaba Primary and Junior Secondary School | 1,140,000 | 41,897 | - | 1,181,897 | 1,153,370 | 28,527 |
| Mirdakara Primary School | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 |
| Lagsure Primary and Junior Secondary School | 1,917,500 | - | - | 1,917,500 | - | 1,917,500 |
| Iyan Abakula Primary School | 1,300,000 | 3,750 | - | 1,303,750 | - | 1,303,750 |
| Bamba Taka Primary School | 1,500,000 | 200,000 | - | 1,700,000 | 200,000 | 1,500,000 |
| Ardahalo Primary School | 1,917,500 | - | - | 1,917,500 | - | 1,917,500 |
| Elbofa Primary and Junior Seconadary School | 1,667,500 | - | - | 1,667,500 | - | 1,667,500 |
| Gather Primary and Junior Secondary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Gather Primary and Junior Secondary School | 1,667,500 | - | - | 1,667,500 | - | 1,667,500 |
| Gambela Primary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Gambela Primary School | 2,668,000 | - | - | 2,668,000 | - | 2,668,000 |
| Gubato Primary Schoolol | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 |
| Wangaidahan Primary School | 1,100,000 | 768 | - | 1,100,768 | - | 1,100,768 |
| Kobadadi Primary School | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 |
| kotkoto primary school | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Ayan Primary school | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-----------------|-------------|-----------|--------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| | | | | | | |
| Italale Primary School | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Qoqai primary school | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Gulani Primary School | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Datach tune primary school | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 |
| Afalo primary school | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| ogode primary school | 1,300,000 | 15,000 | - | 1,315,000 | - | 1,315,000 |
| Donqai primary school | 1,500,000 | - | - | 1,500,000 | - | 1,500,000 |
| Gutole Primary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Kubihalo Primary School | 1,100,000 | 3,568 | - | 1,103,568 | - | 1,103,568 |
| Eresteno Primary School | 1,400,000 | - | - | 1,400,000 | - | 1,400,000 |
| Dirib Mafuko Primary School | 1,300,000 | 11,295 | - | 1,311,295 | - | 1,311,295 |
| Gesrib Primary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Gesrib Primary School | 1,400,000 | - | - | 1,400,000 | - | 1,400,000 |
| Medina Primary School | 2,200,000 | - | - | 2,200,000 | 2,200,000 | - |
| Mubarak Intergarted Primary School | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 |
| Sake Primary School | 1,500,000 | 160 | - | 1,500,160 | - | 1,500,160 |
| Tesoramu Primary School | 1,100,000 | 15,705 | - | 1,115,705 | - | 1,115,705 |
| Mkutano Primary School | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Gobogala primary school | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Karsadima primary school | 1,500,000 | - | - | 1,500,000 | - | 1,500,000 |
| sukela qalqacha | 1,100,000 | - | - | 1,100,000 | - | 1,100,000 |
| Ardahalo Primary School | - | 1,820,000 | - | 1,820,000 | 1,788,013 | 31,987 |
| Haji Rashid Primary School | - | 102,165 | 1,250,000 | 1,352,165 | 1,329,396 | 22,770 |
| Gambela Primary & Junior secondary School | - | 1,250,793 | - | 1,250,793 | 1,227,686 | 23,107 |
| Kubdishan Primary School | - | 980,000 | - | 980,000 | 962,620 | 17,380 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-----------------|-------------|-----------|--------------|----------------------------|-------------------------------|
| | | | | | | |
| | | Adjustments | | | | |
| Bachile Primary School | - | 600,000 | 650,000 | 1,250,000 | 1,227,813 | 22,188 |
| Harshilmi primary and junior secondary school | - | - | 1,915,268 | 1,915,268 | 1,896,371 | 18,897 |
| Alokoba Primary School | - | - | 1,300,000 | 1,300,000 | 1,274,756 | 25,244 |
| Elbofa Primary & junior secondary School | - | 81,285 | 1,200,000 | 1,281,285 | 1,175,547 | 105,738 |
| Majigaram Primary School | - | 500 | 950,000 | 950,500 | 932,813 | 17,688 |
| Sukela Quli Primary School | - | - | 1,250,000 | 1,250,000 | 1,227,488 | 22,512 |
| Bolowle Primary School | - | - | 2,000,000 | 2,000,000 | 1,962,705 | 37,296 |
| Lagsure Primary & junior secondary School | - | 3,800 | 1,200,000 | 1,203,800 | 1,180,778 | 23,023 |
| Hopy Primary School | - | - | 950,000 | 950,000 | 932,170 | 17,830 |
| Mirr Dakara Primary School | - | - | 950,000 | 950,000 | 936,033 | 13,967 |
| Afalo Primary School | - | - | 1,250,000 | 1,250,000 | 1,227,874 | 22,126 |
| Gutole Primary & juniorbsecondary School | - | 1,097 | 950,000 | 951,097 | 933,370 | 17,727 |
| Wayam Dera Primary | - | - | 950,000 | 950,000 | 928,966 | 21,034 |
| Qorobo Saglan Primary | - | - | 950,000 | 950,000 | 931,205 | 18,795 |
| Sambur Primary School | - | - | 1,250,000 | 1,250,000 | 1,227,331 | 22,669 |
| Hada Dimtu Primary School | - | - | 1,250,000 | 1,250,000 | 1,227,669 | 22,331 |
| Mansho Primary School | - | 200,000 | 950,000 | 1,150,000 | 1,128,823 | 21,178 |
| Dadabo Primary School | - | 520,000 | 1,300,000 | 1,820,000 | 1,786,355 | 33,645 |
| Eresteno Primary & junior secondary School | - | 320,075 | 1,900,000 | 2,220,075 | 2,180,491 | 39,585 |
| Dandu Primary & junior secondary School | - | 27,090 | - | 27,090 | - | 27,090 |
| Habarkato Primary | - | 200,000 | 950,000 | 1,150,000 | 1,128,922 | 21,078 |
| Hada Primary School | - | 320,158 | 950,000 | 1,270,158 | 1,247,397 | 22,761 |
| Datach Dera Primary School | - | - | 950,000 | 950,000 | 936,395 | 13,605 |
| Didkoba Primary School | - | - | 950,000 | 950,000 | 931,891 | 18,109 |
| Abakote Primary School | - | 400,000 | 950,000 | 1,350,000 | 1,325,136 | 24,865 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-------------------|------------------|-------------------|--------------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| | | | | | | |
| Harbuyo Primary School | - | - | 1,915,266 | 1,915,266 | 1,878,948 | 36,319 |
| Karsahama Primary & junior secondary School | - | - | 950,000 | 950,000 | 930,958 | 19,043 |
| Kalaf Primary School | - | - | 950,000 | 950,000 | 932,838 | 17,163 |
| Gesrib Primary School | - | 322,093 | 1,250,000 | 1,572,093 | 1,544,153 | 27,940 |
| Argeisa Primary School | - | - | 1,915,266 | 1,915,266 | 1,897,608 | 17,658 |
| Hardimtu Primary school | - | - | 950,000 | 950,000 | 930,218 | 19,782 |
| Mubarak Intergarted Primary School | - | 320,000 | 1,900,000 | 2,220,000 | 2,179,531 | 40,469 |
| Sigirso primary school | - | 200,000 | 950,000 | 1,150,000 | 1,129,464 | 20,537 |
| Gagaba primary & junior secondary School | - | - | 950,000 | 950,000 | 932,170 | 17,830 |
| Dobu Primary & junior secondary School | - | 3,180 | 1,250,000 | 1,253,180 | 1,227,743 | 25,437 |
| Kinisa Primary School | - | - | 1,250,000 | 1,250,000 | 1,227,518 | 22,482 |
| Gobogala Primary School | - | 450 | 950,000 | 950,450 | 932,470 | 17,980 |
| Qorobo Bima Primary school | - | - | 950,000 | 950,000 | 932,370 | 17,630 |
| Sukela Lowa primary School | - | 1,018,723 | 131,277 | 1,150,000 | 1,107,644 | 42,356 |
| Votebook Balances(health sector) | - | 1 | - | 1 | | 1 |
| burduras primary sch | | 332 | | 332 | | 332 |
| Darwed primary school | | 285 | | 285 | | 285 |
| Sub-total | 70,163,000 | 9,217,064 | 49,192,343 | 128,572,407 | 72,742,041 | 55,830,366 |
| 9.0 Secondary Schools Projects(List all the Projects) | | | | | | |
| Burduras Secondary School | 1,500,000 | 127,606 | - | 1,627,606 | 1,598,408 | 29,199 |
| Eldanaba Secondary School | 5,000,000 | 2,842,286 | - | 7,842,286 | 7,670,425 | 171,862 |
| Gather Mix Day Secondary School | 1,500,000 | 1,580,960 | - | 3,080,960 | 2,973,575 | 107,385 |
| Dandu Girls Secondary School | 1,425,000 | 4,150,000 | - | 5,575,000 | 5,508,000 | 67,000 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-----------------|-------------|---|--------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| | | | | | | |
| Dandu Girls Secondary School | 400,000 | - | - | 400,000 | - | 400,000 |
| Dandu Seconadary School | 2,980,000 | - | - | 2,980,000 | 2,980,000 | - |
| Haji Yussuf Girls Sendary School | 2,900,000 | 38,148 | - | 2,938,148 | 2,857,816 | 80,332 |
| Takaba Boys Secondary School | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |
| Takaba Girls Secondary School | - | 6,500,000 | - | 6,500,000 | 6,388,978 | 111,022 |
| Dandu Girls Day Secondary | 2,200,000 | | - | 2,200,000 | | 2,200,000 |
| vote book balance | - | 1 | - | 1 | | 1 |
| darwed sec | | 5,002,723 | | 5,002,723 | 5,000,173 | 2,551 |
| Sub-total | 20,105,000 | | - | 40,346,724 | 34,977,374 | 5,369,350 |
| | 0 | 20,241,724 | | | | |
| 10.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| Takaba Adult Education | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Takaba Adult Education | 1,500,000 | | | 1,500,000 | | 1,500,000 |
| Takaba Adult Education | 400,000 | | | 400,000 | | 400,000 |
| Dandu Sub County Education Office | 4,300,000 | | | 4,300,000 | - | 4,300,000 |
| | | | | - | | - |
| Sub-total | 7,200,000 | - | - | 7,200,000 | - | 7,200,000 |
| 11.0 Security Projects | | | | | | |
| takaba police station | 3,000,000 | - | | 3,000,000 | - | 3,000,000 |
| Dandu police station | 5,000,000 | - | | 5,000,000 | - | 5,000,000 |
| Dandu police station | 1,500,000 | - | | 1,500,000 | | 1,500,000 |
| Dandu police station | 400,000 | - | | 400,000 | | 400,000 |
| Takaba Chief's Office | - | 2,000,000 | | 2,000,000 | 1,963,517 | 36,483 |
| Tesoramu Chief's Office | - | 1,500,000 | | 1,500,000 | 1,472,888 | 27,112 |

