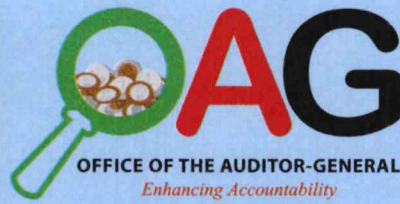
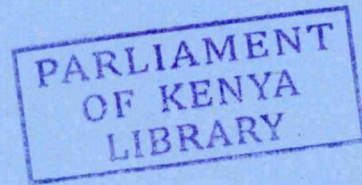


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
FAFI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025

|   |                      |
|---|----------------------|
| <br>THE NATIONAL ASSEMBLY<br>PAPERS LAID |                      |
| DATE: 26 NOV 2025   |                      |
| DAY:<br>WEDNESDAY   |                      |
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| CLERK OF THE TABLE:   | FINLAY               |



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

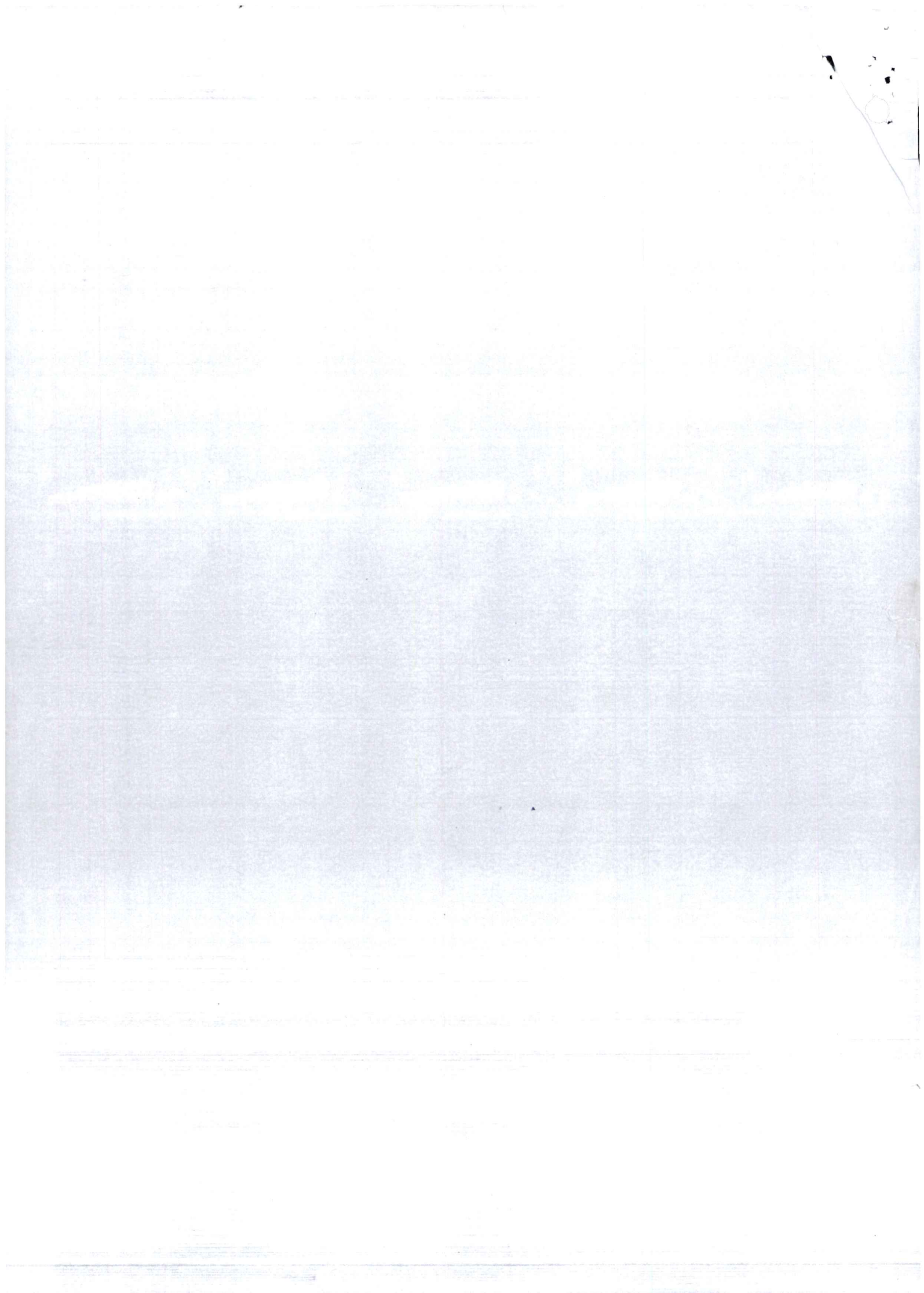
**FAFI CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



| <b>Table of Contents</b>   | <b>Page</b> |
|--|-------------|
| 1. Acronyms and Definition of Key Terms.....   | ii          |
| 2. Key Constituency Information and Management .....   | iii         |
| 3. NGCDF Committee.....  | vii         |
| 4. NGCDFC Chairman’s Report .....  | x           |
| 5. Statement Of Performance Against Predetermined Objectives for FY2024/22025 .....              | 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- Fafi 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 .....                     | 4           |
| 14. Statement Of Cash Flows for The Year Ended 30th June 2025 .....                              | 5           |
| 15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025 .....   | 7           |
| 16. Budget Execution by Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2025 ..... | 10          |
| 17. Notes to the Financial Statements.....   | 15          |
| 18. Annexes .....  | 56          |

## **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         |
| NGCDFC  | 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  |
| DFAC    | Decentralized Funds Accounts Committee                      |

### **B. Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the 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 Fafi Constituency's day-to-day management is under the following key organs:

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

### Fiduciary Management

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

| No | Designation                    | Name               |
|----|--------------------------------|--------------------|
| 1. | AIE holder                     | Omar Hassan maha   |
| 2. | National Sub-County Accountant | AbdiGodo Tulu      |
| 3. | Chairman NGCDFC                | Abdirahman Ibrahim |
| 4. | Member NG CDFC                 | Mohamed Dubow Aden |

### (c) Fiduciary Oversight Arrangements

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

P.O. Box 1914-Garissa  
NG-CDF Office Building  
Bura-masalani road, Adjacent to Bura hospital

**(e) NGCDF Fafi Constituency Contacts**

Telephone: (254) 722911803  
E-mail: Faficdf@ngcdf.go.ke  
Website: www.Fafi.ng-cdf.go.ke

**(f) NGCDF Fafi Constituency Bankers**

1. Operations account pending closure  
Equity bank,  
A/C no:0580262524480.  
Garissa Branch
2. Cooperative Bank,  
A/C NO:01101697168001  
Garissa Branch
3. Equity Bank  
Garissa Branch  
P.O. Box 700-70100, Garissa  
All PMC Accounts





**(g) Independent Auditor**





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

**(h) Principal Legal Adviser**

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

3. NGCDF Committee

| Name   | Details   |
|--|---|
|  <p><b>Abdirahman Yussuf Ibrahim-Chairman</b></p> | <p>Date of Birth<br/>01.01.1890<br/>Holds a degree in bachelor of commerce<br/>Work with County Government as environment officer</p> |
|  <p><b>Hodhan Noor Bare-Member</b></p>           | <p>Date of Birth<br/>01-01-1999<br/>Kenya certificate of primary education<br/>Member of NG-CDF -2years</p>                           |
|  <p><b>Sahara Abdullahi Abdi</b></p>            | <p>Date of Birth<br/>01-01-1996<br/>Holds a Diploma in community health<br/>Works with Ngos</p>                                       |
|   | <p>Date of Birth<br/>22-03-1998<br/>Diploma in Banking and Finance<br/>Sales person</p>   |

|   |   |
|---|---|
| <p>Khatrahulbale -member</p>  <p>ZainabMoulidAbdi-Member</p> | <p>Date of Birth<br/>                 1978<br/>                 Holds a Diploma in Community development<br/>                 Board chair -Alinjugur secondary school</p>   |
|  <p>Abdi Aden Ahmed-member</p>                               | <p>Date of Birth<br/>                 12-06-1996<br/>                 Kenya certificate of secondary education<br/>                 Have been a member of NG-CDF Fafi for a period of 2 years</p>                     |
|  <p>Mohamed Aden Dubow-Member</p>                          | <p>Date of Birth<br/>                 8-3-1982<br/>                 Holds a certificate in leadership Management from NIBS college<br/>                 Have been a member of NG-CDF Fafi for a period of 2 years</p> |
|  <p>Abdirahman Mohamed Gure-Member</p>                     | <p>Date of Birth<br/>                 01-01-1997<br/>                 Did a social studies course in Darul-Aqram Islamic Training</p>   |



Date of Birth  
1985  
Holds a bachelor in Business Administration  
ICPAK holder  
Works as Fund account manager with the  
NG-CDF Board with 15 years' experience

Omar Hassan Maha-Fund Account Manager

**4. NGCDFC Chairman’s Report**



**ABDIRAHMAN YUSSUF IBRAHIM  
 FAFI NG-CDF-CHAIRPERSON**

It is with immense pleasure that I express my gratitude to the people of Fafi Constituency for giving me this opportunity to serve as Fafi NG-CDFC chairman. On behalf of the committee Members am pleased to present the unaudited accounts and collaborative annual report for the year ending June 30, 2025

Fafi National Government Constituency Development Funds as mandated by NG-CDF Act, prioritized List of projects for funding during the financial year 2024/2025.

The committee after undertaking the needed assessments and in consultation with other stake holders earmarked projects for funding and forwarded to the board for approval.

In the financial year 2024/2025, NG-CDF Fafi Constituency was allocated Kshs. 179,441,954 which was approved within the financial year except Ksh 1,900,000 earmarked for NG-CDF office. However, a total of Kshs. 266,821,212 was available for spending during the financial year. The allocation comprised an opening balance of Kshs. 40,866,015 and, Ksh. 51,441,954 still owed from the Board.

