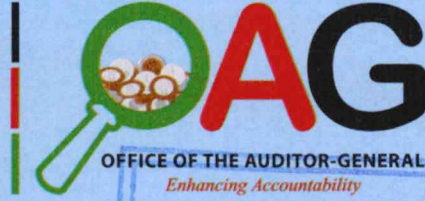


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 NOV 2025	DAY: wed
TABLED BY:	Hon. Robert Pukara
CLERK-AT-THE-TABLE:	Mado Atabo

REPORT

PARLIAMENT OF KENYA LIBRARY

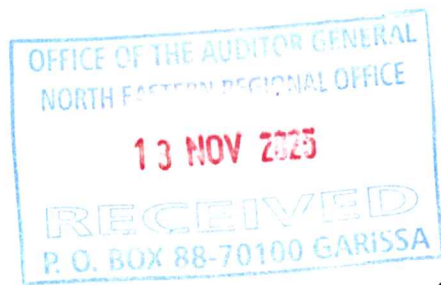
OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BALAMBALA 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)



Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee.....	viii
4. NG-CDFC Chairman's Report.....	xi
5. Statement Of Performance Against Predetermined Objectives for FY2024-2025.....	xvi
6. Governance Statement.....	xviii
7. Management Discussion and Analysis.....	xxi
8. Environmental and Sustainability Reporting.....	xxiii
9. Statement Of Management Responsibilities.....	xxvii
10. Report Of the Independent Auditor on the NGCDF- Balambala Constituency.....	xxix
11. Statement of Financial Performance for the Year Ended 30th June 2025.....	1
12. Statement Of Financial Position As At 30th June, 2025.....	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025.....	3
14. Statement Of Cash Flows for The Year Ended 30th June 2025.....	4
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	5
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025.....	7
17. Notes to the Financial Statements.....	13
18. Annexes.....	37

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Balambala 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	Ahmed Mohamed Ibrahim
2.	National Sub-County Accountant	Dickson M. Chuaga
3.	Chairman NGCDFC	Bishar Abdi Hussein
4.	Member NGCDFC	Abdi Shale Bulle

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Balambala 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 Balambala Constituency Headquarters

Garissa County Commissioners Office
Garissa Kenya.

(e) NGCDF Balambala Constituency Contacts

P.O. Box 418 - 70100
Telephone: (254) 712242384
E-mail: cdfbalambala@ngcdf.go.ke
Website: www.ngcdfbalambala.go.ke

(f) NGCDF Balambala Constituency Bankers

1. Equity Bank Kenya Limited (Operations Account).
Garissa Branch
Account Number: 0580268598022
P.O. Box 859 – 70100
Garissa
2. Equity Bank Kenya Limited (Deposit Account).
Garissa Branch
Account Number: 0580285795305
P.O. Box 859 – 70100
Garissa
3. Chase Bank (Operation Account).
Garissa Branch
Account Number: 18212210001
P.O. Box 700 – 70100
Garissa
4. Equity Bank Kenya Limited (PMC Accounts).
Garissa Branch
Account Number: (various)
P.O. Box 859 – 70100
Garissa
5. National Bank (PMC Account).
Garissa Branch
Account Number: 01041225659100
P.O. Box 859 – 70100
Garissa
6. KCB Bank C. (PMC Accounts)
Garissa Branch
Account number:1267242707
P.O. Box 48400
Garissa


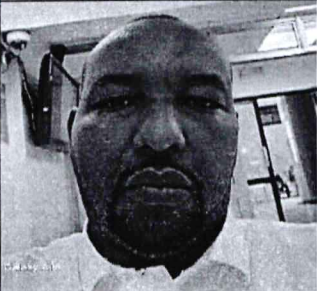


(g) Independent Auditor





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

(h) Principal Legal Adviser

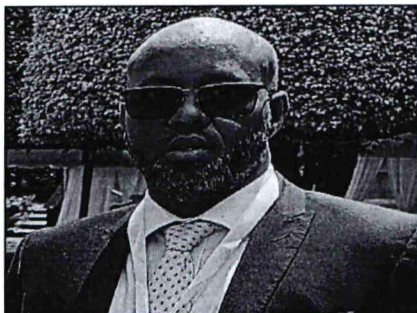
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
 Bishar Abdi Hussein	<p>Date of Birth: 01/01/1982 Highest Academic Qualification: Diploma Professional Qualification: Business Management Work Experience: Businessman Position: NG- CDFC Chairman</p>
 Abdi Shale Bulle	<p>Date of Birth: 01/07/1987 Highest Academic Qualification: Degree Professional Qualification: Environmental Health Work Experience: Public Health Officer Position: NG- CDFC Secretary</p>
 Abdiaziz Mohamud Maalim	<p>Date of Birth: 05/04/1994 Highest Academic Qualification: Diploma Professional Qualification: Purchasing and Supplies Management Work Experience: Manager Position: NG- CDFC Member</p>
 Ubah Hassan Yunis	<p>Date of Birth: 20/04/1997 Highest Academic Qualification: KCPE Professional Qualification: Certificate Work Experience: Business Lady Position: NG- CDFC Member</p>

	<p>Date of Birth: 01/01/1988 Highest Academic Qualification: Diploma Professional Qualification: Social Worker Work Experience: Business Lady Position: NG- CDFC Member</p>
	<p>Date of Birth: 01/01/1982 Highest Academic Qualification: Degree Professional Qualification: Human Resource Management Work Experience: Terres Des Homme Foundation Position: NG- CDFC Member</p>
	<p>Date of Birth: 03/03/1993 Highest Academic Qualification: KCSE Professional Qualification: Business Lady Work Experience: Community Stakeholder Position: NG- CDFC Member</p>
	<p>Date of Birth: 06/03/1992 Highest Academic Qualification: KCSE Professional Qualification: Certificate Work Experience: Businessman Position: NG- CDFC Member</p>

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



Ahmed Ibrahim Mohamed

Date of Birth: 16/05/1979
Highest Academic Qualification: Masters
Professional Qualification: CPA- Part ii Section 4
Work Experience: Field Financial Services
Position: Ex- Office Member

4. NG-CDFC Chairman's Report



Mr. Bishar Abdi Hussein

It is my pleasure to present this report on behalf of the NG-CDF Committee for the period 1st July, 2024 to 30th June, 2025. This report outlines the progress made in implementing projects funded by the NG-CDF, challenges encountered, and our strategic plans for the coming year.

During the current review period, delays in disbursements from the Board informs the slowness in the implementation of projects for the 2024/2025 financial year.

In the financial year 2024/2025, NG-CDF Balambala Constituency was allocated Kshs. 179,441,954.47. However, a total of Kshs. 341,786,792.95 was available for spending during the financial year. The allocation comprised an opening balance of Kshs. 290,344,838.21. Kshs. 51,441,954.74 still owed from the Board, and the allocation for the period.