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| Program/Sub-program | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-----------------|-------------|------------|--------------|----------------------------|-------------------------------|
| | | Adjustments | | | | |
| Kobadadi Chief's Office | - | 1,500,000 | | 1,500,000 | 1,500,154 | (154) |
| Gather division | - | 1,644 | | 1,644 | | 1,644 |
| Sub-total | 9,900,000 | 5,001,644 | - | 14,901,644 | 4,936,559 | 9,965,084 |
| 12.0 Acquisition of assets | | | | | | |
| 12.1 Motor Vehicles (including motorbikes) | | | - | - | | - |
| 12.2 Purchase of furniture and fittings | 2,620,000 | | | 2,620,000 | 2,620,000 | - |
| 12.2 Construction of CDF office | 650,000 | | | 650,000 | 650,000 | - |
| vote book balance | - | 1 | | 1 | | |
| Sub-total | 3,270,000 | 1 | - | 3,270,001 | 3,270,000 | - |
| 13.0 Others | | | | | | |
| NG-CDF Strategic Plan | | 1,500.00 | - | 1,500 | | 1,500 |
| Sub-total | - | 1,500 | - | 1,500 | - | 1,500 |
| Funds pending approval** | | | | | | |
| unapproved projects | | - | | - | | - |
| AiA | - | | | - | | - |
| Sub-total | - | - | - | - | - | - |
| Total | 179,441,954 | 44,988,175 | 49,192,343 | 273,622,473 | 179,667,040 | 93,904,261 |