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

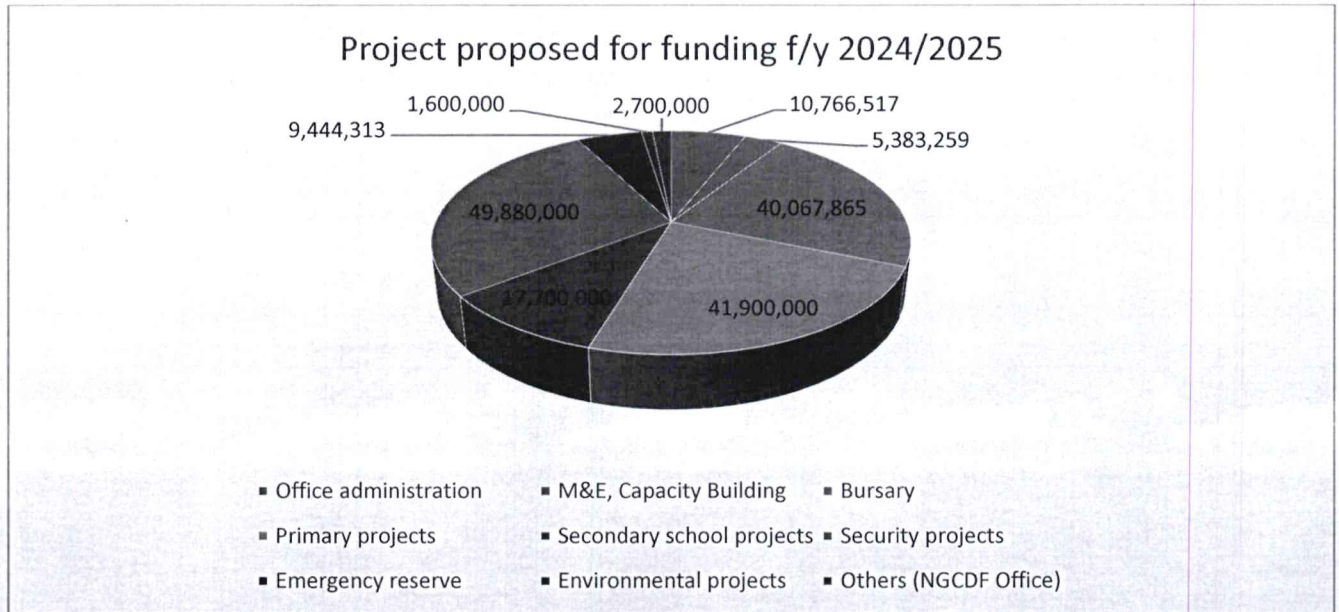
| S/NO | PROPOSED NAME             | AMOUNT ALLOCATED (KSHS) | %ALLOCATION |
|------|---------------------------|-------------------------|-------------|
| 1    | Office administration     | 10,766,517              | 6%          |
| 2    | M&E, Capacity Building    | 5,383,259               | 3%          |
| 3    | Bursary                   | 40,067,865              | 22%         |
| 4    | Primary projects          | 41,900,000              | 23%         |
| 5    | Secondary school projects | 17,700,000              | 10%         |
| 6    | Security projects         | 49,880,000              | 28%         |
| 7    | Emergency reserve         | 9,444,313               | 5%          |

*National Government Constituencies Development Fund (NGCDF)*

*Fafi Constituency*

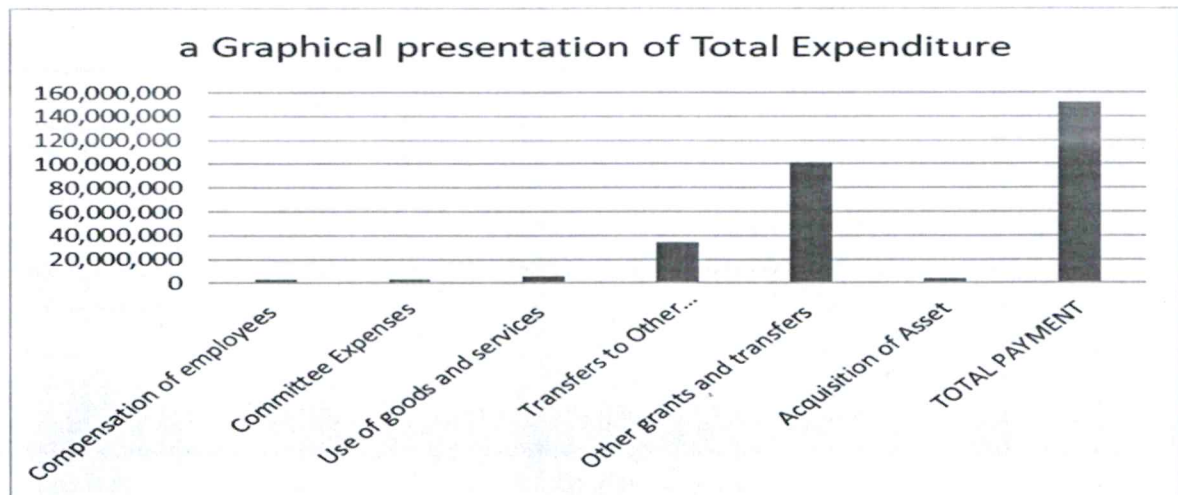
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

|   |                        |                    |             |
|---|------------------------|--------------------|-------------|
| 8 | Environmental projects | 1,600,000          | 1%          |
| 9 | Others (NGCDF Office)  | 2,700,000          | 2%          |
|   | <b>TOTAL</b>           | <b>179,441,954</b> | <b>100%</b> |



During the financial year the committee received amount of Kshs. 174,513,243 from the board which includes Kshs 51,441,954 Owings from the boards for the financial year 2023/2024. The committee further managed to disburse funds and the breakdown of expenditure is as follows:

| ITEM                                | AMOUNT SPENT (ksh) |
|-------------------------------------|--------------------|
| Compensation of employees           | 3,844,107          |
| Committee Expenses                  | 3,606,993          |
| Use of goods and services           | 6,179,228          |
| Transfers to Other Government Units | 34,000,198         |
| Other grants and transfers          | 105,329,384        |
| Acquisition of Asset                | 4,385,472          |
| <b>TOTAL PAYMENT</b>                | <b>152,959,910</b> |



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

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

### **Role of Citizens in Strategic plan development and Implementation**

The Constitution of Kenya advocates for community participation in project formulation and implementation for ownership and sustainability. The NG-CDF Committee expects the community at the forefront of the project cycle:

1. Participate in open public meetings convened by the Chairperson of the NGCDFC to deliberate on development matters in the constituency to facilitate in prioritization of projects;
2. To participate in project implementation by voluntarily providing locally available resources (land, materials, labor, or skills) or for pay;
3. Participate in the nomination and formation of PMCs for the purpose of implementation of the projects;
4. To provide feedback to the Board, law enforcement Agencies & the public on matters concerning the Fund;
5. Witness the commissioning of projects, issuing cheques, launching of new projects, handing over of the project sites and complete projects to the end users, and other disbursements by the constituency committee to take over & sustain completed projects.

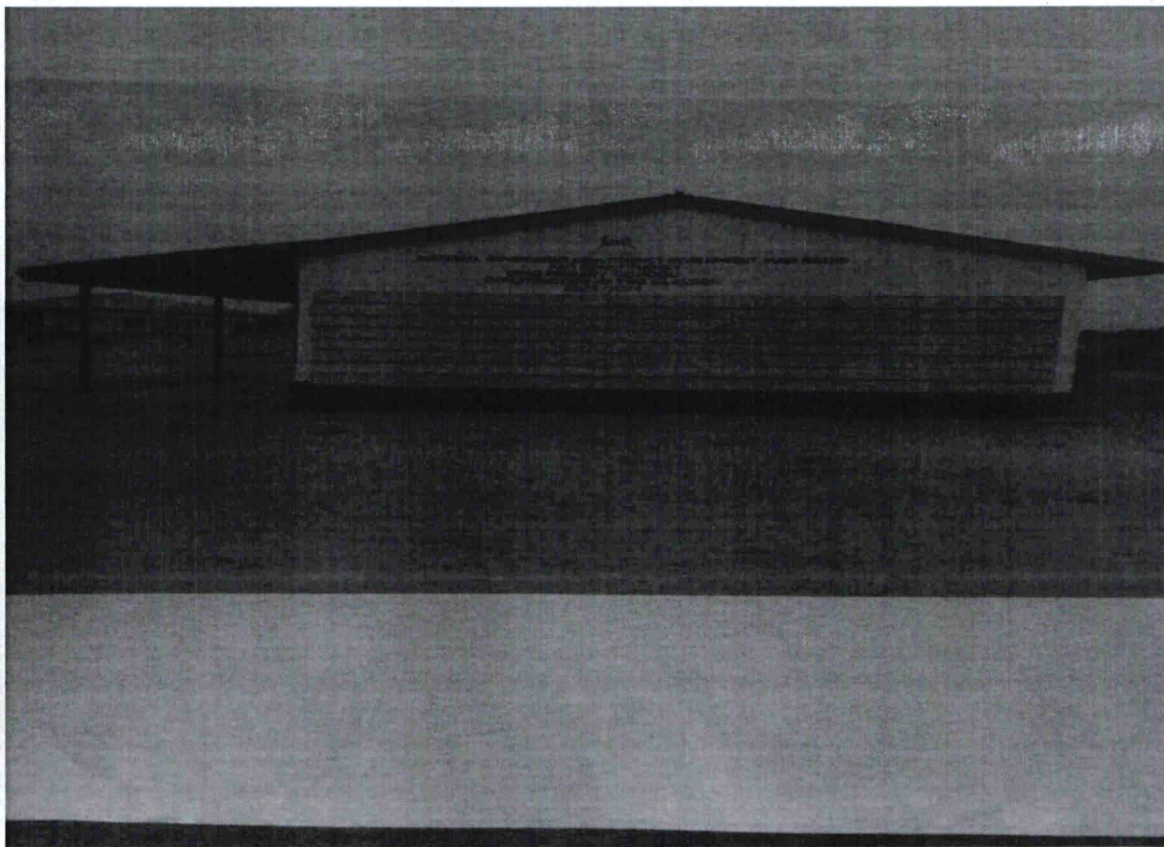
#### **Summary of Key Achievements during the financial year**

1. Zero fee program me -Free secondary schools in the sub-county to attract more enrollment-in through this program me the Committee was able to successfully support all students in public schools within the constituency.
2. Full sponsor ship for students pursuing Education courses -students from the constituency who are undertaking teaching courses both in colleges and universities were given full scholarship
3. Partial scholarship for students pursuing medical courses medical courses
4. Renovation of 80 bed capacity dormitory at Galmagala Secondary School. This will enhance affirmative action in the constituency;
5. Renovation of 80 bed capacity laboratory at Nanighi secondary School.
6. Constrction of special school for people with disability at Borehole Five -a story Budling
7. Improved Transparency within the institution. The procurement process was extremely transparent and the public was involved in the whole process. The tenders were advertised through open tenders and the Project Management Committees were involved in the tender opening, tender evaluation and the awarding process.