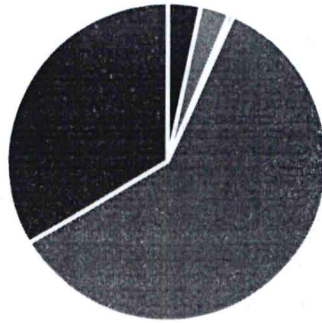
Graphs and Pie Chart

NGCDF BALAMBALA ALLOCATION



- Employee Cost
- Committee Expenses
- Use of Goods & Services
- Other Government Units (certified works)
- Other Grants & Transfer
- Digital Expense

NGCDF BALAMBALA ACTUAL ANALYSIS



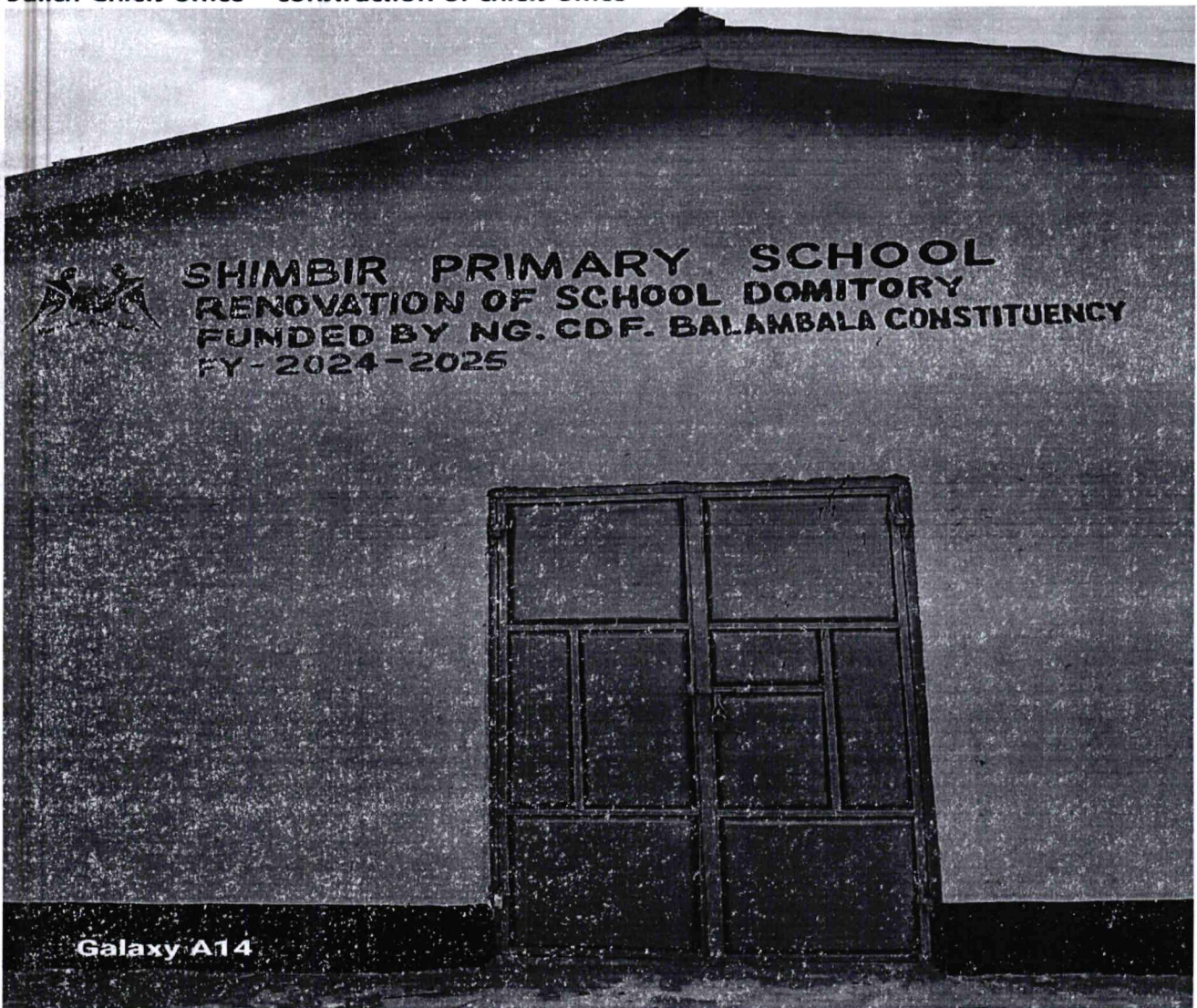
- Employee Cost
- Committee Expenses
- Use of Goods & Services
- Other Government Units (certified works)
- Other Grants & Transfer