(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 Mandera West Constituency principal activity is the financing, implementation, and oversight of development projects aimed at improving social infrastructure and enhancing the livelihoods of the residents within the constituency.

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 1st/ 2nd/ 3rd/ are transitional financial statements. The NG-CDF [Mandera West] has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement. The NG-CDF [Mandera West] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2025)

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

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

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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43: Leases | Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. This IPSAS has no impact in the constituency |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. This IPSAS has no impact in the constituency |
| IPSAS 45: Property Plant and Equipment | Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- |

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| | |
|--|--|
| | <p>maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable effective 1st July 2025</p> |
| IPSAS 46: Measurement | <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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable effective 1st July 2025</p> |
| IPSAS 47: Revenue | <p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1st July 2025</p> |
| IPSAS 48: Transfer Expenses | <p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This IPSAS is Not applicable this financial year.</p> |
| IPSAS 49: Retirement Benefit Plans | <p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This IPSAS is Not applicable this financial year</p> |
| IPSAS 50: Exploration For & | <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> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. |

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| | |
|---------------------------------|---|
| Evaluation of Mineral Resources | <p>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.</p> <p>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> <p>This IPSAS is Not applicable this financial year</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 12 June 2024 for the period 1st July 20 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.

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Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-

contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. (the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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

Useful lives and residual value

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

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

Provisions

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

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

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6. Transfers from the NGCDF Board

| Description | 2024-2025 |
|--|--------------------|
| | |
| NGCDFB 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 | - |

(Provide a brief explanation for this revenue)

9. Miscellaneous income

| Description | 2024-2025 |
|------------------------------------|-----------|
| | Kshs |
| Rental Income | - |
| Income from sale of tenders | - |
| Hire of plant/equipment/facilities | - |
| Total | - |

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10. Employees cost

| Description | 2024-2025 |
|--|------------------|
| | Kshs |
| NG-CDFC Basic staff salaries | 3,788,552 |
| Personal allowances paid as part of salary | - |
| House Allowance | - |
| Transport Allowance | - |
| Leave allowance | - |
| Gratuity to contractual employees | 1,197,840 |
| Employer Contributions Compulsory national social security schemes | 219,660 |
| Employer Contributions Compulsory Housing levy | 56,385 |
| Employer contributions to National Industrial Training Authority | - |
| Other Specify | - |
| Total | 5,262,437 |

11. Committee Expenses

| Description | 2024-2025 |
|--------------------------|------------------|
| | Kshs |
| Sitting allowance | 1,128,400 |
| Other Committee expenses | 1,902,200 |
| Total | 3,030,600 |

12. Use of Goods and services

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| Description | 2024-2025 |
|--|------------------|
| | Kshs |
| Utilities, supplies and services | 13,517 |
| Communication, supplies and services | 175,500 |
| Domestic travel and subsistence | 1,646,400 |
| Printing, advertising and information supplies & services | 1,075,000 |
| Office Rent | - |
| Training expenses | 2,364,400 |
| Hospitality supplies and services | - |
| Insurance costs | 209,595 |
| Specialized materials and services | - |
| Office and general supplies and services | 2,887,544 |
| Fuel, oil & lubricants | 505,900 |
| Bank Charges | 127,789 |
| Routine maintenance – vehicles and other transport equipment | 480,000 |
| Routine maintenance – other assets | - |
| Strategic plan expenses | - |
| Other operating expenses | 350,000 |
| Total | 9,835,645 |

13. Other Government Units Actual expenditure

| Description | 2024-2025 |
|--|--------------------|
| | Kshs |
| Primary Schools Actual expenditure | 72,742,041 |
| Secondary Schools Actual Expenditure | 34,977,374 |
| Tertiary Institutions Actual Expenditure | - |
| Total | 107,719,415 |

14. Other Grants and transfers Actual expenditure

| Description | 2024-2025 |
|-------------|-----------|
| | Kshs |

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| | |
|--|-------------------|
| Bursary – secondary schools | 3,000,000 |
| Bursary – tertiary institutions | 36,520,000 |
| Bursary – special schools | - |
| Bursary - Education Support programmes | - |
| Social Security programmes (SHIF) | - |
| Security projects Actual Expenditure | 4,936,559 |
| Climate change mitigation projects | 3,575,512 |
| Emergency projects Actual Expenditure | 3,748,278 |
| Roads projects | - |
| Others specify | - |
| Total | 51,780,350 |

15. Depreciation and Amortization Expenses

| Description | 2024-2025 |
|------------------------------|------------------|
| | Kshs |
| Property Plant and Equipment | 2,243,647 |
| Intangible Assets | - |
| Total | 2,243,647 |

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 (specify) | - |
| Total | - |

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

| Description | 2024-2025 |
|-------------------------------|-----------|
| | Kshs |
| Property, Plant and Equipment | - |
| Intangible Assets | - |
| Total Impairment Loss | - |