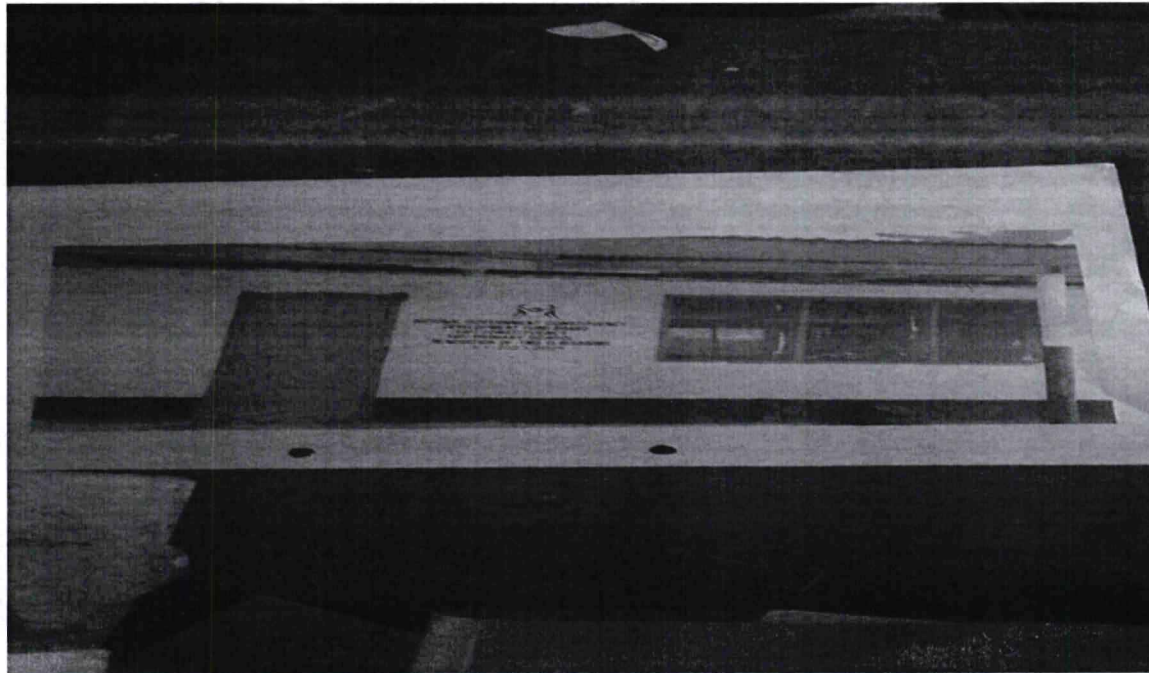
8.The entity Renovated 14 classrooms, constructed four classrooms, constructed 2 toilets and renovated a kitchen for primary, JSS schools.

9.In secondary school the entity equipped admin block at Bura secondary,80 Beds and mattress for Alinjugur and Borehole 5 secondary, lab renovation at Nanighi secondary, construction Modern dormitory at Alinjugur secondary(ongoing) and renovation of 80 capacity dormitory at Galmagala secondary school

10.Finally on security the entity managed to implement construction Assistant County commissioner office at Nanighi, RenovatedDcc residence in Bura and in Alinjugur



Diiso 2 classrooms




### **Challenges, Emerging Issues and Risk Affecting the Constituency Operation**

- Delayed disbursement of funds which hinders timely implementation of projects.
- Inaccessibility of roads which affects close monitoring of projects during implementation.
- Frequented insecurity incidence which makes implementation of projects costly and challenging
- Increasing number of enrollments in schools in the constituency as a result of the ZERO fee programme
- Unanticipated reallocation due to stakeholders asking for changes of project scope/activity.

### **Recommendation and/or Mitigation Factors to the Challenges**

- Timely disbursement of funds to avoid delayed implementation of projects.
- The government to improve on road network to ease the implementation of projects.
- The constituency office to engage all relevant stakeholders to avoid duplication.
- Consideration of cost of hiring security personnel during implementation of projects

  
.....

**Name: Abdirahman Yussuf Ibrahim  
Chairman NGCDF Committee**

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

### Introduction

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

The key development objectives of the **NGCDF Fafi Constituency 2023-2027** plan are to:

1. To improve access to quality education
2. To harness youth talent and local culture by funding school tournaments
3. To improve access to safe drinking water in schools
4. To improve access to health services by providing social security benefits
5. To improve security in the constituency by construction and fencing of police stations and chiefs' office.

### Progress on the attainment of Strategic development objectives

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

| Sector    | Objective   | Outcome   | Indicator  | Performance  |
|-----------|---|---|--|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | number of usable physical infrastructure build in primary, secondary, and tertiary institutions<br>number of bursary's beneficiarie sat all levels | In FY 2024/25- NG-CDF Fafi constructed 8 classrooms, renovated 14 classrooms, constructed a dormitory, renovated a laboratory.<br>In FY 2024/25-Ng-CDF Fafi successfully implemented the Zero programme-full scholarship |
| Security  | To enhance security in the constituency                   | Reduced number of insecurity cases in the constituency  | Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices   | - In FY 2024/25 -the entity completed construction one ACC office, renovated and completed Burasubcounty headquarter which   |

|                                      |   |   |   |  |
|--------------------------------------|---|---|---|--|
|                                      |   |   |   | accommodates 15 offices<br>- fenced Biyamathow police post   |
| Climate change mitigation activities | To promote environmental sustainability                 | Increase in the number of trees and proper collection of garbage and disposal of sewerage waste | Conservation of soil by trees and usable pit latrines | The entity undertook tree nursery plantation in Fafi Girls secondary and Bura district headquarter compound to promote afforestation |
| Emergency                            | To cater for unforeseen occurrences in the constituency | Catering for any unforeseen occurrences in the constituency                                     | Prompt response in case of any occurrences            | We set aside funds for any emergencies to combat unforeseen occurrences  |

## **6. Governance Statement**

### **Appointment of NGCDF Members**

- i. The formation of the NGCDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).
  - a. This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
  - b. The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
  - c. The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
  - d. The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
  - e. The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NGCDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
  - f. The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NGCDFC maintain a record confirming receipt
  - g. The Constituency Office Manager shall then nominate in writing the two members to the NGCDFC.
  - h. The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
  - i. The PWD organization shall nominate in writing a member to the NGCDFC.
  - j. Applications are received at the NG-CDF office and recorded in the application register.
  - k. Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
  - l. The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NGCDFC.
  - m. The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NGCDFC as per the guidelines within seven days.
  - n. The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees
- ii. The selected members are forwarded to parliament through CEO of the board for purpose of gazettelement
- iii. Upon gazettelement the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

## **NGCDFC Handing Over Processes**

Paragraph 24(1) of the NG-CDF Regulations 2016 states that the officer of the board seconded to the constituency shall preside over the handover from one Constituency committee to another and shall submit a report on the hand over within fourteen days from the date of the hand over.

## **Removal of members is as in the act 2015 section 13, a,b,c,d,e f and g**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

## **Roles and function of the committee**

- Build the capacity of PMCs and sensitize the community on operations of the fund
- Consider project proposals from all wards in the constituency
- Ensure that all proposed projects that are approved for funding meet the sec 24 of the Act
- Consult with relevant line ministries in the implementing the projects
- Ensure adequate funding of the proposed projects
- Ensure project reports are prepared and forwarded to the board
- Submit financial reports to the board within stipulated time

## **Induction and Training**

The committee on being inaugurated is taken for induction by the Board and subsequent training is done by the constituency as per the training plan.

## Meetings

The committee is to have a maximum of 24 meetings and a minimum of 12 in a financial year as per the 2015 Act. In Fafi Constituency, the NGCDFC Committee conducted 13 Meetings and 2 Sub-committee meetings.

| NO | NAME                      | CATEGORY    | WARD         | NO. OF MEETINGS HELD | NO. OF SUB-COMMITTEES HELD |
|----|---------------------------|-------------|--------------|----------------------|----------------------------|
| 1  | Abdirahman Yussuf Ibrahim | Man Youth   | Dekaharja    | 13                   | 2                          |
| 2  | Hodhan Noor Bare          | Woman Youth | Fafi         | 13                   | 2                          |
| 3  | Khatra Hulbale Hussein    | Woman       | Bura         | 13                   | 0                          |
| 4. | Mohamed Aden Dubow        | Man         | Dekaharja    | 13                   | 2                          |
| 5. | Abdi Aden Ahmed           | Man         | Nanighi ward | 13                   | 2                          |
| 6. | Zainab Moulid Abdi        | Woman       | Jarajilla    | 13                   | 2                          |
| 7. | Sahara Abdullahi Abdi     | Woman Youth | Jarajilla    | 13                   | 0                          |
| 8. | Abdirahman Mohamed Gure   | PWD         | Bura         | 13                   | 0                          |

The committee members declare conflict of interest in any matters as the procurement and disposal Act by a standard form at the time of the matter.

The committee members are remunerated from the fund at Kshs 5,000 for members and 7000 for the chairman.

## **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.

For the past five years FAFI NGCDF was allocated total sum of Kshs.774,069,125.62 from 2020/2021 to 2024/2025:

| <b>FINANCIAL YEAR</b> | <b>ALLOCATION (KSHS)</b> |
|-----------------------|--------------------------|
| 2020/2021             | 137,088,879.31           |
| 2021/2022             | 137,088,879.31           |
| 2022/2023             | 145,087,603              |
| 2023/2024             | 175,361,810              |
| 2024/2025             | 179,441,954              |

The constituency Strategic Plan clearly identifies a number of strategies and their implementation matrix. For the last 3 financial years, the implementation matrix has had a funding with sectorial allocations with approved code list for funding under Section 24 of the Act and 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 2,700 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 both at the locational and constituency level

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

The committee has strained over the years to construct new classrooms across all the 5 Wards in the constituency. Over 24 Classrooms have been built, and over 12 renovated some with terrazzo floor across the constituency.

### **Security**

The committee has ensured finalization of the multiyear Bura Eastsubcounty headquarter constructed at Bura police compound which accommodates 15 offices and completed Nanighi assistant County commissioner office to accommodate both the ACC and the chief. The entity also constructed a fence at Biyamathow police post to improve security in the constituency and protect the residence within that coverage.

  
Date: .....  
**Name: Omar Hassan Maha  
Fund Account Manager**

## **8. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Fafi 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, considering rampant insecurity in the Constituency FafiNGCDF 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 FAFI NG-CDF. Environmental sustainability is a crucial aspect of our operational approach for implementation of environmental programs. The committee is 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 for environmental activities such as green energy initiatives such as installation of solar systems in various institutions in the constituency.

## **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Fafi 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-**

Fafi Constituency is committed to fair and ethical market practices.

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

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

NG-CDF Fafi has put in efforts to ensure:

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

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

Ng-cdf Fafi Constituency has endeavored to sustain community engagement 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**

Fafi 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

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

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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 NGCDFC 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.

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



.....  
Name: Omar Hassan Maha  
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-Fafi 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-Fafi 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 In charge of the NGCDF-Fafi 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)  
Fafi Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025**


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The Accounting Officer in charge of the NGCDF Fafi 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.

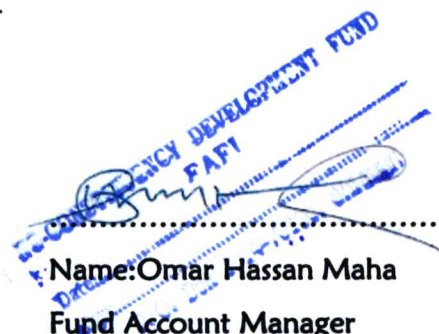
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The NGCDF-Fafi Constituency financial statements were approved and signed by the Accounting Officer on 15-10-2025.



Name: Abdirahman Yussuf Ibrahim  
Chairman – NGCDF Committee



Name: Omar Hassan Maha  
Fund Account Manager

# REPUBLIC OF KENYA

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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 - FAFI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Fafi Constituency set out on pages 1 to 60, which comprise of the statement of financial position as at 30 June, 2025 and the statement of

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

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 - Fafi Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Property, Plant and Equipment Balances**

Annex 1 to the financial statements presents a summary of the asset register with a historical cost of Kshs.21,337,895. However, Note 23 to the financial statements and the statement of financial position reflect Nil balances.

The inconsistency between Annex 1, Note 23 and the statement of financial position is contrary to IPSAS 1 paragraphs 122(c) and 123, which require that the notes complement, not contradict, the primary statements and be presented systematically with proper cross-referencing.