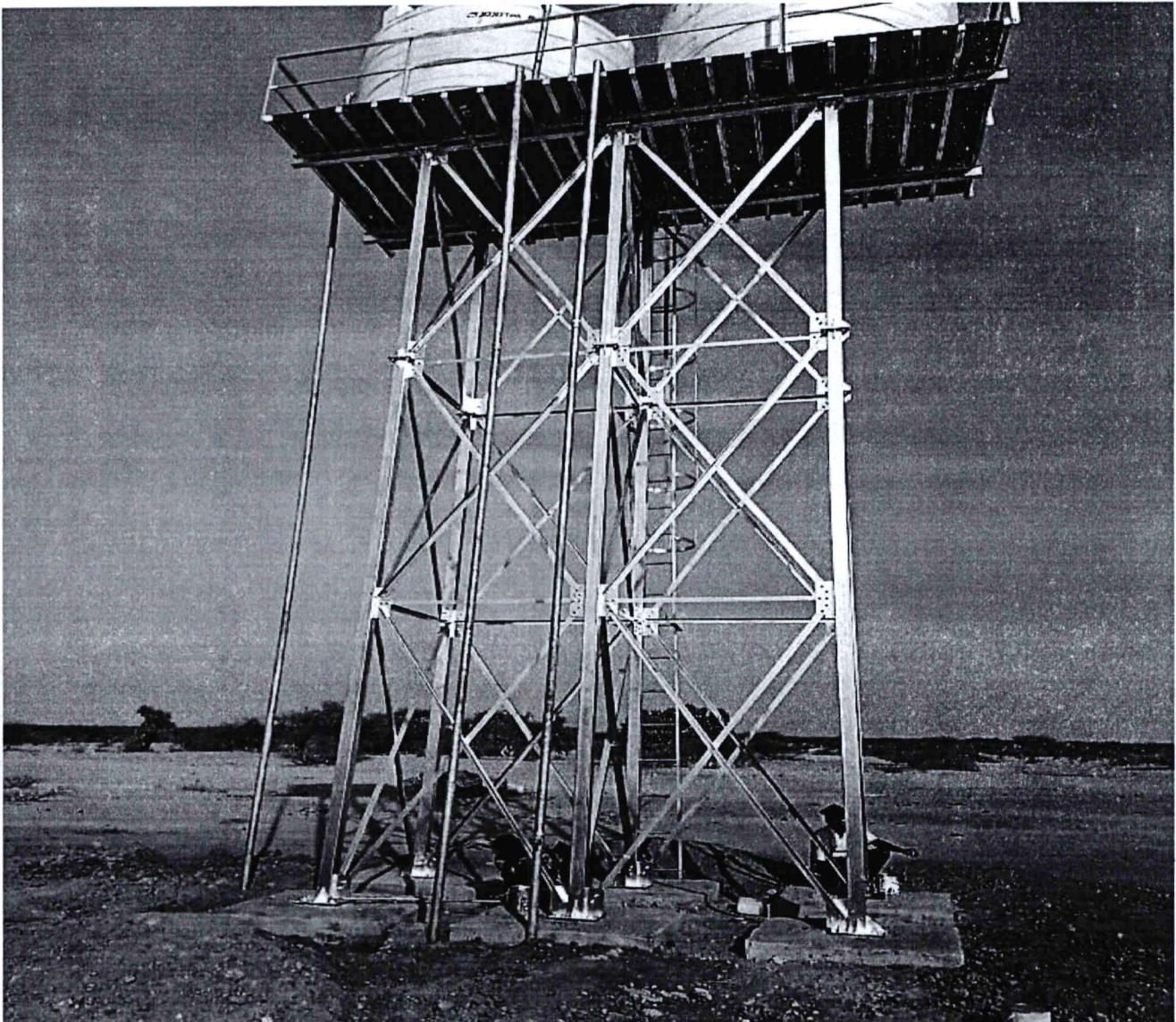
Danyere Secondary School – purchase of beds and mattresses



Balich Chiefs office – construction of chiefs office



Shimbir Primary School – Renovation of dormitory



Hirbaya Primary School – installation of water tanks

Emerging issues;

- (a) Need to seek for increased allocations so as to address the acute need of infrastructure development in the priority areas.
- (ii) Re-thinking about the 5% emergency allocation with a view of increasing it to 10% of allocations.


Challenges;

Despite the great success achieved during the plan period, the Balambala NG-CDF team noted a number of challenges;

1. Delayed release of funds from the board often caused planned project to fall behind time.
2. Poor infrastructure such as roads and communication, generally made implementation of projects to be difficult and sometimes increasing costs.

3. Recurring drought situation in the constituency often caused increased expectation of larger than planned response expectation by the constituents.
4. Resources related conflicts and tension often causing challenge of project implementation.

.....
Name *Brehan*
Chairman NGCDF Committee



5. Statement Of Performance Against Predetermined Objectives for FY2024-2025
Introduction

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

Vision: “Improving living standards for Balambala residents through effective and efficient service delivery”

Mission: “To achieve poverty reduction by implementing strategic projects that are identified through community participation”

Core Values;

1. Efficient and Effectiveness
2. Transparency and Accountability
3. Impartiality
4. Equity and Equality
5. Sustainable Development
6. Community Participation
7. Professionalism
8. Embrace Digital Transformation

The key development objectives of the *NGCDF Balambala Constituency 2022/2023-2026/2027* plan are to:

1. Support Educational Infrastructure and Performance.
2. Strengthen Security in the Constituency.
3. Youth Empowerment and Sports;
4. Target to attain Environmental Sustainability,
5. Implementation of Digital Transformation;

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	Existing education facilities; Availability of trained teachers; Availability of	Inadequate or Poor school infrastructure in many parts of the constituency; Low enrolment rates for schools; Poor families not able to pay school fees.	The existence of a TTI; Presence of the NGCDF devolved funds; Provision of	Teachers shortages in some parts of constituency; Drugs and substance abuse

	supervisory personnel.	The existence of a TTI; Presence of the NGCDF devolved funds; Provision of teachers by the TSC Teachers shortages in some parts of constituency; Drugs and substance abuse	teachers by the TSC	
Security	Presence of some police stations in parts; Strong Community policing program; The presence of chief's offices and local leaders.	Inadequate police facilities; Understaffing; Lack of patrol Vehicles; poor road network; Inadequate offices for security personnel.	The creation of more Police stations and administrative units;	Youth Unemployment causing security threats; Drugs abuse; New crime technique; Formation of youth organized crime.
Climate change mitigation activities	Enhance clean environment, conservation, Preservation and protection of biodiversity to mitigate impacts of climate change and emergency/di sasters	Restoration of tree nurseries and forest Tree growing and nurturing Restoration from degradation and pollution	In order to achieve the environmental target, we plan to: a) Construct to completion 20 new toilets in different institutions Plant 2,000 seedlings in different institutions	Climate Change Mitigation activities were tree planting in line with the changes in the Act and the President initiative of planting 15 Billion tree seedlings by 2032. The committee through various PMCs will plant at least 2,000 seedlings in the financial year.
Emergency	To identify uncertain occurrences in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	Working with other units and departments dealing with emergency response in the constituency to ensure quick identification and response.

6. Governance Statement

Appointment and removal of Constituency Committee members:

The Current NG- CDF Balambala Constituency Committee was appointed vide The Kenya Gazette Notice No. 6462, Vol. CXXVII—No. 98 NAIROBI, 21st May, 2025. However, the effective date of appointment is 11th April, 2025 for a period of 2 years.

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

Section 43 (13) (a), (b), (c), (d), (e), (f) and (g) provides the manner in which a member of the Constituency Committee may be removed from office, Section 44 of the Act elaborates the manner a Constituency Committee shall be dissolved, Regulation 10 lists the procedure for removal of a Constituency Committee Member and Regulation 5 (2) describes circumstance in which a vacancy may occur in the constituency committee. The committee was inducted by the Board from 26th June, 2025 to 29th June, 2025.

Convening of Constituency Meetings

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

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

academic certificates for the highest level of education attained and the minutes of the NG-CDF Committee that approved the appointment. As the management of NG-CDF Balambala Constituency we complied with the Act and its regulations.

Tenure of the Constituency Committee

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

Functions and Operations of the Constituency Committee

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

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

Management of Transition and Handing over

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

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

Number of meetings

NG-CDF Act Section 43(11) Stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings. In Balambala Constituency, the NG-CDFC Committee conducted 14 Meetings and 2 Sub-committee meetings.