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalent

| Name Of Bank and Account No. | 2024-2025 | Opening Statement 1st July 2024 |
|--|-------------------|------------------------------------|
| | Kshs | Kshs |
| Bank Accounts (Cash Book Bank Balance) | | |
| Name Of Bank, Account No. (Operations account) | 17,881,522 | 35,086,468 |
| Operations account pending closure (Indicate name & account no.) | - | - |
| Name of Bank, account No. (Deposit account) | 3,388,920 | - |
| Name of Bank, account No. (PMC's account) | 23,243,037 | 9,901,707 |
| Total | 44,513,479 | 44,988,175 |
| Cash Balances | | |

(A schedule of all reconciled PMC bank balances as at the end of the period is annexed)

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20. Receivables from Exchange Transactions

| Description | Period ended June 2025 | Opening Statement 1st July 20XX |
|----------------------------------|------------------------|------------------------------------|
| | Kshs | Kshs |
| Total receivables | | |
| Other exchange debtors (Specify) | - | - |
| Less: impairment allowance | - | - |
| Total receivables | - | - |
| a. Current receivables | - | - |
| b. Non-current receivables | - | - |
| Total Receivables (a+b) | - | - |

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

| Description | Period ended June 2025 | Opening Statement 1st July 2024 |
|-----------------------|------------------------|------------------------------------|
| | Kshs | Kshs |
| Transfers from NGCDFB | 49,441,954 | 49,192,343.00 |
| Outstanding imprest | - | - |
| Total | 49,441,954 | 49,192,343 |

Ageing Analysis for Receivables

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| Description | Period ended June 2025 | | Opening Statement 1 st July 2024 | |
|--------------------|------------------------|----------------------|--|----------------------|
| | | Kshs | | Kshs |
| | 81 | % of the total | Opening Balance | % of the total |
| Less than 1 year | 49,441,954 | 100% | 49,192,343 | 100% |
| Between 1- 2 years | | 0% | - | |
| Between 2-3 years | - | 0% | - | - |
| Over 3 years | - | 0% | - | - |
| Total (a+b) | 49,441,954 | 100% | 49,192,343 | 1 |

22. Prepayments

| Description | Period ended June 2025 | Opening Statement 1 st July 2024 |
|-----------------------------|---------------------------|---|
| | Kshs | Kshs |
| Prepaid Rent | - | - |
| Prepaid Insurance | 155,290 | 188,858 |
| Prepaid Electricity Costs | - | - |
| Other Prepayments (Specify) | - | - |
| Total | 155,290 | 188,858 |

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23. Property, Plant and Equipment

| Description | Land | Motor Vehicles | Furniture and Fittings | Computers & ICT Equipment | Service Concession Assets | Buildings | Infrastructure Assets | Work in Progress | Total (Kshs) |
|--|------|------------------|------------------------|---------------------------|---------------------------|-----------|-----------------------|------------------|-------------------|
| Depreciation Rate | | 10% | 25% | 0% | 12.5% | 30% | | | |
| Cost | - | 2,900,000 | 7,395,784 | - | 1,860,000 | - | - | - | 12,155,784 |
| Opening Balance as at 1st July 2024 | | 2,610,000 | 5,546,838 | | 1,627,500 | | | | 9,784,338 |
| Additions | - | 650,000 | - | - | 2,620,000 | - | - | - | 3,270,000 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustments | - | - | - | - | - | - | - | - | - |
| As at 30th June 2024 | - | 3,260,000 | 5,546,838 | - | 4,247,500 | - | - | - | 13,054,338 |
| Opening Accumulated Depreciation as at 1st July 2024 | - | 290,000 | 1,848,946 | - | 232,500 | - | - | - | 2,371,446 |
| Depreciation for the Year | - | 326,000 | 1,386,710 | - | 530,938 | - | - | - | 2,243,647 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustment | - | - | - | - | - | - | - | - | - |
| As at 30th June 2025 (Accumulated Depreciation) | - | 616,000 | 3,235,656 | - | 763,438 | - | - | - | 4,615,093 |
| Net Book Value as at 1st July 2024 | - | 2,610,000 | 5,546,838 | - | 1,627,500 | - | - | - | 9,784,338 |
| Net Book Value as at 30th June 2025 | - | 2,934,000 | 4,160,129 | - | 3,716,563 | - | - | - | 10,810,691 |

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Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were Not adopted.

22 b) Property, Plant and Equipment at Cost

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

| | Cost | Accumulated Depreciation | NBV |
|---|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Land | - | - | - |
| Buildings | 3,550,000 | 616,000 | 2,934,000 |
| Plant And Machinery | - | - | - |
| Motor Vehicles, Including Motorcycles | 7,395,784 | 3,235,656 | 4,160,129 |
| Computers And Related Equipment | - | - | - |
| Office Equipment, Furniture, And Fittings | 4,480,000 | 763,438 | 3,716,563 |
| Total | 15,425,784 | 4,615,093 | 10,810,691 |

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

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

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24. Intangible Assets

| Description | Period ended June 2025 | Opening Statement 1st July 2024 |
|--|------------------------|---------------------------------|
| | Kshs | Kshs |
| Cost | | |
| Opening balance at the beginning of the Period | - | - |
| Additions | - | - |
| Disposal | - | - |
| At end of the Period | - | - |
| Additions–internal development | - | - |
| Disposal | - | - |
| At end of the Period | - | - |
| Amortization and impairment | | |
| At beginning of the Period | - | - |
| Amortization | - | - |
| At end of the Period | - | - |
| Impairment loss | - | - |
| At end of the Period | - | - |
| NBV | - | - |