In addition, the value of the land on which the buildings are situated was not disclosed, and ownership documents for the land were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of the fixed assets balance of Kshs.21,337,895 could not be confirmed.

#### **2. Unsupported Bursary Payments**

The statement of financial performance reflects other grants and transfers expenditure of Kshs.105,329,384 as disclosed in Note 14 to the financial statements. Included in the amount is Kshs.27,185,867 and Kshs.24,072,133 for bursary payments to secondary schools and tertiary institutions respectively. However, bursary payments amounting to Kshs.3,120,000 for tertiary institutions and secondary schools were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy of bursary payments amounting to Kshs.3,120,000 could not be confirmed.

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

The summary statement of appropriation reflects final receipt budget and actual on a comparable basis of Kshs.266,821,212 and Kshs.215,379,258 respectively, resulting in an under-funding of Kshs.51,441,954 or 19% of the approved budget. Similarly, the Fund spent Kshs.152,180,262 against actual receipts of Kshs.215,379,258, resulting in an under-utilization of Kshs.63,198,996 or 29%.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Unresolved Prior Year Matters**

In the prior year audit report, two issues were raised under the Report on Financial Statements. These include unsupported bursary payments and unconfirmed value and ownership of land. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

#### **2. Delay in Implementation of Projects**

During the year under review, the Fund allocated Kshs.111,880,000 to thirty-six (36) projects, including primary and secondary schools as well as tertiary projects. However, review of the project implementation status report revealed that only five (5) projects costing Kshs.8,862,000 were completed, while two (2) projects with an allocation of Kshs.34,000,000 were on-going. The remaining twenty-nine (29) projects with a total allocation of Kshs.69,018,000 had not yet started

Delay in implementation of planned projects and may have impacted negatively on service delivery to the public.

### **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-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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.

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

6 November, 2025

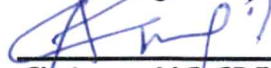
*National Government Constituencies Development Fund (NGCDF)  
Fafi Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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


|   | Note | Period ended June 2025 |
|---|------|------------------------|
|   |      | Kshs                   |
| <b>Revenue from non-exchange transactions</b> |      |                        |
| Transfers from the NGCDF Board                | 6    | 179,441,954            |
| Grants/donations from other entities          | 7    | -                      |
| <b>Revenue from exchange transactions</b>     |      |                        |
| Finance income                                | 8    | -                      |
| Miscellaneous income                          | 9    | -                      |
| <b>Total revenue</b>                          |      | <b>179,441,954</b>     |
| <b>Expenses</b>                               |      |                        |
| Employee costs                                | 10   | 3,844,107              |
| Committee expenses                            | 11   | 3,606,993              |
| Use of Goods and Services                     | 12   | 6,179,228              |
| Other Government Units Actual expenditure     | 13   | 34,000,198             |
| Other Grants and Transfers Actual expenditure | 14   | 105,329,384            |
| Depreciation and amortization expense         | 15   | -                      |
| Digital Hubs Actual expenditure               | 16   | -                      |
| <b>Total expenses</b>                         |      | <b>152,959,910</b>     |
| <b>Other gains/(losses)</b>                   |      |                        |
| Gain/Loss on Sale of Assets                   | 17   | -                      |
| Impairment loss                               | 18   | -                      |
| <b>Surplus/(Deficit) for the year</b>         |      | <b>26,482,044</b>      |

The Constituency financial statements were approved by the NGCDFC on 15/10/

2025 and signed by:

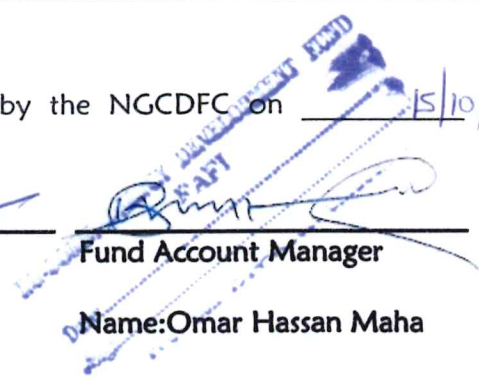


**Chairman NG-CDF  
Committee  
Name: Abdirahman Yussuf  
Ibrahim**



**National Sub-County  
Accountant  
Name: Abdi Godo Tulu**

**ICPAK M/No: 29424**

  
The stamp is a blue ink stamp with the text "NGCDF DEVELOPMENT FUND" and "FACFT" visible. It is placed over the signature of the Fund Account Manager.

**Fund Account Manager  
Name: Omar Hassan Maha**

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

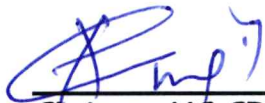
**12. Statement Of Financial Position as at 30th June, 2025**

|  | No<br>te | Period as at June 30th<br>2025 | Opening Statement 1st<br>July 2024 |
|--|----------|--------------------------------|------------------------------------|
|  |          | Kshs                           | Kshs                               |
| <b>Assets</b>                              |          |                                |                                    |
| <b>Current Assets</b>                      |          |                                |                                    |
| Cash And Cash Equivalents                  | 19       | 63,198,995                     | 40,866,015                         |
| Receivables from Exchange Transactions     | 20       | -                              | -                                  |
| Receivables from Non-Exchange Transactions | 21       | 51,441,954                     | 46,513,243                         |
| Prepayments                                | 22       | -                              | -                                  |
| <b>Total Current Assets</b>                |          | <b>114,640,949</b>             | <b>87,379,258</b>                  |
| <b>Non-Current Assets</b>                  |          |                                |                                    |
| Property, Plant and Equipment              | 23       | -                              | -                                  |
| Intangible Assets                          | 24       | -                              | -                                  |
| Right-of-use assets                        | 25       | -                              | -                                  |
| <b>Total Non- Current Assets</b>           |          | <b>-</b>                       | <b>-</b>                           |
| <b>Total Assets (A)</b>                    |          | <b>114,640,949</b>             | <b>87,379,258</b>                  |
| <b>Liabilities</b>                         |          |                                |                                    |
| <b>Current Liabilities</b>                 |          |                                |                                    |
| Trade and Other Payables                   | 26       | -                              | -                                  |
| Third-Party Deposits                       | 27       | 35,000.00                      | -                                  |
| Lease Liabilities                          | 28       | -                              | -                                  |
| Gratuity provision                         | 29       | 933,346                        | 188,698.00                         |
| <b>Total Current Liabilities</b>           |          | <b>933,346</b>                 | <b>188,698.00</b>                  |

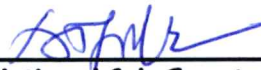
**National Government Constituencies Development Fund (NGCDF)**  
**Fafi Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

|                                |    |                |               |
|--------------------------------|----|----------------|---------------|
|                                |    | 968,346.00     | 188,698.00    |
| <b>Non-Current Liabilities</b> |    |                |               |
| Lease Liabilities              | 28 | -              | -             |
| <b>Total Liabilities (B)</b>   |    | 968,346.00     | 188,698.00    |
| <b>Net Assets (A-B)</b>        |    | 113,672,603.09 | 87,190,560.00 |
| <b>Represented by:</b>         |    |                |               |
| Revaluation Reserves           |    |                |               |
| Accumulated Surplus            |    | 113,672,603.09 | 87,190,560.00 |
| <b>Total Net Assets</b>        |    | 113,672,603.09 | 87,190,560.00 |

The Constituency financial statements set out on pages 2 to 17 approved by NG CDFC on 15-10 -2025 and signed by:



Chairman NG-CDF  
 Committee  
 Name:Abdirahman Yussuf  
 Ibrahim



National Sub-County  
 Accountant  
 Name:Abdi Godo Tulu

ICPAK M/No:29424



Date: \_\_\_\_\_  
 Fund Account Manager  
 Name:Omar Hassan Maha

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

| Description  | Reserves | Accumulated surplus/Deficit | Total              |
|--|----------|-----------------------------|--------------------|
|  | Kshs     | Kshs                        | Kshs               |
| As at 30 <sup>th</sup> June 2024 (cash basis)      |          | 40,724,925                  | 40,724,925         |
| Adjustments: (to recognize assets and liabilities) |          |                             |                    |
| Add Assets   |          | 46,654,333                  | 46,654,333         |
| Less Liabilities                                   |          | 188,698                     | 188,698            |
| <b>As at July 1, 2024</b>                          |          | <b>87,190,560</b>           | <b>87,190,560</b>  |
|  |          |                             |                    |
| Surplus/(Deficit) For the Period                   |          | 26,482,044                  | 26,482,044         |
| Revaluation Gain/Loss                              |          | -                           | -                  |
| <b>As at 30th June (current year)</b>              |          | <b>113,672,603</b>          | <b>113,672,603</b> |

**Note:**

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

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

|   | Notes | Period ended       |
|---|-------|--------------------|
|   |       | 30th June 2025     |
|   |       | Kshs               |
| <b>Cash flows from operating activities</b>                   |       |                    |
| <b>Receipts</b>   |       |                    |
| Transfers from the NGCDF Board                                |       | 174,513,243        |
| Grants/donations from other entities                          |       | -                  |
| Finance income  |       | -                  |
| Miscellaneous income  |       | -                  |
| <b>Total Receipts</b>   |       | <b>174,513,243</b> |
| <b>Payments</b>   |       |                    |
| Employee costs  |       | 3,099,459          |
| Committee expenses  |       | 3,606,993          |
| Use of Goods and Services                                     |       | 6,179,228          |
| Other Government Units Certified Works                        |       | 33,965,198         |
| Other Grants and Transfers                                    |       | 105,329,384        |
| Digital Hubs Expenses   |       | -                  |
| <b>Total Payments</b>   |       | <b>152,180,262</b> |
| <b>Net Cash Flows from/ (used in) Operating Activities</b>    | 30    | <b>22,332,981</b>  |
|   |       |                    |
| <b>Cash flows From Investing Activities</b>                   |       |                    |
| Purchase of PPE   |       |                    |
| Purchase of Intangible assets                                 |       | -                  |
| Proceeds From Sale of PPE                                     |       | -                  |
| <b>Net Cash Flows from Investing Activities</b>               |       | <b>-</b>           |
| <b>Net increase/(decrease)in cash &amp; Cash equivalents</b>  |       | <b>22,332,981</b>  |
|   |       |                    |
| <b>Cash Flows from Financing Activities</b>                   |       |                    |
| Lease payment   |       | -                  |
| <b>Net Cash Flows from Financing Activities</b>               |       | <b>-</b>           |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b> |       | <b>22,332,981</b>  |

*National Government Constituencies Development Fund (NGCDF)*

*Fafi Constituency*

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

|   |    |            |
|---|----|------------|
| Cash and cash equivalents at Period Start | 19 | 40,866,015 |
| Cash and cash equivalents at Period End   | 19 | 63,198,996 |