NO	NAME	CATEGORY	WARD	NO. OF MEETINGS HELD	NO. OF SUB-COMMITTEES HELD
1	Bishar Hussein Abdi	Male Adult	Saka	14	2
2	Abdiaziz Mohamed Omar	Male Youth	Sankuri	14	2
3	Hassan Abdullahi Golicha	Co-opted Member	Saka	14	2
4.	Habiba Mohamed Daud	Female Youth	Saka	14	2
5.	Abdi Shale Bule	Member	Sankuri	14	2
6.	Ubah Hassan Yunis	Female Adult	Jarjara	14	0
7.	Sahara Diis Ahmed	Female Adult	Jarjara	14	0
8.	Ismail Said Maalim	PWD	Balambala	14	0

**7. Management Discussion and Analysis
Establishment and Management of the Fund**

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

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

NG- CDF Balambala Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 774,069,125.78 Between FY 2020/2021 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,088,879.31
2021/2022	137,088,879.00
2022/2023	145,087,603.00
2023/2024	175,361,810.00
2024/2025	179,441,954.47

The current Strategic Plan 2022/2023 to 2026/2027 identifies a number of strategies and their implementation matrix. In the last 3 financial years, the matrix implementation has had a funding with sectorial allocations approved code list and funded under Section 24 of the Act. The highest beneficiary being education sector through bursary and schools infrastructural development.

Bursary Sector

The committee over the last 3 years managed to allocate bursary over 10,000 learners every financial year. The ever increasing population in the Constituency largely affects the awarding of bursaries. However, the committee has endeavoured to provide scholarship depending on schools performance and level of need for individual learners. This is vetted on case by case.

Grants to Primary and Secondary Schools

The committee has tried over the years to eliminate temporary classrooms at the region, especially Saka Ward, Balambala Ward, Danyere Ward Jarjara Ward and Sankuri Ward. Over 50 Classrooms and laboratories have been built, and renovations to a number of schools.

The committee is as well constructing a 50 capacity dining hall at Danyere mixed day and boarding Secondary School.

Security

The committee has ensured completion of staff house at Modika BPU, Raya police staff quarters, chiefs offices at Kasha, Kuno, modika, and Raya, This will improve security in the country and help reduce the poverty level of people within the constituency who will feel secure in starting up businesses.


.....
Name 
Fund Account Manager



8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Balambala 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

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

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

Despite that, the committee has allocated sufficient funds fir tree planting at schools. In order to ensure sustainability and survival of the tree growing activity, the committee is constructing perimeter walls for all the schools.

3. Employee welfare

We invest in providing the best working environment for our employees. Balambala 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. Balambala 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-

Balambala 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 honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Balambala 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

Balambala 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.

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

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

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

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

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

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

Approval of the financial statements

The NGCDF- Balambala Constituency financial statements were approved and signed by the Accounting Officer on 11th August, 2025.


.....
Name: Bishar Abdil Hussein
Chairman — NGCDF Committee


.....
Name: Ahmed Ibrahim Mohamed
Fund Account Manager



FUND ACCOUNT MANAGER
NGCDF BALAMBALA
P.O. Box 418-70100, GARISSA.

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BALAMBALA 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 - Balambala Constituency set out on pages 1 to 41 which comprise of the statement of financial position as at 30 June, 2025 and the

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Balambala 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 the 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 other grants and transfers expenditure of Kshs.34,655,765 as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.4,905,000 and Kshs.25,505,000 disbursed to various secondary schools and tertiary institutions respectively. However, review of the expenditure records revealed that an amount of Kshs.2,055,000 for tertiary institutions and Kshs.1,884,000 for secondary schools were not supported with acknowledgments letters from receiving institutions or official receipts on payment of fees to the beneficiaries of the bursaries.

In the circumstances, accuracy and completeness of other grants and transfers expenditure amounting to Kshs.3,939,000 could not be confirmed.

2. Inaccuracies in the Statement of Financial Position

The statement of financial position reflects net assets balance of Kshs.259,438,034. However, review of underlying records supporting statement of financial position balance revealed that the statement of changes in net assets had addition of assets of Kshs.60,710,096 and deduction of liabilities of Kshs.1,013,358. However, the additions and deductions have not been analysed in PPE Movement schedule, not supported with ledgers and receipts or payment records.

In addition, the statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.11,178,000 in respect of buildings. However, other assets such as; land, motor vehicles, furniture and fittings, computers and ICT equipment had nil disclosures in the schedule. Management did not provide assets register with details of the assets owned by the Fund or justifications of nil disclosure on other assets. Further, the basis on computation of depreciation amount of

Kshs.1,242,000 disclosed in statement of financial performance and Note 15 to the financial statement was not provided.

In the circumstances, the accuracy and completeness of the net assets balance of Kshs.259,438,034 disclosed in the statement of financial position could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.198,778,444 as disclosed in Note 13 to the financial statements. Included in the balance is Kshs.4,468,260 in a Commercial Bank currently under receivership. However, the balance was not supported with bank balance confirmation certificate as at 30 June, 2025.

In addition, Note 13 to the financial statements reflects a deposit account balance of Kshs.1,960,365, while the deposit account cash book reflects a balance of Kshs.1,881,447, resulting in unreconciled variance of Kshs.78,918.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.198,778,444 could not be confirmed.

4. Unsupported Expenditure on Primary Schools

The statement of financial performance reflects other government units' expenditure of Kshs.50,368,653 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.28,774,070 in respect primary schools' expenditure. Review of expenditure records revealed that the Fund disbursed Kshs.4,500,000 to the Project Management Committee for Balambala Boarding School for the renovation of six (6) classrooms at a cost of Kshs.2,000,000 and construction of two (2) classrooms at a cost of Kshs.2,500,000. However, the funds were re-allocated for the construction of 50,000 litres underground water tank. However, the Bill of Quantities for the construction of 50,000 litres underground water tank were not provided for audit review. Projects inspection conducted on 2 October, 2025 revealed that the project was completed but not labelled.

In the circumstances, the accuracy and validity of primary schools' expenditure of Kshs.4,500,000 could not be confirmed.

5. Unsupported Expenditure on Secondary Schools

The statement of financial performance reflects other government units' expenditure of Kshs.50,368,653 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.21,594,583 in respect secondary schools' expenditure. Review of expenditure records revealed that the Fund transferred Kshs.8,150,000 to Balambala Secondary School and Kshs.8,200,000 to Danyere Secondary School Project Management Committee (PMCs) for drilling and equipping of two (2) boreholes.

However, the Management did not provide project details to confirm the procurement process for the two (2) boreholes. Further, the project implementation returns showing the appointment letter for the PMCs members, request for the transfer of funds to the PMCs, work progress reports, certificates of works done and site meeting minutes were not provided for audit review.