25. Right-of use assets

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| Description | Buildings | Motor vehicles | Plant and equipment | Total |
|------------------------------------|-----------|----------------|---------------------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Cost | | | | |
| As at 1 July 20xx | - | - | - | - |
| Additions | - | - | - | - |
| As at 30 Sept/Dec/ March/June 20xx | - | - | - | - |
| | | | | |
| Accumulated Depreciation | | | | |
| As at 1 July 20xx | - | - | - | - |
| Charge for the year | - | - | - | - |
| As at 30 Sept/Dec/ March/June 20xx | - | - | - | - |
| | | | | |
| Carrying Amount | | | | |
| As at 30 Sept/Dec/ March/June 20xx | = | = | = | = |

26. Trade and Other Payables

| Description | Period ended June | Opening |
|---------------------------------------|-------------------|-------------------------|
| | 2025 | Statement 1st July 2024 |
| | Kshs | Kshs |
| Trade payables | - | - |
| Employee payables | - | - |
| Other payables | - | - |
| Total trade and other payables | - | - |

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| Aging analysis: (Trade and other payables) | Current FY | % of the Total | 1 st July |
|--|------------|----------------|----------------------|
| Under one year | - | % | - |
| 1-2 years | - | % | - |
| 2-3 years | - | % | - |
| Over 3 years | - | % | - |
| Total (tie to above total) | - | | - |

27. Third-Party deposits

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

Retentions aging analysis.

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| | Insert Current FY | % of the total | Insert Comparative FY | % of the total |
|------------------|----------------------|-------------------|--------------------------|-------------------|
| Less than 1 year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | - | | - | |

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

| Description | Amount |
|--------------|--------|
| Current | - |
| Non- Current | - |
| Total | - |

29. Gratuity Provision

| Description | Period ended June 2025 | Opening Statement |
|---|------------------------|-------------------|
| | | 1st July 2024 |
| | Kshs | Kshs |
| Gratuity at the beginning of the period (A) | 2,191,080 | 2,191,080.00 |
| Gratuity held during the period (B) | 1,197,840 | - |
| Gratuity paid during the period (C) | - | - |

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| | | |
|--|--------------|--------------|
| Total Gratuity provision as at 30 th June D=(A+B-C) | 3,388,920.00 | 2,191,080.00 |
|--|--------------|--------------|

30. Cash Generated from Operations

| | Period ended June 2025 |
|--|------------------------|
| | Kshs |
| Surplus for the period before tax | (430,140) |
| Adjusted for: | |
| Depreciation | 2,243,647 |
| Non-cash grants received | - |
| Contributed assets | - |
| Impairment | - |
| Gains and losses on disposal of assets | - |
| Contribution to provisions | - |
| Contribution to impairment allowance | - |
| Working capital adjustments | |
| Changes in inventory | - |
| Changes in receivables | 216,044 |
| Changes in deferred income | - |
| Changes in Third party deposits | - |
| Changes in gratuity provision | (1,197,840) |
| Changes in payments received in advance | - |
| Net cash flow from operating activities | 2,795,303 |

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management 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 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:

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| Description | Total amount | Fully performing | Past due | Impaired |
|---|-------------------|-------------------|----------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June (2024-2025) | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 49,441,954 | 49,441,954 | - | - |
| Bank balances | 44,513,479 | | - | - |
| Total | 93,955,433 | 49,441,954 | - | - |
| As at 30 June (2023-2024) | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 49,192,343 | 49,192,343 | - | - |
| Bank balances | 44,988,175 | | - | - |
| Total | 94,180,518 | 49,192,343 | - | - |

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

Financial Risk Management

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

ii) Liquidity risk management

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

| 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 | | | 3,388,920 | 3,388,920 |
| Total | | | 3,388,920 | 3,388,920 |
| As at 30th June 2024 | | | | |
| Trade payables | - | - | - | - |
| Current portion of borrowings | - | - | - | - |

**National Government Constituencies Development Fund (NGCDF)
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| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|--------------------|-------------------|--------------------|---------------|-----------|
| | Kshs | Kshs | Kshs | Kshs |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |
| Gratuity Provision | - | - | 2,191,080 | 2,191,080 |
| Total | - | - | 2,191,080 | 2,191,080 |

iii) Market risk

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

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2024-2025

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

Foreign currency sensitivity analysis

2024-2025

| Description | In Kshs | Other currencies | Total |
|---|---------|------------------|-------|
| | Kshs | Kshs | Kshs |
| As at 30 th June (2024-2025) | | | |
| Financial Assets | - | - | - |
| Investments | - | - | - |
| Cash | - | - | - |
| Debtors | - | - | - |
| Total Financial Assets | - | - | - |
| Financial Liabilities | - | - | - |
| Trade And Other Payables | - | - | - |

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

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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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 percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

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 Entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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

| Description | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|---------|---------|---------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30 June (Current FY) | | | | |
| Financial Assets | | | | |
| Quoted Equity Investments | - | - | - | - |
| Non- Financial Assets | | | | |
| Investment Property | - | - | - | - |

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| | | | | |
|---|---|---|---|---|
| Land And Buildings | - | - | - | - |
| Total | - | - | - | - |
| As at 30th June (Previous FY) | - | - | - | - |
| 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 | Insert Current FY | Opening Statement 1 st July 20xx |
|--|--------------------|--|
| | Kshs | Kshs |
| Revaluation Reserve | 101,532,494 | 101,962,634 |
| Retained Earnings | (430,140) | - |
| Capital Reserve | - | - |
| Total Funds | 101,102,354 | 101,962,634 |
| Total Borrowings | - | - |
| Less: Cash and Bank Balances | 44,513,479 | 44,988,175 |
| Net Debt/(Excess Cash And Cash Equivalentents) | 56,588,875 | 56,974,459 |
| 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 | 3,030,600 | - |
| | | |
| Transaction with the NGCDF Board | | |
| Transfers from the NGCDF Board during the year | 179,192,343 | - |
| Total | 179,192,343 | - |