*National Government Constituencies Development Fund (NGCDF)*  
*Fafi 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 30th June 2025

|                                      | Original Budget    | Adjustments  |   | Final Budget       | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--------------------------------------|--------------------|--|---|--------------------|----------------------------|-------------------------------|------------------|
|                                      | Kshs               | Kshs   |   | Kshs               | Kshs                       | Kshs                          |                  |
|                                      | a                  | b  |   | C=(a+b)            | d                          | e=(c-d)                       | f=d/c*100        |
|                                      | 2024-2025          | Opening Balance (operational, deposit and PMCs C/Bk) and AIA | Previous Years' Outstanding disbursements | 2024-2025          | 2024-2025                  |                               |                  |
| <b>Revenue</b>                       |                    |  |   |                    |                            |                               |                  |
| Transfers From the NGCDF Board       | 179,441,954        | 40,866,015   | 46,513,243                                | 266,821,212        | 215,379,258                | 51,441,954                    | 81%              |
| Grants/donations from other entities | -                  | -  | -   | -                  | -                          | -                             |                  |
| Finance income                       | -                  | -  | -   | -                  | -                          | -                             |                  |
| Miscellaneous income                 | -                  | -  | -   | -                  | -                          | -                             |                  |
| <b>Totals</b>                        | <b>179,441,954</b> | <b>40,866,015</b>  | <b>46,513,243</b>                         | <b>266,821,212</b> |                            | <b>51,441,954</b>             | <b>81%</b>       |

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

|  |                    |                   |                   |                    |                    |                    |            |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|------------|
|  |                    |                   |                   |                    | <b>215,379,258</b> |                    |            |
| <b>Expenses</b>                        |                    |                   |                   |                    |                    |                    |            |
| Employee costs                         | 3,237,600          | 4,749,156         |                   | 7,986,756          | 3,844,107          | 4,887,297          | 39%        |
| Committee expenses                     | 3,461,000          | 145,993           | -                 | 3,606,993          | 3,606,993          | -                  | 100%       |
| Use of Goods and Services              | 9,451,176          | 962,029           | -                 | 10,413,205         | 6,179,228          | 4,233,977          | 59%        |
| Other Government Units Certified Works | 59,600,000         | 20,148,496        | 16,913,402        | 96,661,898         | 34,000,198         | 62,696,700         | 35%        |
| Other Grants and Transfers             | 100,992,178        | 11,274,501        | 29,599,841        | 141,866,520        | 105,329,384        | 40,922,607         | 71%        |
| Acquisition of Asset                   | 800,000            | 3,585,840         | -                 | 4,385,840          | 4,385,472          | 368                | 100%       |
| Funds Pending Approval**               | 1,900,000          | -                 | -                 | 1,900,000          | -                  | 1,900,000          | 0%         |
| <b>Total Expenditure</b>               | <b>179,441,954</b> | <b>40,866,015</b> | <b>46,513,243</b> | <b>266,821,212</b> | <b>152,959,910</b> | <b>114,640,949</b> | <b>57%</b> |
| <b>Surplus for the period</b>          |                    |                   |                   |                    | 26,482,044         |                    |            |

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

| <b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b> |                   |
|--|-------------------|
| <b>Description</b>   | <b>Amount</b>     |
| Budget utilization difference totals   | 114,640,949       |
| Less undisbursed funds receivable from the Board as at period 30th June, 2025                      | 51,441,954        |
| Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025                             | <b>63,198,995</b> |

**Explanatory Notes.**

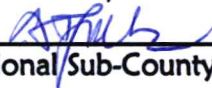
Items bellow under 90% utilization was as a result of late disbursement of funds from the board.

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 15-10-2025 and signed by:

  
Fund Account Manager

Name: Omar Hassan Maha

  
National Sub-County Accountant

Name: Abdi Godo Tulu  
ICPAK M/No: 29424

  
Chairman NG-CDF Committee

Name: Abdirahman Yussuf Ibrahim

*National Government Constituencies Development Fund (NGCDF)*

*Fafi Constituency*

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

**16. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> June 2025**

| Program/Sub-program                     | Original Budget   | Adjustments  |   | Final Budget      | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--|---|-------------------|----------------------------|-------------------------------|
|   |                   | Opening Balance (operational, deposit and PMCs C/BK) and AIA | Previous Years' Outstanding Disbursement <sup>5</sup> |                   |                            |                               |
|   | Kshs              | Kshs   | Kshs  | Kshs              | Kshs                       | Kshs                          |
| <b>1.0 Administration and Recurrent</b> |                   |  |   |                   |                            |                               |
| 1.1 Compensation of employees           | 3,237,600         | 4,749,156  |   | 7,986,756         | 3,099,459                  | 4,887,297                     |
| 1.2 Committee allowances                | 1,128,000         | 140,117  |   | 1,268,117         | 943,154                    | 324,963                       |
| 1.3 Use of goods and services           | 6,400,917         | 890,929  |   | 7,291,846         | 5,151,305                  | 2,140,541                     |
| <b>Sub-total</b>                        | <b>10,766,517</b> | <b>5,780,202</b>   | <b>-</b>  | <b>16,546,719</b> | <b>9,193,918</b>           | <b>7,352,801</b>              |
| <b>2.0 Monitoring and evaluation</b>    |                   |  |   |                   |                            |                               |
| 2.1 Capacity building                   | 633,000           |  |   | 633,000           |                            | 633,000                       |
| 2.2 Committee allowances                | 1,700,000         | 5,876  |   | 1,705,876         | 941,800                    | 764,076                       |
| 2.3 Use of goods and services           | 3,050,259         | 71,100   |   | 3,121,359         | 2,749,962                  | 371,397                       |
| <b>Sub-total</b>                        | <b>5,383,259</b>  | <b>76,976</b>  | <b>-</b>  | <b>5,460,235</b>  | <b>3,691,762</b>           | <b>1,768,473</b>              |
| <b>4.0 Emergency</b>                    |                   |  |   |                   |                            |                               |
| Unutilized                              | 9,444,313         | 739,283  |   | 10,183,596        | 9,323,173                  | 860,423                       |
| <b>Sub-total</b>                        | <b>9,444,313</b>  | <b>739,283</b>   | <b>-</b>  | <b>10,183,596</b> | <b>9,323,173</b>           | <b>860,423</b>                |
| <b>5.0 Bursary and Social Security</b>  |                   |  |   |                   |                            |                               |
| 5.1 Primary Schools                     |                   |  |   | -                 |                            | -                             |
| 5.2 Secondary Schools                   | 20,000,000        | 173,961  | 9,500,000   | 29,673,961        | 27,185,867                 | 2,488,094                     |
| 5.3 Tertiary Institutions               | 20,067,865        | 4,070,093  |   | 24,137,958        | 24,072,133                 | 65,825                        |
| 5.4 special needs                       |                   |  |   | -                 |                            | -                             |

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

|                                     |                   |                  |                  |                   |                   |                  |
|-------------------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|
| 5.5 Education Support Program       |                   |                  |                  | -                 |                   | -                |
| 5.6 Social Security                 |                   | 1,126,380        |                  | 1,126,380         |                   | 1,126,380        |
| <b>Sub-total</b>                    | <b>40,067,865</b> | <b>5,370,434</b> | <b>9,500,000</b> | <b>54,938,299</b> | <b>51,258,000</b> | <b>3,680,299</b> |
| <b>7.0 Environment</b>              |                   |                  |                  |                   |                   |                  |
| Fafi Girls secondary                |                   | 725,000          |                  | 725,000           | 724,115           | 885              |
| Mansabubu primary school            |                   |                  | 250,000          | 250,000           |                   | 250,000          |
| Warable primary                     |                   |                  | 250,000          | 250,000           |                   | 250,000          |
| Bura district headquarter           | 800,000           |                  |                  | 800,000           | 799,115           | 885              |
| Alinjugur police station            | 800,000           |                  |                  | 800,000           |                   | 800,000          |
| <b>Sub-total</b>                    | <b>1,600,000</b>  | <b>725,000</b>   | <b>500,000</b>   | <b>2,825,000</b>  | <b>1,523,230</b>  | <b>1,301,770</b> |
| <b>8.0 Primary Schools Projects</b> |                   |                  |                  |                   |                   |                  |
| Nadhir primary school               |                   | 121,317          |                  | 121,317           | -                 | 121,317          |
| Nanighi secondary school            |                   | 3,293            |                  | 3,293             | -                 | 3,293            |
| Alfarajself-help group              |                   | 2,782            |                  | 2,782             | -                 | 2,782            |
| Abaqdera mixed group                |                   | (77)             |                  | (77)              | -                 | (77)             |
| Shill secondary school              |                   | 1,865            |                  | 1,865             | -                 | 1,865            |
| Mofamself-help group                |                   | 11,910           |                  | 11,910            | -                 | 11,910           |
| Fafi primary school                 |                   |                  | 1,400,000        | 1,400,000         | 1,399,175         | 825              |
| Madahmorub primary                  |                   | 680,000          |                  | 680,000           | 645,000           | 35,000           |
| Diiso primary school                |                   | 1,400,000        |                  | 1,400,000         | 1,167,150         | 232,850          |
| Bullagolol primary                  |                   | 1,400,000        |                  | 1,400,000         | 1,399,600         | 400              |
| Warable primary                     |                   | 159              |                  | 159               |                   | 159              |
| Warable primary                     |                   | 800,000          |                  | 800,000           | 799,600           | 400              |
| Diiso primary school                |                   | 1,300,000        |                  | 1,300,000         | 1,300,000         | -                |
| Borehole Five primary               |                   | 1,400,000        |                  | 1,400,000         | 1,399,000         | 1,000            |
| Madahmorub primary                  |                   | 1,400,000        |                  | 1,400,000         | 1,400,000         | -                |
| Amuma primary                       |                   | 1,400,000        |                  | 1,400,000         | 1,399,000         | 1,000            |
| Kamuthey primary                    |                   | 1,400,000        |                  | 1,400,000         | 1,399,000         | 1,000            |
| Galmagala primary                   |                   | 1,151,433        |                  | 1,151,433         | 1,151,138         | 296              |
| Galmagala primary                   |                   | 1,151,433        |                  | 1,151,433         | 1,151,138         |                  |