In addition, physical inspection conducted on 2 October, 2025 revealed that the project was incomplete and the contractor was not on-site. Piping had not been done and the school could not use the water despite the borehole being dug and solar panel being fixed.

In the circumstances, accuracy, completeness and validity of secondary schools' expenditure of Kshs.16,350,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Balambala 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 Performance and Control

The statement of comparison of budget and actual reflects revenue budget and actual revenue of Kshs.342,949,766 and Kshs.291,507,812 respectively, resulting in underfunding of Kshs.51,441,954 or 15% of the approved budget. Similarly, the Fund spent Kshs.92,729,368 against actual receipts of Kshs.291,507,812 resulting in under expenditure of Kshs.198,778,444 or 68 % of the available funds.

The under-funding and significant under absorption of available funds affected the implementation of planned activities and may have had a negative impact on service delivery to the residents of Balambala constituency.

My opinion is not modified in respect to this matter.

Key Audit Matters

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

Other Matter

1. Delay in Implementation of Projects

During the year under review, the Fund allocated Kshs.89,258,560 to thirty-nine (39) projects in various sectors including, emergency, security, environment and education. Review of the Project Implementation Status revealed that thirty (30) projects were complete, five (5) projects were on-going and four (4) projects had not started.

The delay in completion of projects may have impacted negatively on service delivery to the residents of Balambala Constituency.

2. Unresolved Prior year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Bursary Grants.
2	2023/2024	Unsupported Bank Balances
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Project implementation status
5	2023/2024	Unresolved Prior Year Matters
6	2023/2024	Failure to Report to the Board on the Utilization of Emergency Reserve Grants
7	2023/2024	Failure to open Deposit Holding Account
8	2023/2024	Lack of Ownership Documents and Disclosure of Assets

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 Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management's 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 USE OF PUBLIC RESOURCES.

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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 National Government Constituencies Development Fund Committee

The 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 it 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 Constituency'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

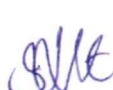
17 November, 2025


*National Government Constituencies Development Fund (NGCDF)
Balambala 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	
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Total revenue		179,441,954
Expenses		
Employee costs	7	4,258,887
Committee expenses	8	1,330,500
Use of Goods and Services	9	3,062,571
Other Government Units Actual expenditure	10	50,368,653
Other Grants and Transfers Actual expenditure	11	34,655,765
Depreciation and amortization expense	12	1,242,000
Total expenses		94,918,376
Surplus/(Deficit) for the year		84,523,579

The Constituency financial statements were approved by the NGCDFC on 11th August, 2025 and signed by:


Chairman NG-CDF
Committee
Name: Bishar Abdi Hussein


National Sub-County
Accountant
Name: Dickson M. Chuaga
P.O. Box 1501 - 70100
ICPAK M/No:13823


Fund Account Manager
Name: Ahmed Mohamed
Ibrahim

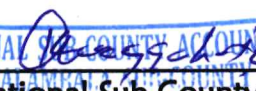
National Government Constituencies Development Fund (NGCDF)
Balambala Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	FY 2024-2025	Opening Statement July 2024
		KShs	KShs
Assets			
Current Assets			
Cash And Cash Equivalents	13	198,778,444	116,381,369
Receivables from Non-Exchange Transactions	14	51,441,954	47,126,443
Total Current Assets		250,220,399	163,507,812
Non-Current Assets			
Property, Plant and Equipment	15	11,178,000	12,420,000
Total Non- Current Assets		11,178,000	12,420,000
Total Assets (A)		261,398,399	175,927,812
Liabilities			
Current Liabilities			
Gratuity provision	16	1,960,365	1,013,358
Total Current Liabilities		1,960,365	1,013,358
Total Liabilities (B)		1,960,365	1,013,358
Net Assets (A-B)		259,438,034	173,672,454
Represented by:			
Accumulated Surplus		259,438,034	174,914,454
Total Net Assets		259,438,034	174,914,454

The Constituency financial statements set out on pages 1 to 12 approved by NG CDFC on 11th August, 2025 and signed by:


Chairman NG-CDF Committee
Name: Birhar Abdi Hussein


National Sub-County Accountant
Name: Dickson M. Chuaga
P. O. Box 1501 - 70100
ICPAK M/No:13823


Fund Account Manager
Name: Ahmed Mohamed Ibrahim

*National Government Constituencies Development Fund (NGCDF)
Balambala 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	Revenue	Expenses	Net Assets
Fund balance As at 30th June 2024	-	115,217,716	115,217,716
Adjustments: (to recognize assets and liabilities)	-		
Add Assets	-	60,710,096	60,710,096
Less Liabilities	-	1,013,358	1,013,358
As at July 1, 2024	-	174,914,454	174,914,454
Surplus/(Deficit) For the Period	-	84,523,579	84,523,579
As at 30th June 2025	-	259,438,034	259,438,034

Note:

The adjustment to recognize assets of Kshs. 60,710,096 includes gratuity provision brought forward from previous year of Kshs.1,013,358 and property plants and equipment of Kshs 12,420,000, PMC opening balance of Kshs. 150,295 and receivable from previous financial year of Kshs.47,126,443.

The liabilities of Kshs. 1,013,358 is gratuity provision.

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

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

	Notes	2024-2025 Ksh
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		175,126,443
Total Receipts		175,126,443
Payments		
Employee costs		3,311,880
Committee expenses		1,330,500
Use of Goods and Services		3,062,571
Other Government Units Certified Works		50,368,653
Other Grants and Transfers		34,655,765
Total Payments		92,729,368
Net Cash Flows from/ (used in) Operating Activities	17	82,397,075
Net increase/(decrease) in cash & cash equivalent		82,397,075
Cash and cash equivalents at Period Start		116,381,369
Cash and cash equivalents at Period End		198,778,444

Note: The expenses to the Other Government Units and Certified works of Kshs. 50,368,653 is actual expenditure at PMC.