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

| Description | Insert Current FY | Opening Statement 1 st July 20xx |
|-------------|-------------------|--|
| | | |

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| | Kshs | Kshs |
|--|------|------|
| Contingent Assets | | |
| Insurance Reimbursements | - | - |
| Assets Arising from Determination Of Court Cases | - | - |
| Reimbursable Indemnities and Guarantees | - | - |
| Receivables From Other Government Entities | - | - |
| Others (Specify) | - | - |
| Total | - | - |

(Give details)

Contingent Liabilities

| Description | Insert Current FY | Opening Statement 1 st July 20xx |
|--|-------------------|---|
| | 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 | Insert Current FY | Opening Statement 1 st July 20xx |
|---------------------|-------------------|---|
| | Kshs | Kshs |
| Authorised for | - | - |

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| | | |
|-------------------------------|---|---|
| Authorised and Contracted for | - | - |
| Total | - | - |

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Mandera West Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

| Asset class | Historical Cost b/f (Kshs) 2022-2023 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2023-2024 |
|--|--|-------------------------------------|-------------------------------------|--|
| Land | - | - | - | - |
| Buildings and structures | 16,750,000 | 4,760,000 | - | 21,510,000 |
| Transport equipment | - | 7,395,784 | - | 7,395,784 |
| Office equipment, furniture and fittings | 4,829,472 | - | - | 4,829,472 |
| ICT Equipment, Software and Other ICT Assets | - | - | - | - |
| Other Machinery and Equipment | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 21,579,472 | 12,155,784 | - | 33,735,256 |

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

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

| PMC | Bank | Account number | Bank Balance | Opening Statement 1st July 2024 |
|-------------------------|--------|---------------------------------|--------------|---------------------------------|
| | | | 2024-2025 | |
| Burduras primary | EQUITY | 1020154687526' 1000176751326 | 331.8 | 332 |
| Darwed primary school | EQUITY | 1020299348471 | 285 | 285 |
| Didkuro Primary School | EQUITY | 1000294578856 | 21405 | 36,555 |
| Dobu primary school | EQUITY | 1020170522241 | 25437 | 3,180 |
| Elbofa primary school | EQUITY | 1020299155056 | 105738 | 81,285 |
| Gambela primary sch | EQUITY | 1020164025193 | 23107 | 793 |
| Gutole pri school | EQUITY | 1020162622048 | 17727.4 | 1,097 |
| Haji rashid school | EQUITY | 1000278586624 | 22769.5 | 2,165 |
| iyana abakula pri | EQUITY | 1020262733930 | 3750 | 3,750 |
| kubihalo pri school | EQUITY | 1020161612190 | 3567.5 | 3,568 |
| lagsure pri school | EQUITY | 1000280027218 | 23022.5 | 3,800 |
| Rocky primary | EQUITY | 1000294578897 | 1928 | 58,775 |
| Sake Primary | EQUITY | 1000277736592 | 160 | 160 |
| Takaba primary school | EQUITY | 1000162527882 | 239767.75 | 37,567 |
| Tesoramu primary school | EQUITY | 10120162166270 | 705 | 705 |
| Waingaidahan primary | EQUITY | 1000264322583 | 767.5 | 768 |
| Gesreb primary school | EQUITY | 1020281268762 | 27940 | 2,093 |
| Gobogala primary sch | EQUITY | 1020273013599 | 17980 | 450 |
| Hada Primary School | EQUITY | 1020164025018 | 22760.5 | 158 |
| Majgaram primary Sch | EQUITY | 1000279599866 | 17687.5 | 500 |
| Dandu pri sch | EQUITY | 1020265608505 | 27090.35 | 27,090 |

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|--------------------------|--------|---------------|----------|--------|
| Diribmafuko primary sch | EQUITY | 1252832193 | 1295 | 1,295 |
| Eresteno primary sch | EQUITY | 1000277747709 | 39584.5 | 75 |
| El-danaba primary school | EQUITY | 1020162739681 | 28527 | 41,897 |
| Abakote primary school | EQUITY | 1020280117760 | 24864.5 | - |
| alokoba primary | EQUITY | 1020299154867 | 25244 | - |
| bachile primary | EQUITY | 1020161603974 | 22187.5 | - |
| bolowle primary school | EQUITY | 1020298058275 | 37295.5 | - |
| dadabo primary | EQUITY | 1020167367119 | 33645 | - |
| gagaba primary | EQUITY | 1000280248395 | 17830 | - |
| harbuyo primary | EQUITY | 1020162167083 | 36318.5 | - |
| hardimtu primary | EQUITY | 1020162196318 | 19782.45 | - |
| harshilmi primary sc | EQUITY | 1020162544778 | 18897.35 | - |
| hopy primary | EQUITY | 1000280879271 | 17830 | - |
| khalaf primary | EQUITY | 1000278587803 | 17162.5 | - |
| karsahama primary | EQUITY | 1020172472738 | 19042.5 | - |
| kinisa primary | EQUITY | 1020264759406 | 22482 | - |
| kubdishan primary | EQUITY | 1020161604474 | 17380 | - |
| mansho primary | EQUITY | 1020169227358 | 21177.5 | - |
| mubarak intergrated | EQUITY | 1000280029177 | 40469 | - |
| qorobo bima | EQUITY | 1000280155604 | 17630 | - |
| qorobo saglan | EQUITY | 1020162192614 | 18794.95 | - |
| sambur prim | EQUITY | 1020161618997 | 22669 | - |
| sukela lowa | EQUITY | 1020280263758 | 42356 | - |
| sukela primary | EQUITY | 1020299017463 | 22511.9 | - |
| madina primary | EQUITY | 1000278537032 | 0 | - |
| Afalo primary | KCB | 1325281298 | 22126 | - |
| ardahalo primary | KCB | 1314255797 | 31987 | - |