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

|   |                   |                   |                  |                   |                   |                   |
|---|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Nadhir primary school   |                   | 900               |                  | 900               |                   | 900               |
| Dagega primary school   | 2,300,000         |                   |                  | 2,300,000         |                   | 2,300,000         |
| Hudumow primary school  | 2,300,000         |                   |                  | 2,300,000         |                   | 2,300,000         |
| Alinjugur primary school  | 2,000,000         |                   |                  | 2,000,000         |                   | 2,000,000         |
| Guyo primary school   | 600,000           |                   |                  | 600,000           |                   | 600,000           |
| Bullagolol primary school   | 1,700,000         |                   |                  | 1,700,000         |                   | 1,700,000         |
| Welmarer primary school   | 1,200,000         |                   |                  | 1,200,000         |                   | 1,200,000         |
| Diiso primary school  | 2,300,000         |                   |                  | 2,300,000         |                   | 2,300,000         |
| Gadudey primary school  | 4,400,000         |                   |                  | 4,400,000         |                   | 4,400,000         |
| Daadbulle primary school  | 2,400,000         |                   |                  | 2,400,000         |                   | 2,400,000         |
| Bore hole 5 school for special education                          | 600,000           |                   |                  | 600,000           |                   | 600,000           |
| Bore hole 5 school for special education                          | 13,000,000        | 847,605           | 1,383,402        | 15,231,007        | 10,123,608        | 5,107,399         |
| Bore hole 5 school for special education                          | 2,300,000         |                   |                  | 2,300,000         |                   | 2,300,000         |
| Bore hole 5 primary school  | 700,000           |                   |                  | 700,000           |                   | 700,000           |
| Kimilo primary school   | 2,400,000         |                   |                  | 2,400,000         |                   | 2,400,000         |
| Dekaharja primary school  | 1,400,000         |                   |                  | 1,400,000         |                   | 1,400,000         |
| labiqaloc primary school  | 2,300,000         |                   |                  | 2,300,000         |                   | 2,300,000         |
| <b>Sub-total</b>  | <b>41,900,000</b> | <b>14,472,620</b> | <b>2,783,402</b> | <b>59,156,022</b> | <b>24,733,408</b> | <b>34,422,318</b> |
| <b>9.0 Secondary Schools Projects<br/>(List all the Projects)</b> |                   |                   |                  |                   |                   |                   |
| Bura secondary school   |                   |                   | 600,000          | 600,000           | 600,000           | -                 |
| Borehole 5 secondary school                                       |                   |                   | 1,530,000        | 1,530,000         | 1,529,000         | 1,000             |
| Borehole 5 secondary school                                       |                   |                   | 12,000,000       | 12,000,000        |                   | 12,000,000        |
| nanighi secondary   |                   | 1,700,000         |                  | 1,700,000         | 1,699,115         | 885               |
| Galmagala secondary   |                   | 2,450,000         |                  | 2,450,000         | 2,399,100         | 50,900            |
| Alinjugur secondary   |                   | 1,525,876         |                  | 1,525,876         | 1,525,000         | 876               |
| Galmagala Secondary school  | 1,600,000         |                   |                  | 1,600,000         |                   | 1,600,000         |
| Shill secondary school  | 700,000           |                   |                  | 700,000           | 699,575           | 425               |

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

|  |                   |                  |                   |                   |                  |                   |
|--|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| Bore hole 5 secondary school                                     | 700,000.00        |                  |                   | 700,000           |                  | 700,000           |
| Alinjugur secondary dormitory                                    | 10,000,000.00     |                  |                   | 10,000,000        | 780,000          | 9,220,000         |
| Shill secondary school   | 1,800,000.00      |                  |                   | 1,800,000         |                  | 1,800,000         |
| Shill secondary school   | 2,900,000.00      |                  |                   | 2,900,000         |                  | 2,900,000         |
| <b>Sub-total</b>   | <b>17,700,000</b> | <b>5,675,876</b> | <b>14,130,000</b> | <b>37,505,876</b> | <b>9,231,790</b> | <b>28,274,086</b> |
| <b>11.0 Security Projects</b>                                    |                   |                  |                   |                   |                  |                   |
| Motorbikes for chiefs  |                   |                  | 5,346,000         | 5,346,000         | 5,345,115        | 885               |
| Nanighi assistant county commissioners office                    |                   | 3,627,395        | 1                 | 3,627,396         | 3,623,845        | 3,551             |
| Nanighi Assistant county commissioners office                    | 538,000           |                  |                   | 538,000           |                  | 538,000           |
| Bura Deputy county commissioners residence                       | 1,900,000         |                  |                   | 1,900,000         | 1,899,115        | 885               |
| Biyamathow Border police unit camp(BPU)                          | 3,212,000         |                  |                   | 3,212,000         | 3,209,115        | 2,885             |
| Diiso national police service Quick response unit camp(QRU Camp) | 680,000           |                  |                   | 680,000           |                  | 680,000           |
| Bura East Sub-county headquarters                                | 1,200,000         |                  |                   | 1,200,000         | 1,200,000        | -                 |

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

|  |                    |                   |                   |                    |                    |                    |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| BurasubcountyHeadqurter                            | 27,000,000         | 812,389           | 4,253,840         | 32,066,229         | 16,312,748         | 15,753,481         |
| Alinjugur Assistant county commissioners residence | 1,850,000          |                   |                   | 1,850,000          | 1,848,115          | 1,885              |
| Galmagala police admnistration block               | 7,000,000          |                   | 10,000,000        | 17,000,000         | 5,396,046          | 11,598,543         |
| Amuma police post                                  | 2,100,000          |                   |                   | 2,100,000          |                    | 2,100,000          |
| NanighiQru   | 2,000,000          |                   |                   | 2,000,000          |                    | 2,000,000          |
| Bura police line                                   | 2,400,000          |                   |                   | 2,400,000          |                    | 2,400,000          |
| <b>Sub-total</b>                                   | <b>49,880,000</b>  | <b>4,439,784</b>  | <b>19,599,841</b> | <b>73,919,625</b>  | <b>38,834,099</b>  | <b>35,080,115</b>  |
| Sport  |                    |                   |                   |                    |                    |                    |
|  |                    | -                 |                   | -                  | -                  | -                  |
| sub-total  |                    | -                 | -                 | -                  | -                  | -                  |
| <b>12.0 Acquisition of assets</b>                  |                    |                   |                   |                    |                    |                    |
| 12.2 Construction of CDF office                    | 800,000            | 3,585,840.00      | -                 | 4,385,840          | 4,385,472          | 368                |
| <b>Sub-total</b>                                   | <b>800,000</b>     | <b>3,585,840</b>  | <b>-</b>          | <b>4,385,840</b>   | <b>4,385,472</b>   | <b>368</b>         |
| unapproved projects                                | 1,900,000          |                   |                   | 1,900,000          |                    | 1,900,000          |
| <b>Total</b>                                       | <b>179,441,954</b> | <b>40,866,015</b> | <b>46,513,243</b> | <b>266,821,212</b> | <b>152,174,851</b> | <b>114,635,243</b> |

## **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 Fafi 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 PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/ are transitional financial statements

The NG-CDF Fafi has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Fafi has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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

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

### 3. Adoption of New and Revised Standards

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

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

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

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

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

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

|  |  |
|--|--|
|  | <p>transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>This IPAS is applicable effective 1<sup>st</sup> July 2026</b></p>   |
| <p>IPSAS 48:<br/>Transfer Expenses</p>                                     | <p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>This IPSAS is not applicable at the constituency.</b></p>   |
| <p>IPSAS 49:<br/>Retirement Benefit Plans</p>                              | <p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>This IPSAS is not applicable at the constituency.</b></p>  |
| <p>IPSAS 50:<br/>Exploration For &amp; Evaluation of Mineral Resources</p> | <p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the 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.</li> </ol> |

|  |   |
|--|---|
|  | This IPSAS is not applicable at the constituency. |
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**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 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

#### **f) 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.

**g) 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

**h) Social Benefits**

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

**i) 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.

**j) 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.

**k) 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.

**l) 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 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                              | Period ended 30th June 2025 |
|--|-----------------------------|
| NGCDFB Transfers (Allocation for the FY) | 179,441,954                 |
| <b>TOTAL</b>                             | <b>179,441,954</b>          |

**7. Transfers from domestic and foreign partners**

| Description  | 2024-2025 |
|--------------|-----------|
|              | Kshs      |
| Grants       | -         |
| <b>Total</b> | <b>-</b>  |

**8. Finance income**

| Description                      | 2024-2025 |
|----------------------------------|-----------|
|                                  | Kshs      |
| Interest Income on Bank Deposits | -         |
| <b>Total</b>                     | <b>-</b>  |

**9. Miscellaneous income**

| Description                                     | 2024-2025 |
|---|-----------|
|   | Kshs      |
| Rental Income                                   | -         |
| Income from sale of tenders                     | -         |
| Hire of plant/equipment/facilities              | -         |
| Other Income Not Classified Elsewhere (specify) | -         |
| <b>Total</b>                                    | <b>-</b>  |

**10. Employees cost**

| Description  | 2024-2025<br>Kshs |
|--|-------------------|
| NG-CDFC Basic staff salaries                                       | 2,484,359         |
| Personal allowances paid as part of salary                         | -                 |
| House Allowance  | 432,850           |
| Transport Allowance  | -                 |
| Leave allowance  | -                 |
| Gratuity to contractual employees                                  | 744,648           |
| Employer Contributions Compulsory national social security schemes | 156,738           |
| Employer Contributions Compulsory Housing levy                     | 25,512            |
| Employer contributions to National Industrial Training Authority   | -                 |
| Other Specify  |                   |
| <b>Total</b>   | <b>3,844,107</b>  |

**11. Committee Expenses**

| Description              | 2024-2025<br>Kshs |
|--------------------------|-------------------|
| Sitting allowance        | 943,154           |
| Other Committee expenses | 2,663,839         |
| <b>Total</b>             | <b>3,606,993</b>  |

**12. Use of Goods and services**

| Description  | 2024-2025        |
|--|------------------|
|  | Kshs             |
| Utilities, supplies and services                             | 126,794          |
| Communication, supplies and services                         | 164,450          |
| Domestic travel and subsistence                              | 2,060,508        |
| Printing, advertising and information supplies & services    | 613,000          |
| Office Rent  | -                |
| Training expenses  | 878,800          |
| Hospitality supplies and services                            | 7,500            |
| Insurance costs  | -                |
| Specialized materials and services                           | -                |
| Office and general supplies and services                     | 296,744          |
| Fuel, oil & lubricants                                       | 532,926          |
| Bank Charges   | 80,383           |
| Routine maintenance – vehicles and other transport equipment | 86,123           |
| Routine maintenance – other assets                           | 1,269,000        |
| Strategic plan expenses                                      | -                |
| Other operating expenses                                     | 63,000           |
| <b>Total</b>   | <b>6,179,228</b> |

**13. Other Government Units Actual expenditure**

| Description                              | 2024-2025         |
|--|-------------------|
|  | Kshs              |
| Primary Schools Actual expenditure       | 24,768,408        |
| Secondary Schools Actual Expenditure     | 9,231,790         |
| Tertiary Institutions Actual Expenditure | -                 |
| <b>Total</b>                             | <b>34,000,198</b> |

**14. Other Grants and transfers Actual expenditure**

| Description                            | 2024-2025<br>Kshs  |
|--|--------------------|
| Bursary – secondary schools            | 27,185,867         |
| Bursary – tertiary institutions        | 24,072,133         |
| Bursary – special schools              | -                  |
| Bursary - Education Support programmes | -                  |
| Social Security programmes (SHIF)      | -                  |
| Security projects Actual Expenditure   | 38,834,099         |
| Climate change mitigation projects     | 1,525,000          |
| Emergency projects Actual Expenditure  | 9,326,813          |
| Roads projects                         | -                  |
| Others specify                         | 4,385,472          |
| <b>Total</b>                           | <b>105,334,795</b> |

**15. Depreciation and Amortization Expenses**

| Description                  | 2024-2025<br>Kshs |
|------------------------------|-------------------|
| Property Plant and Equipment | -                 |
| Intangible Assets            | -                 |
| <b>Total</b>                 | <b>-</b>          |

**16. Digital Hubs Expenses**

| Description                                   | 2024-2025<br>Kshs |
|---|-------------------|
| Construction/ renovation/ Actual expenditure  | -                 |
| Digital Hub utility costs Water, Electricity, | -                 |
| Maintenance of ICT equipment                  | -                 |
| Maintenance of building                       | -                 |
| Others (specify)                              | -                 |