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

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

	Original Budget			Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Adjustments		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursement	FY 2024-2025	FY 2024-2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	116,381,369	47,126,443	342,949,766	291,507,812	51,441,954	85%
Totals	179,441,954	116,381,369	47,126,443	342,949,766	291,507,812	51,441,954	85%
Expenses							
Employee costs	4,190,223	4,991,039	-	9,181,262	3,311,880	5,869,382	36%
Committee expenses	4,180,454	2,258,378	-	6,438,832	1,330,500	5,108,332	21%
Use of Goods and Services	6,750,913	372,917	-	7,123,830	3,062,571	4,061,259	43%
Other Government Units Certified Works	68,876,050	67,670,431	43,846,443	180,392,924	50,368,653	130,024,271	28%
Other Grants and Transfers	69,444,314	41,088,604	3,280,000	113,812,918	34,655,765	79,157,154	30%
Digital Hubs Expenses	6,000,000	-	-	6,000,000	-	6,000,000	0%
Funds Pending Approval**	20,000,000	-	-	20,000,000		20,000,000	0%
Total Expenditure	179,441,954	116,381,369	47,126,443	342,949,766	92,729,368	250,220,398	27%


***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.*


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

Budget utilisation difference totals	250,220,398
Less undisbursed funds receivable from the Board as at 30 th June 2025	51,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	198,778,443

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 11th August, 2025 and signed by:


 Chairman, NG-CDF Committee
 Name: Bishar Abdi Hussein


 NATIONAL SUB-COUNTY ACCOUNTANT
 BALAMBALA CONSTITUENCY
 11 AUG 2025
 Name: Dickson M. Chuaga
 GARISSA
 ICPAK M/No:13823


 Fund Account Manager
 Name: Ahmed Mohamed Ibrahim

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,190,223	4,991,039	-	9,181,262	3,311,880	5,869,382
1.2 Committee allowances	2,596,000	402,500	-	2,998,500	2,993,823	4,677
1.3 Use of goods and services	2,952,109	195,905	-	3,148,014	417,751	2,730,263
Sub-total	9,738,332	5,589,444	-	15,327,776	6,723,454	8,604,322
2.0 Monitoring and evaluation						
2.1 Capacity building	3,248,804	1,405,000	-	4,653,804	75,425	4,578,379
2.2 Committee allowances	1,584,454	450,878	-	2,035,332	805,000	1,230,332
2.3 Use of goods and services	550,000	177,012	-	727,012	101,072	625,940
Sub-total	5,383,258	2,032,890	-	7,416,148	981,497	6,434,651
4.0 Emergency						
unutilized	9,444,314	6,268,067	-	15,712,382	513	15,711,869
Sub-total	9,444,314	6,268,067	-	15,712,382	513	15,711,869
5.0 Bursary and Social Security						
5.2 Secondary Schools	29,000,000	3,332,055	-	32,332,055	4,905,000	27,427,055
5.3 Tertiary Institutions	30,000,000	24,455,726	-	54,455,726	25,505,000	28,950,726
Sub-total	59,000,000	27,787,781	-	86,787,781	30,410,000	56,377,781

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

	Original Budget	Opening Balance (Carried Over)	Revised Budget	Actual on Comparable Basis	Final Budget	Actual on Comparable Basis
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.0 Environment						
Ohio primary school	1,000,000	-		1,000,000	-	1,000,000
NG-CDFC OFFICE	-	50,000	-	50,000	-	50,000
Balambala Secondary School	-	967,252	-	967,252	967,252	-
Abdisamad Community Borehole	-	800,000	-	800,000	-	800,000
Saka Girls Secondary School	-	340,000	-	340,000	-	340,000
Balambala Secondary School	-	340,000	-	340,000	-	340,000
Sankuri Secondary School	-	340,000	-	340,000	-	340,000
Saka primary school	-	340,000	-	340,000	-	340,000
Balich primary school	-	340,000	-	340,000	-	340,000
Sub-total	1,000,000	3,517,252	-	4,517,252	967,252	3,550,000
8.0 Primary Schools Projects						
Balich primary school	5,700,000	-	-	5,700,000	-	5,700,000
Bula Dansa primary School	4,278,185	-	-	4,278,185	-	4,278,185
Kuno primary school	5,700,000	-	-	5,700,000	-	5,700,000
Balambala primary school	5,700,000	-	-	5,700,000	-	5,700,000
saka primary school	5,700,000	-	-	5,700,000	-	5,700,000
Danyere primary school	5,700,000	-	-	5,700,000	-	5,700,000
Shimbir primary school	5,700,000	-	-	5,700,000	-	5,700,000

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

Programme / Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years Outstanding Disbursements			
		Kshs	Kshs			
Kasha Primary school	6,300,000	-	-	6,300,000	-	6,300,000
Sikley primary school	3,250,000	-	-	3,250,000	-	3,250,000
Labiley primary school	2,673,865	-	-	2,673,865	-	2,673,865
Dololo weyn primary school	3,250,000	-	-	3,250,000	-	3,250,000
Mathalibah Primary School	3,250,000	-	-	3,250,000	-	3,250,000
Faryar Primary school	420,000	-	-	420,000	-	420,000
Leheley primary school	252,000	-	-	252,000	-	252,000
Bulla Haji primary school	252,000	-	-	252,000	-	252,000
Shimbir Primary school	2,500,000	-	-	2,500,000	-	2,500,000
Kasha Primary school	5,000,000	-	-	5,000,000	-	5,000,000
Kasha Primary School	-	3,001,085	-	3,001,085	3,000,000	1,085
Ture primary school	-	1,802,126	-	1,802,126	1,800,000	2,126
Saka Junction pry school	-	1,752,800	-	1,752,800	1,750,000	2,800
Atheley primary School	-	500,000	-	500,000	499,880	120
Balambala primary school	-	2,252,843	-	2,252,843	2,249,920	2,923
Shabah Primary School	-	-	3,529,267	3,529,267	-	3,529,267
Kasha Primary School	-	834,270	1,432,865	2,267,135	2,267,135	-
Hirbaya Primary School	-	12,408,735	-	12,408,735	-	12,408,735
Kasha Primary School	-	-	2,267,330	2,267,330	2,267,135	195

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

	Balance Ksh	Balance (C/O) and AIA Ksh	Outstanding Liabilities Ksh	PAID Budget Ksh	PAID Budget Ksh	Balance Ksh
Daley Primary School	-	1,000	3,280,000	3,281,000	3,280,000	1,000
Nunow Primary School	-	-	2,500,000	2,500,000	-	2,500,000
Kone Primary School	-	-	3,280,000	3,280,000	-	3,280,000
Hifow primary School	-	2,001,900	1,280,000	3,281,900	3,280,000	1,900
Sikley Primary School	-	1,200,200	-	1,200,200	1,200,000	200
Hifow primary School	-	1,200,000	-	1,200,000	1,200,000	-
Shabah primary school	-	-	3,280,000	3,280,000	-	3,280,000
Saka primary school	-	855	3,280,000	3,280,855	3,280,000	855
Hagarjarer Primary school	-	2,220	2,700,000	2,702,220	2,700,000	2,220
Jarajara Primary school	-	3,188	-	3,188	-	3,188
Kasha Mixed Primary school	-	2,528	-	2,528	-	2,528
Neyd Primary school	-	7,027	-	7,027	-	7,027
Danyere Primary school	-	3,468	-	3,468	-	3,468
Sub-total	65,626,050	26,974,245	26,829,462	119,429,757	28,774,070	90,655,687
9.0 Secondary Schools Projects (List all the Projects)						
Sankuri Girls Secondary School	3,250,000	-	-	3,250,000	-	3,250,000
Sankuri Secondary School	-	834,270	-	834,270	-	834,270
Danyere Secondary School	-	834,270	-	834,270	-	834,270
Danyere Secondary School	-	3,451,996	2,278,004	5,730,000	2,000,000	3,730,000