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|------------------------------|--------|---------------|-----------|-----------|
| argeysa primary school | KCB | 1314382837 | 17658 | - |
| datachdera primary sch | KCB | 1335324267 | 13605.4 | - |
| didkoba primary | KCB | 1315174774 | 18109 | - |
| habarkatu primary | KCB | 1315226677 | 21078 | - |
| wayamdera primary | KCB | 1314222937 | 21034 | - |
| sigirso primary | EQUITY | 1020167369353 | 20536.5 | - |
| gither primary | EQUITY | 1000284891581 | 61029 | - |
| bamba taka | EQUITY | 1000283083534 | | - |
| hada dimtu | KCB | 1325341606 | 22331 | - |
| mirdaka primary sch | KCB | 1255167874 | 13967 | - |
| Eldanaba secondary | KCB | 1317213858 | 171861.5 | 2,842,286 |
| haji yussuf girls | KCB | 1314012746 | 80332.25 | 38,148 |
| Darwed Secondary School | EQUITY | 1020164614585 | 2550.5 | 5,002,723 |
| Gather mix sec sch | EQUITY | 1000277750367 | 107385 | 1,580,960 |
| Burduras Secondary Sch | EQUITY | 1000265546401 | 29198.5 | 127,606 |
| dandu girls | EQUITY | 2160286003440 | 67000 | - |
| dandu secondary | EQUITY | 1020262730026 | 0 | - |
| takaba girls sec sch | EQUITY | 1156802873 | 111021.75 | - |
| Takba adult Education | EQUITY | 1000280040234 | 1000000 | - |
| Dandu Education office | EQUITY | 2160286569730 | 4300000 | - |
| Gather division | KCB | 1321317867 | 1643.5 | 1,644 |
| Tesoramo | EQUITY | 2160185976491 | 27112 | - |
| Kobadadi | EQUITY | 2160185993675 | -154.48 | - |
| takaba division | EQUITY | 2160285963866 | 36483 | - |
| takaba police administration | EQUITY | 2160286592222 | 3000000 | - |
| Dandu police station | EQUITY | 2160286618940 | 400000 | - |
| Dandu police station | EQUITY | 2160286618940 | 5000000 | - |

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|-------------------------|--------|---------------|-------------------|------------------|
| Dandu police station | EQUITY | 2160286618940 | 1500000 | - |
| Deputy commissioner c | EQUITY | 1020285565823 | 83184 | - |
| darwed secondary school | EQUITY | 1020164614585 | 51171 | - |
| takaba primary | EQUITY | 1000162527882 | 1321883.44 | - |
| sukela lowa pri | EQUITY | 1020280263758 | 0 | - |
| gambela primary | EQUITY | 1020164025193 | 2571429 | - |
| elbofa primary | EQUITY | 1020299155056 | 1928571 | - |
| | | | | |
| | | | | |
| Total | - | | 23,243,037 | 9,901,707 |

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.

| Ref No. | Issue / Observations from Auditor | Management Comments | Status (Resolved / Not Resolved) | Timeframe (Expected Resolution Date) |
|----------------|--|--|---|---|
| 1 | <p>Unsupported Transfers to Primary Schools</p> <p>The statement of receipts and payments reflects transfers to other government units amounting to Kshs.92,175,000 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.49,400,000 in respect of transfers to primary schools. However, a review of payment records and project files among other records revealed that expenditure for projects worth Kshs.12,747,500 disbursed to various primary schools Project Management</p> | <p>The NG CDF Act,2015 section 36(1) provides for the implementation of the Projects through Project Management Committees (PMCs) at the Constituency level. Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the PMCs lack the capacity to properly document all procurement procedures. The Fund has conducted trainings for PMCs over the years.</p> <p>Appointment letter of the tender opening and evaluation committee, professional opinions,</p> | Unresolved | 1 January 2026 |

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| | | | | | |
|--|---|--|--|--|--|
| | <p>Committees (PMCs) were not supported with appointment letter of the tender opening and evaluation committee, professional opinions, project handing and taking over reports, work plans and inspection and acceptance reports. This was contrary to Section 68(6) of the Public Procurement and Asset Disposal Act 2015 which states that an accounting officer of a procuring entity shall maintain a proper filing system with clear links between procurement and expenditure files that facilitates an audit trail.</p> <p>In the circumstances, the accuracy and occurrence of transfers to primary schools amount of Kshs.12,747,500 could not be confirmed.</p> | <p>Mandatory tax compliance certificates, Project handing and taking over reports, Work plans, inspection and acceptance reports, certificate of practical completion and Minutes of approval for payment by the PMC committee were in the PMC project files and are now made available for audit verification.</p> <p>Annex 1: Appointment letter of the tender opening and Evaluation committee, Professional opinions, Mandatory tax compliance certificates, Project handing and taking over reports, Work plans, inspection and acceptance reports, certificate of practical completion and Minutes of approval for payment by the PMC committee.</p> | | | |
|--|---|--|--|--|--|

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| | | | | |
|---|--|--|------------|----------------|
| 2 | <p>Unsupported Bursary Payments</p> <p>The statement of receipts and payments reflects other grants and transfers of Kshs.58,490,000 and as disclosed in Note 6 to the financial statements. The expenditure includes bursary payments of Kshs.34,000,000 disbursed to tertiary institutions. However, bursary payments amounting to Kshs.2,195,000 for tertiary institutions were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.</p> <p>In the circumstances, the accuracy and completeness of bursary payments amounting to</p> | <p>The cheques attached with covering letters and beneficiaries list is physically delivered to all Institutions. However, some of the Institutions delay in acknowledging the cheque payments as they wait the funds to be credited into their account. The Fund managed to get official receipts/acknowledgements for the amounts being queried and we are making efforts to ensure all bursary payments are fully accounted for by the recipient institutions in the future. Mandera west managed to acknowledge good number of acknowledgement letters from respective beneficiary institutions.</p> <p>Annex 2: Official fees receipts/Acknowledgement Letters.</p> | Unresolved | 1 January 2026 |
|---|--|--|------------|----------------|