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

|              |   |
|--------------|---|
| <b>Total</b> | - |
|--------------|---|

**17. Gain/loss on Sale of Assets**

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

**18. Impairment Loss**

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

**19. Cash and Cash Equivalents**

| Name Of Bank and Account No.                                     | Period ended 30th June 2025 | Opening Statement 1st July 2024 |
|--|-----------------------------|---------------------------------|
|  | Kshs                        | Kshs                            |
| <b>Bank Accounts (Cash Book Bank Balance)</b>                    |                             |                                 |
| Cooperative Bank, 01101697168001                                 | 42,014,816                  |                                 |
| Operations account pending closure (Equity bank, 0580262524480.) | 20,994,047                  | 40,724,925                      |
| Cooperative bank, account No. 01101913225700 (Deposit account)   | -                           | -                               |
| Cooperative Bank, as per Annex 2. (PMC's account)                | 49,042                      | 141,090                         |
| <b>Total</b>   | <b>63,057,905</b>           | <b>40,866,015</b>               |
| <b>Cash Balances</b>   |                             |                                 |
| Location 1   | -                           | -                               |
| Location 2   | -                           | -                               |

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

|  |   |   |
|--|---|---|
| Other Locations (Specify)                  | - | - |
| <b>Total</b>                               | - | - |
| [Provide Cash Count Certificates for Each] |   |   |

(schedule of all reconciled PMC bank balances as at the end of the period attached annex 2)

## 20. Receivables from Exchange Transactions

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

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

## i. Ageing Analysis for Receivables

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

## 21. Receivables from Non-Exchange Transactions

| Description   | 2024-2025         |                | Opening Statement<br>1 <sup>st</sup> July 2024 |                |
|---|-------------------|----------------|--|----------------|
|   | 2024-2025         | % of the total | Opening Balance                                | % of the total |
| Transfers from NGCDFB                                       | 51,441,954        |                | 46,513,243.                                    |                |
| Outstanding imprest   | -                 |                | -  |                |
| <b>Total</b>  | <b>51,441,954</b> |                | <b>46,513,243</b>                              |                |
| Ageing Analysis- Receivables from non-exchange transactions | 2024-2025         | % of the total | Opening Balance                                | % of the total |

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

|                   |                   |             |                   |             |
|-------------------|-------------------|-------------|-------------------|-------------|
| Less than 1 year  | 51,441,954        | 100%        | 46,513,243        | 100%        |
| Between 1-2 years | -                 | 0%          | -                 | 0%          |
| Over 3 years      | -                 | 0%          | -                 | 0%          |
| <b>Total</b>      | <b>51,441,954</b> | <b>100%</b> | <b>46,513,243</b> | <b>100%</b> |

**22. Prepayments**

| Description                           | 2024-2025 | Opening Statement                 |
|---------------------------------------|-----------|-----------------------------------|
|                                       | KShs      | 1 <sup>st</sup> July 2024<br>KShs |
| Prepaid Rent                          | -         | -                                 |
| Prepaid Insurance                     | -         | -                                 |
| Prepaid Electricity Costs             | -         | -                                 |
| Other Prepayments (Postal Rental Box) | -         | -                                 |
| <b>Total</b>                          | <b>-</b>  | <b>-</b>                          |

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

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**23. Property, Plant and Equipment**

|  | Land        | Buildings   | Motor vehicles | Infrastructure assets | Furniture and fittings | Computers & ICT Equipment | Work in progress | Service concession assets | Total       |
|--|-------------|-------------|----------------|-----------------------|------------------------|---------------------------|------------------|---------------------------|-------------|
| <b>Depreciation Rate</b>                           |             | <b>10%</b>  | <b>25.00%</b>  | <b>20%</b>            | <b>12.50%</b>          | <b>30.00%</b>             |                  |                           |             |
| <b>Cost</b>  | <b>Kshs</b> | <b>Kshs</b> | <b>Kshs</b>    | <b>Kshs</b>           | <b>Kshs</b>            | <b>Kshs</b>               | <b>Kshs</b>      | <b>Kshs</b>               | <b>Kshs</b> |
| Opening Bal as 1 <sup>st</sup> July 2024           | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Additions  | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Disposals  | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Transfer/Adjustments                               | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| <b>As At 30th Jun 2024</b>                         | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| <b>Depreciation And Impairment</b>                 |             |             |                |                       |                        |                           |                  |                           |             |
| Opening Bal accumulated depreciation 1st July 2024 | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Depreciation                                       | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Disposals  | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Impairment   | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| Transfer/Adjustment                                | -           | -           | -              | -                     | -                      | -                         | -                | -                         | -           |
| <b>As At 30th Jun 2025</b>                         |             |             |                |                       |                        |                           |                  |                           |             |

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

|   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|
|   | - | - | - | - | - | - | - | - | - |
| Net Book Values                             |   |   |   |   |   |   |   |   |   |
| Opening Bal as at 1 <sup>st</sup> July 2024 | - | - | - | - | - | - | - | - | - |
| As At 30th June, 2025                       | - | - | - | - | - | - | - | - | - |

**Valuation**

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

**23 b) Property, Plant and Equipment at Cost**

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

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

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

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

**24. Intangible Assets**

| Description                                  | 2024-2025<br>Kshs |
|--|-------------------|
| <b>Cost</b>                                  |                   |
| Opening balance at 1 <sup>st</sup> July 2024 | -                 |
| Additions                                    | -                 |
| Disposal                                     | (-)               |
| <b>At end of the 2025</b>                    | -                 |
| <b>Amortization and impairment</b>           |                   |
| At beginning of the year                     | -                 |
| Amortization                                 | -                 |
| At end of the year                           | -                 |
| Impairment loss                              | -                 |
| At end of the year                           | -                 |
| <b>NBV at July 1<sup>st</sup> 2024</b>       | -                 |
| <b>NBV at June 30<sup>th</sup> 2025</b>      | -                 |

**25. Right-of use assets**

| Description                     | Buildings | Plant | Equipment | Total |
|---------------------------------|-----------|-------|-----------|-------|
|                                 | Kshs      | Kshs  | Kshs      | Kshs  |
| <b>Cost</b>                     |           |       |           |       |
| As At 1 July 2024               | -         | -     | -         | -     |
| Additions                       | -         | -     | -         | -     |
| As At 30 June 2024              | -         | -     | -         | -     |
| Additions                       | -         | -     | -         | -     |
| As At 30 June 2025 (2024-2025)  | -         | -     | -         | -     |
|                                 |           |       |           |       |
| <b>Accumulated Depreciation</b> |           |       |           |       |
| As At 1 July 2024               | -         | -     | -         | -     |
| Charge for the period           | -         | -     | -         | -     |
| As At 30 June 2024              | -         | -     | -         | -     |
| Charge for the period           | -         | -     | -         | -     |
| As At 30 June 2025              | -         | -     | -         | -     |
|                                 |           |       |           |       |
| <b>Carrying Amount</b>          |           |       |           |       |
| As At 30 June 2025              | -         | -     | -         | -     |
| As At 30 June 2024              | -         | -     | -         | -     |

## 26. Trade and Other Payables

| Description                                       | 2024-2025        |                       | Opening Statement 1 <sup>st</sup> July 2024 |                       |
|---|------------------|-----------------------|---|-----------------------|
|   | Kshs             |                       | Kshs  |                       |
| Trade payables                                    | -                |                       | -   |                       |
| Employee payables                                 | -                |                       | -   |                       |
| Other payables                                    | -                |                       | -   |                       |
| Total trade and other payables                    | -                |                       | -   |                       |
|   |                  |                       |   |                       |
| <b>Aging analysis: (Trade and other payables)</b> | <b>2024-2025</b> | <b>% of the Total</b> | <b>1<sup>st</sup> July</b>                  | <b>% of the Total</b> |
| Under one year                                    | -                | 0%                    | -   | 0%                    |
| 1-2 years   | -                | 0%                    | -   | 0%                    |
| 2-3 years   | -                | 0%                    | -   | 0%                    |
| Over 3 years                                      | -                | 0%                    | -   | 0%                    |
| <b>Total (tie to above total)</b>                 | <b>-</b>         | <b>0%</b>             | <b>-</b>                                    | <b>0%</b>             |

**27. Third-Party deposits**

|  | 2024-2025     |
|--|---------------|
|  | Kshs          |
| Retention as at 1 <sup>st</sup> July (A)                     | -             |
| Retention held during the year (B)                           | 35,000        |
| Retention paid during the Year (C)                           | -             |
| <b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b> | <b>35,000</b> |

**Retentions aging analysis.**

|                  | 2024-2025 | % of the total | 2023-2024 | % of the total |
|------------------|-----------|----------------|-----------|----------------|
| Less than 1 year | -         | %              | -         | %              |
| 1-2 years        | -         | %              | -         | %              |
| 2-3 years        | -         | %              | -         | %              |
| Over 3 years     | -         | %              | -         | %              |
| <b>Total</b>     | <b>-</b>  | <b>0%</b>      | <b>-</b>  | <b>0%</b>      |

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

**28. Lease Liabilities**

| Description                                 | 2024-2025 | Opening Statement<br>1 <sup>st</sup> July 2024 |
|---|-----------|--|
|   | Kshs      | Kshs   |
| <b>Balance at the beginning of the year</b> | -         | -  |
| Discount interest on lease liability        | -         | -  |
| Paid during the year                        | (-)       | (-)  |
| <b>At end of the year</b>                   | <b>-</b>  | <b>-</b>                                       |

**Maturity Analysis**

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

**Analysed as:**

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

**29. Gratuity Provision**

| Description   | Period ended June<br>2025 | Opening<br>Statement<br>1st July 2024 |
|---|---------------------------|---------------------------------------|
|   | Kshs                      | Kshs                                  |
| Gratuity at the beginning of the period (A)               | 188,698                   | 188,698                               |
| Gratuity held during the period (B)                       | 744,648                   |                                       |
| Gratuity paid during the period (C)                       | -                         | -                                     |
| <b>Total Gratuity provision as at June 2025 D=(A+B-C)</b> | <b>933,346</b>            | <b>188,698</b>                        |

### 30. Cash Generated from Operations

|  | Period ended June<br>2025 |
|--|---------------------------|
|  | Kshs                      |
| <b>Surplus for the period before tax</b>       | <b>26,476,633</b>         |
| <b>Adjusted for:</b>                           |                           |
| Depreciation                                   | -                         |
| Non-cash grants received                       | -                         |
| Contributed assets                             | -                         |
| Impairment                                     | -                         |
| Gains and losses on disposal of assets         | -                         |
| Contribution to provisions                     | -                         |
| Contribution to impairment allowance           | -                         |
| <b>Working capital adjustments</b>             |                           |
| Changes in inventory                           | -                         |
| Changes in receivables                         | 4,928,711                 |
| Changes in deferred income                     | -                         |
| Changes in Third party deposits                | 35,000                    |
| Changes in gratuity provision                  | 744,648                   |
| Changes in payments received in advance        | -                         |
| <b>Net cash flow from operating activities</b> | <b>22,327,571</b>         |