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

Programme Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/B) and AIA	Previous Years Outstanding Disbursements			
		Kshs	Kshs			
Danyere Secondary School	-	-	1,500,000	1,500,000	-	1,500,000
Sankuri Secondary School	-	3,000,000	2,300,000	5,300,000	-	5,300,000
Sankuri Secondary School	-	-	1,000,000	1,000,000	-	1,000,000
Rahole Girls Secondary School	-	-	5,400,000	5,400,000	-	5,400,000
Danyere Secondary School	-	12,457,185	-	12,457,185	8,200,000	4,257,185
Balambala Secondary School	-	12,405,248	-	12,405,248	6,144,583	6,260,665
Sankuri Secondary School	-	3,600	4,539,172	4,542,772	-	4,542,772
Rahole Girls Secondary School	-	2,500,000	-	2,500,000	2,500,000	-
Rahole Girls Secondary School	-	1,202,866	-	1,202,866	-	1,202,866
Rahole Girls Secondary School	-	1,200,000	-	1,200,000	-	1,200,000
Balambala Secondary School	-	2,756,257	-	2,756,257	2,750,000	6,257
Saka Girls Secondary School	-	46,733	-	46,733	-	46,733
Sankuri Girls Secondary School	-	4,945	-	4,945	-	4,945
Rahole Girls Secondary School	-	(1,185)	-	(1,185)	-	(1,185)
Sub-total	3,250,000	40,696,186	17,017,176	60,963,362	21,594,583	39,368,779
11.0 Security Projects						
Raya Police Station	-	-	3,280,000	3,280,000	3,278,000	2,000
Modika RDU Camp	-	3,200,194	-	3,200,194	-	3,200,194
Sub-total	-	3,200,194	3,280,000	6,480,194	3,278,000	3,202,194

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

	Original Budget KShs	Actuals KShs	Subsidiary Account KShs	Actuals KShs	Actuals KShs	Actuals KShs
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)		315,310	-	315,310		315,310
Sub-total	-	315,310	-	315,310	-	315,310
13.0 Digital Hub						
Balambala digital hub	6,000,000.00	-	-	6,000,000		6,000,000
Sub-total	6,000,000	-	-	6,000,000	-	6,000,000
Funds pending approval**				-		-
unapproved projects	20,000,000	-		20,000,000		20,000,000
AiA	-			-		-
Sub-total	20,000,000	-	-	20,000,000	-	20,000,000
Total	179,441,954	116,381,369	47,126,443	342,949,766	92,729,368	250,220,398

(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 Balambala Constituency principal activity is to provide leadership and policy direction for effective and efficient management of the Fund.

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 Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Balambala has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

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 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>This IPSAS is not applicable at the Constituency</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This IPSAS is not applicable at the Constituency</i></p>
IPSAS 45: Property Plant	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets</p>

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

and Equipment	<p>and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This IPSAS is applicable effective 1st July 2025</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></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><i>This IPSAS is applicable effective 1st July 2025</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></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</p>

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

	<p>statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>This IPSAS is applicable effective 1st July 2026</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></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><i>This IPSAS is not applicable at the Constituency this Financial Year</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></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><i>This IPSAS is not applicable at the Constituency</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This IPSAS is not applicable at the Constituency</i></p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair

value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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.

m) 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.

n) 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.

o) Comparative figures

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

p) 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

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

could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

Description	
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

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

7. Employees cost

	FY 2024-2025 KSh
NG-CDFC Basic staff salaries	3,083,840
Gratuity to contractual employees	947,007
Employer Contributions Compulsory national social security schemes	182,216
Employer Contributions Compulsory Housing levy	45,824
Total	4,258,887

8. Committee Expenses

	KSh
Sitting allowance	1,130,500
Other Committee expenses	200,000
Total	1,330,500

9. Use of Goods and services

	KSh
Utilities, supplies and services	30,000
Communication, supplies and services	44,652
Domestic travel and subsistence	1,663,323
Printing, advertising and information supplies & services	100,000
Training expenses	805,000
Office and general supplies and services	299,450
Fuel, oil & lubricants	50,000
Bank charges	44,721
Routine maintenance – vehicles and other transport equipment	25,425
Total	3,062,571

10. Other Government Units Actual expenditure

	KSh
Primary Schools Actual expenditure	28,774,070
Secondary Schools Actual expenditure	21,594,583
Total	50,368,653

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

11. Other Grants and transfers Actual expenditure

Bursary – secondary schools	4,905,000
Bursary – tertiary institutions	25,505,000
Security projects Actual expenditure	3,278,000
Climate change mitigation projects	967,252
Emergency projects Actual expenditure	513
Total	34,655,765

12. Depreciation and Amortization Expenses

Description	
Property Plant and Equipment	1,242,000
Total	1,242,000

13. Cash and Cash Equivalents

Name Of Bank and Account No		
Bank Accounts (Cash Book Bank Balance)		
<i>Balambala NG-CDF Equity acc No. 0580268598022</i>	157,556,059	110,749,456
<i>Balambala NG-CDF chase acc No 18212210001</i>	4,468,260	4,468,260
<i>Balambala NG-CDF Equity account No.0580285795305 (Deposit account)</i>	1,960,365	1,013,358
<i>Various banks, (Various PMC accounts)</i>	34,793,761	150,295
Total	198,778,444	116,381,369
<i>[Provided Cash Count Certificates for Each bank account]</i>		

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

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

14. Receivables from Non-Exchange Transactions

	FY2024-2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	51,441,954		47,126,443	
Outstanding imprest	-		-	
Total	51,441,954		47,126,443	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	51,441,954	100%	47,126,443	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	51,441,954	100%	47,126,443	100%

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

15. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	13,800,000	-	-	-	-	-	-
As At 30 Jun 2025	-	13,800,000	-	-	-	-	-	-
Depreciation And Impairment								
Opening bal accumulated depreciation 1st July 2024	-	1,380,000	-	-	-	-	-	-
Depreciation	-	1,242,000	-	-	-	-	-	-
As At 30th June 2025	-	2,622,000	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1st July 2025	-	12,420,000	-	-	-	-	-	-
As At 30th June, 2025	-	11,178,000	-	-	-	-	-	-

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

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land			
Buildings	13,800,000	2,622,000	11,178,000
Office Equipment, Furniture, And Fittings	2,481,629	-	2,481,629
Total	16,281,629	2,622,000	13,659,629

16. Gratuity Provision

	Kshs
Gratuity at the beginning of the year 1 st of July	1,013,358
Gratuity held during the year	947,007
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	1,960,365

17. Cash Generated from Operations

	FY 2024-2025 Kshs
Surplus for the period before tax	84,523,579
Adjusted for:	
Depreciation	1,242,000
Working capital adjustments	
Changes in receivables	(4,315,511)
Changes in gratuity provision	947,007
Net cash flow from operating activities	82,397,075

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

18. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Total				
As at 30th June 2025				
Receivables from non-exchange transactions	51,441,954	51,441,954	-	-

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

Bank balances	198,778,444	198,778,444	-	-
Total	250,220,398	250,220,398	-	-
As at 30 June 2024				
Receivables from non-exchange transactions	47,126,443	47,126,443	-	-
Bank balances	116,381,369	116,381,369	-	-
Total	163,507,812	163,507,812	-	-

(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 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.