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|---|---|---|--------------|----------------|
| | Kshs.2,195,000 could not be confirmed. | | | |
| 3 | <p>Unsupported Project Management Committee Bank Balances</p> <p>Note 12.2 to the financial statements and as detailed in Annex 3 reflects Project Management Committees (PMC) bank balance of Kshs.9,901,707 as at 30 June, 2024. However, Management did not provide for audit bank reconciliation statements, cash book and certificates of bank balances for the individual PMC bank accounts disclosed in the Annex to confirm the balances.</p> <p>In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.9,901,707 could not be confirmed.</p> | <p>Project Management Committee (PMC) certificate of bank balances for the PMC bank accounts are maintained and the same is attached for audit verification.</p> <p>Annex 3: Project Management Committee (PMC) certificate of bank balances.</p> | Not Resolved | 1 January 2026 |

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| | | | | |
|---|---|--|--------------|----------------|
| 4 | <p>Lack of Ownership Documents and Incomplete Disclosure of Assets</p> <p>The summary of fixed asset register and as disclosed under Annex 2 to the financial statements reflects assets with historical cost balance of Kshs.33,735,256 as at 30 June, 2024. Included in the balance are buildings and structures with a historical cost balance of Kshs.21,510,000. However, the value of land on which the buildings and structures sits was not disclosed in the Annex and also in the fixed assets register. Further, ownership documents for the land were not provided for audit. The fixed assets register maintained did not contain all information required by International Public</p> | <p>The Fund maintains and continuously updates a register of all assets and ensures that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse of the assets. The NG-CDF Mandera West Office Block is located in the National Government Sub County Headquarters which is a public land. The Mandera West NG-CDF has initiated land ownership steps for NG-CDF Mandera West Office Block and is liaising with the Deputy County Commissioner and the NG-CDF Board to fast track the process. The Fund will, henceforth, adhere to the requirements of IPSAS 17 and also take the necessary steps to ensure that assets are revalued.</p> <p>Management is giving concern and following up with the Department of Lands to survey the land</p> | Not Resolved | 1 January 2026 |
|---|---|--|--------------|----------------|

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| | | | | |
|--|---|--|---------------------|-----------------------|
| | <p>Sector Accounting Standard (IPSAS) 17 whose minimum disclosure requirements include; Identification or serial number, acquisition date, description of assets, location, class, cost of acquisition, accumulated depreciation and net book value. In addition, Management did not provide evidence that the assets were revalued since acquisition yet the value of some of the assets had significantly changed over time.</p> <p>In the circumstances, the accuracy, completeness and ownership of fixed assets balance of Kshs.33,735,256 could not be confirmed.</p> | <p>where the office block is located.</p> | | |
| | <p>Project Implementation Status</p> | <p>The delay in disbursement of all budgeted funds from the NG-CDF Board made the Fund unable to</p> | <p>Not Resolved</p> | <p>1 January 2026</p> |

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| | | | | |
|--|---|--|--|--|
| | <p>During the year under review, Management budgeted to implement a total of one hundred and twenty-one (121) projects under various sectors with a total allocation of Kshs.195,106,852. However, as at the closure of the financial year only sixty-six (66) projects with a contract sum of Kshs.112,930,784 were completed while fifty-five (55) projects with a budget of Kshs.82,176,068 had not started. The delay in completing projects may have impacted negatively on service delivery to the residents of Mandera West Constituency. The delay in completing projects may have impacted negatively on service</p> | <p>implement all the budgeted projects. We have since brought the same to the attention of the NG-CDF Board to ensure release of all budgeted funds to realize implementation of projects for the benefit of the constituents.</p> | | |
|--|---|--|--|--|

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| | | | | |
|--|--|---|--------------|----------------|
| | delivery to the residents of Mandera West Constituency. | | | |
| | <p>Failure to Report Expenditure from Emergency Reserve</p> <p>The statement of receipts and payments reflects other grants and transfers of Kshs.58,490,000 as disclosed in Note 6 to the financial statements. Included in this amount is an expenditure of Kshs.9,200,000 incurred from the emergency reserve. However, Management did not report to the National Government Constituencies Development Fund Board the utilization of emergency reserve within (30) days of occurrence of the emergency as required by</p> | <p>The Fund had initiated the process of complying with Section 7(1)(A) of the National Government Constituencies Development Fund (Amendment) Act, 2022 by writing to the NG-CDF Board regarding the opening of the Deposit Account but approval was sent through Kenya Posta which delayed the delivery and it was delivered after the closer of the financial year under review. The written minutes of the NG-CDF Committee and the request letter are attached for audit review.</p> | Not Resolved | 1 January 2026 |

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| | | | | |
|--|---|---|--|--|
| | <p>Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.</p> <p>In the circumstances, Management was in breach of the law.</p> | | | |
| | <p>Failure to Open a Deposit Holding Account</p> <p>The Fund did not open a deposit holding account as required under Section 12(1A) of the National Government</p> | <p>The Fund had initiated the process of complying with Section 7(1)(A) of the National Government Constituencies Development Fund (Amendment) Act, 2022 by writing to the NG-CDF Board regarding the opening of the Deposit Account but approval</p> | | |

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| | | | | |
|--|---|--|--|--|
| | <p>Constituencies Development Fund Act, 2015 (Amended 2022) which provides that each constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.</p> <p>In the circumstances, Management was in breach of the law.</p> | <p>was sent through Kenya Posta which delayed the delivery and it was delivered after the closer of the financial year under review. The written minutes of the NG-CDF Committee and the request letter are attached for audit review.</p> | | |
|--|---|--|--|--|



Name: Daud Adow
Fund Account Manager.