	Up to 12 months	Between 1-3 months	Over 5 months	Total
	Ksh	Ksh	Ksh	Ksh
As at 30th June 2025				
Gratuity Provision	-	-	1,960,365	1,960,365
Total	-	-	1,960,365	1,960,365

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	More than 3 months Kshs	
As at 30th June 2024				
Gratuity Provision	-	-	1,013,358	1,013,358
Total	-	-	1,013,358	1,013,358

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 no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

	Change in currency rate KSh	Effect on Profit before tax KSh	Effect on Equity/Net assets KSh
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

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

- 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.

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		
Accumulated Surplus	259,438,034	174,914,454
Retained Earnings	84,523,579	-
Total Funds	261,705,033	174,914,454
Total Borrowings	-	-
Less: Cash and Bank Balances	(198,778,444)	(116,381,369)
Net Debt/(Excess Cash And Cash Equivalents)	62,926,589	58,533,085
Gearing	24%	35%

19. Related Party Disclosures

Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,330,500	-
Transaction with the NGCDF Board		

National Government Constituencies Development Fund (NGCDF)

Balambala Constituency

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

Transfers from the NGCDF Board during the year	175,126,443	-
Total	175,126,443	-

20. Events after the Reporting Period

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

21. Ultimate And Holding Entity

The Balambala 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.

22. Currency

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

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

**18. Annexes
Annex 1: Summary of Asset Register**

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	13,800,000	-	2,622,000	11,178,000
Transport equipment	8,050,270	-	-	8,050,270
Office equipment, furniture, and fittings	2,481,629	-	-	2,481,629
Total	24,331,899	-	2,622,000	21,709,899

(A 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 attached)

National Government Constituencies Development Fund (NGCDF)
Balambala Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025
Annex 2 –PMC Bank Balances As At 30th June 2025

Atheyley Primary School	Equity Bank, Garissa	0580285905240	120	0
Balambala Police	Equity Bank, Garissa	0580285882707	2,000	0
Danyere Mixed Day And Boarding Secondary School	Equity Bank, Garissa	0580281328914	9,987,184	52,184
Hagarjarer Primary School	Equity Bank, Garissa	0580280155326	2,220	2,220
Hifow Primary School	Equity Bank, Garissa	0580282022746	1,900	1,900
Kasha Mixed Primary School	Equity Bank, Garissa	0580279786065	3,562	2,528
Kasha Primary School	Equity Bank, Garissa	0580285190111	1,720	1,085
Kasha Rasmi Self Help Group	Equity Bank, Garissa	0580193961768	2,728	2,843
Leheley Primary School	Equity Bank, Garissa	0580186522777	1,800,500	500
Rahole Girls Secondary School	Equity Bank, Garissa	0580186505981	1,202,866	0
Saka Junction Primary School	Equity Bank, Garissa	0580280793725	2,800	2,800
Saka Primary School	Equity Bank, Garissa	0580280075446	280	855
Sankuri Secondary School	Equity Bank, Garissa	0580281421993	4,542,772	3,600
Sankuri Girls Secondary School	Equity Bank, Garissa	0580279824247	3,341	4,945
Security Pmc	Equity Bank, Garissa	0580180142670	3,200,194	194
Sikley Primary School	Equity Bank, Garissa	0580279885973	200	200
Ture Primary School	Equity Bank, Garissa	0580279852399	2,126	2,126
Kasha Rasmi Youth Group	Equity Bank, Garissa	0580182043161	6,142	6,257

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

P/C	Bank	Account number	Bank Balance FY 2024-2025	Bank Balance FY 2023-2024
Daley Primary School	Equity Bank, Garissa	0580179893557	1,000	1,000
Hirbaya Primary School	Equity Bank, Garissa	0580280087414	6,408,735	3,735
Shimbir Primary School	Equity Bank, Garissa	0580279834460	3,301,332	1,844
Rahole Girls Secondary School	National Bank, Garissa	7700518505	4,240	(1,185)
Balambala Secondary School	KCB Bank, Garissa	1267252707	4,255,248	248
Kasha Primary School	Equity Bank, Garissa	0580285977955	135	0
Jarajara Primary School	Equity Bank, Garissa	0580279892637	3,188	3,188
Neyd Primary School	Equity Bank, Garissa	0580280141116	7,027	7,027
Danyere Mixed Day and Boarding Primary School	Equity Bank, Garissa	0580280115477	3,468	3,468
Saka Girls Secondary School	Equity Bank, Garissa	0580279888503	46,733	46,733
TOTAL			34,793,761	150,295

National Government Constituencies Development Fund (NGCDF)

Balabala Constituency

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

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. of external audit observations from Auditor	Description of Issue/ Observations	Management comments	Status (Resolved/ Not Resolved)	Time to be taken to be resolved
1	Unsupported Bursary Grants	The NG-CDF will follow up with various institutions and beneficiaries to get the acknowledgment letters and official receipts for the listed payments and forwarded to your office.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC
2	Unsupported Bank Balance	The Management has provided bank balance certificate, reconciliation statement and cash books for the chase bank account for audit.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC
3	Project Implementation Status	The delay in receiving funds and the process of procurement usually takes time before its completed for some projects. However, some of the projects are now complete after the disbursement of the remaining balance of the funds.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC
4	Failure to report to the board on the utilization of emergency reserve grants	This is well noted and in future we will ensure this is complied with for all emergency projects.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC
5	Failure to open deposit holding account	We received the approval letter from the NG – CDF Board to open deposit holding account toward the end of the financial year. We have open the account and the necessary documents are attached.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC

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

Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6 Lack of ownership documents and disclosure of assets	NGCDFC have officially requested the Deputy County Commissioner Balambala for the allotment letter concerning NGCDFC office.	Not resolved	In consultation with the Auditor awaiting to appear before DFAC

.....
 Name
 Fund Account Manager: 

 P.O. BOX 447000, KARISMA