### 31. Financial Risk Management

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

i) **Credit risk**

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

**Financial Risk Management**

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

| Description                                | Total amount       | Fully performing   | Part due | Impaired |
|--|--------------------|--------------------|----------|----------|
|  | Kshs               | Kshs               | Kshs     | Kshs     |
| <b>As at 30<sup>th</sup> June, 2025</b>    |                    |                    |          |          |
| Receivables from exchange transactions     | -                  | -                  | -        | -        |
| Receivables from non-exchange transactions | 51,441,954         | 51,441,954         | -        | -        |
| Bank balances                              | 63,198,995         | 63,198,995         | -        | -        |
| <b>Total</b>                               | <b>114,640,949</b> | <b>114,640,949</b> | -        | -        |
| <b>As at 30 June, 2024</b>                 |                    |                    |          |          |
| Receivables from exchange transactions     | -                  | -                  | -        | -        |
| Receivables from non-exchange transactions | 46,513,243         | 46,513,243         | -        | -        |
| Bank balances                              | 40,866,015         | 40,866,015         | -        | -        |
| <b>Total</b>                               | <b>87,379,258</b>  | <b>87,379,258</b>  | -        | -        |

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

## Financial Risk Management

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

### ii) Liquidity risk management

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

| Description                            | Less than 1 month | Between 1-3 months | Over 5 months  | Total          |
|--|-------------------|--------------------|----------------|----------------|
|  | Kshs              | Kshs               | Kshs           | Kshs           |
| <b>As at 30<sup>th</sup> June 2025</b> |                   |                    |                |                |
| Trade payables                         | -                 | -                  | -              | -              |
| Current proportion of borrowings       | -                 | -                  | -              | -              |
| Provisions                             | -                 | -                  | -              | -              |
| Deferred income                        | -                 | -                  | -              | -              |
| Gratuity Provision                     | -                 | -                  | 744,648        | 744,648        |
| <b>Total</b>                           | -                 | -                  | <b>744,648</b> | <b>744,648</b> |
| <b>As at 30<sup>th</sup> June 2024</b> |                   |                    |                |                |
| Trade payables                         | -                 | -                  | -              | -              |
| Current portion of borrowings          | -                 | -                  | -              | -              |
| Provisions                             | -                 | -                  | -              | -              |
| Deferred income                        | -                 | -                  | -              | -              |

| Description        | Less than 1 month | Between 1-3 months | Over 5 months  | Total          |
|--------------------|-------------------|--------------------|----------------|----------------|
|                    | Kshs              | Kshs               | Kshs           | Kshs           |
| Gratuity Provision | -                 | -                  | 188,698        | 188,698        |
| <b>Total</b>       | -                 | -                  | <b>188,698</b> | <b>188,698</b> |

**iii) Market risk**

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

**a) Foreign currency risk**

The Entity has 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 recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

## Financial Risk Management

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

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

### b) Interest rate risk

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

### Management of interest rate risk

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

### Fair value of financial assets and liabilities

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

#### Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data

obtained from independent sources; unobservable inputs reflect the Entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

#### **iv) Capital Risk Management**

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

| Description                                 | 2024-2025          | Opening Statement 1 <sup>st</sup> July 2024 |
|---|--------------------|---|
|   | Ksh                | Ksh   |
| Revaluation Reserve                         | 113,672,603        | 87,190,560                                  |
| Retained Earnings                           | 26,476,633         | -   |
| Capital Reserve                             | <b>140,149,236</b> | <b>87,190,560</b>                           |
| <b>Total Funds</b>                          |                    |   |
| Total Borrowings                            |                    |   |
| Less: Cash and Bank Balances                | 63,198,995         | 40,866,015                                  |
| Net Debt/(Excess Cash and Cash Equivalents) | 76,950,241         | 46,324,545                                  |
| <b>Gearing</b>                              | <b>0%</b>          | <b>0%</b>                                   |

### 32. Related Party Disclosures

|  | 2024-2025          | Opening Statement<br>1 <sup>st</sup> July 2024 |
|--|--------------------|--|
|  | Kshs               | Kshs   |
| <b>Committee Members Remuneration</b>                  |                    |  |
| Sitting allowance of committee Members during the year | 3,606,993          | -  |
| <b>Total</b>   | <b>3,606,993</b>   | -  |
| <b>Transaction with the NGCDF Board</b>                |                    |  |
| Transfers from the NGCDF Board during the year         | 179,441,954        | -  |
| <b>Total</b>   | <b>179,441,954</b> | -  |

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

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

### Contingent Liabilities

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

### 35. Capital Commitments

| Capital Commitments           | 2024-2025 | Opening Statement 1 <sup>st</sup><br>July 2024 |
|-------------------------------|-----------|--|
|                               | Kshs      | Kshs   |
| Authorized for                | -         | -  |
| Authorized and contracted for | -         | -  |
| <b>Total</b>                  | -         | -  |

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

### 36. Events after the Reporting Period

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

### 37. Ultimate And Holding Entity

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

### 38. Currency

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

*National Government Constituencies Development Fund (NGCDF)  
Fafi Constituency*

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

**18. Annexes**

**Annex1: 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 At Year End (Kshs) |
|---|---|----------------------------------|----------------------------------|------------------------------------|
| Land                                      | -   | -                                | -                                | -                                  |
| Buildings and structures                  | 14,976,405  | -                                | -                                | 14,976,405                         |
| Transport equipment                       | 5,184,140   | -                                | -                                | 5,184,140                          |
| Office equipment, furniture, and fittings | 868,500   | -                                | -                                | 868,500                            |
| ICT Equipment and Other ICT Assets        | 308,850   | -                                | -                                | 308,850                            |
| Other Machinery and Equipment             |   |                                  |                                  |                                    |
| Intangible assets                         |   |                                  |                                  |                                    |
| Solar System                              |   |                                  |                                  |                                    |
| <b>Total</b>                              | <b>21,337,895</b>   |                                  |                                  | <b>21,337,895</b>                  |

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

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

| <b>Pmc</b>                 | <b>Bank</b> | <b>Account number</b> | <b>Bank Balance<br/>2024-2025</b> | <b>Bank Balance<br/>2023-2024</b> |
|----------------------------|-------------|-----------------------|-----------------------------------|-----------------------------------|
| Nadhira primary school     | Equity      | 580279301449          |                                   | 121,317                           |
| Nanighi secondary school   | Equity      | 580279321950          |                                   | 3,293                             |
| Alfarajself help group     | Equity      | 580177505255          |                                   | 2,782                             |
| Abaqdera mixed group       | Equity      | 580179371342          |                                   | (77)                              |
| Shill secondary school     | Equity      | 580278998131          |                                   | 1,865                             |
| Mofamself help group       | Equity      | 580181300386          |                                   | 11,910                            |
| Amuma primary school       | Equity      | 0580280155082         | 1,000                             |                                   |
| Madahmaroub primary school | Equity      | 0580285588222         | 35,000                            |                                   |
| Warable Primary School     | Equity      | 0580279293188         | 400                               |                                   |
| Fafiprimary school         | Equity      | 058028566779          | 825                               |                                   |
| Diiso primary school       | Equity      | 0580285660917         | 350                               |                                   |
| Kamuthe primary school     | Equity      | 0580280168245         | 1,000                             |                                   |
| Galmagala primary school   | Equity      | 0580285660896         | 591                               |                                   |
| Borehole 5 primary school  | Equity      | 0580280202410         | 1,000                             |                                   |
| Bullagolol primary school  | Equity Bank | 0580279295923         | 400                               |                                   |
| Nasib construction co ltd  | Equity Bank | 0580263903564         | -                                 |                                   |
| Alinjugur secondary school | EquityBank  | 0580279624353         | 876                               |                                   |

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

| <b>Pmc</b>                       | <b>Bank</b> | <b>Account number</b> | <b>Bank Balance<br/>2024-2025</b> | <b>Bank Balance<br/>2023-2024</b> |
|----------------------------------|-------------|-----------------------|-----------------------------------|-----------------------------------|
| Nanighi Secondary School         | Equity Bank |                       | 885                               |                                   |
| Bura secondary school            | Equity Bank | 0580279924372         | -                                 |                                   |
| Shill secondary school           | Equity Bank | 0580278998131         | 305                               |                                   |
| Ebmas construction co.ltd        | Equity Bank | 05802785051007        | -                                 |                                   |
| Afka Welfare Group               | Equity Bank | 0580185363395         | 3,550                             |                                   |
| Shome self hel group             | Equity Bank | 0580185707386         | 885                               |                                   |
| Halganself help group            | Equity Bank | 05801987356373        | (7090)                            |                                   |
| Mofamself help group             | Equity Bank | 0580181300386         | 4,743                             |                                   |
| Alfaraj Self Help Group          | Equity Bank | 0580177505255         | 4,322                             |                                   |
| Superservices investment limited | Equity Bank | 0580279203959         | -                                 |                                   |
|                                  |             |                       | <b>49,042</b>                     | <b>141,090</b>                    |


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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor         | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
|  | Unsupported Bursary Payments              | Acknowledgement traced and will be availed for future audit scrutiny   | Not resolved                      | 20/3/2026  |
|  | Unconfirmed Value and ownership of land   | Land donated by the community via letter by the chief  | Not resolved                      | 20/3/2026  |
|  | Delay in implementation of projects       | The management confirmed some projects were undergoing and funds for some projects was delayed due to delayed disbursement | Not resolved                      | 20/3/2026  |
|  | Unresolved prior year matters             | Management commits to make arrangement to have matters resolved  | Not resolved                      | 20/3/2026  |
|  | Failure to open a deposit holding account | Deposit holding account open in the month of april 2025  | Not resolved                      | 20/3/2026  |

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|-----------------------------------|--|
|  |                                   |                     |                                   |  |
|  |                                   |                     |                                   |  |
|  |                                   |                     |                                   |  |

  
 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
 FAFI  
 Date: .....  
 Name  
 Fund Account Manager.

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

| Observations from Audit |   |  |                   |                   |
|-------------------------|---|--|-------------------|-------------------|
|                         | Observations from Audit   | Management's Response  | Resolution Status | Resolution Period |
|                         | In the circumstances, the accuracy and completeness of PMC balances amounting to Kshs.66, 318,348 could not be confirmed.   | further verification.  |                   |                   |
| 2                       | <b>1. Variances in the Fixed Asset Register</b><br>Annex 4 of the financial statement reflects Kshs.18, 784,550 on historical cost. However, the assets register provided reflects a balance of Kshs.19, 106,550 leading to an unexplained variance of Kshs. 322,000.<br>In the circumstances, the accuracy of the fixed assets balance of Kshs.18, 784,550 could not be confirmed. | The asset register has been updated and presented to the audit team for further audit verification.  | Not Resolved      | Two weeks         |
| Other Matter            | <b>Prior Year Unresolved Issues</b><br>In the previous year, one issue was raised under Basis for Qualified Opinion, one on Other Matter and another four on Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated as having resolved the prior year's audit issues, no evidence was provided to support that status.       | As indicated the issues were cleared with the audit team but they have to be cleared by the Devolved Fund Accounts Committee which is yet to sit and clear the issues. | Not Resolved      | Two weeks         |
| Basis for conclusion    | <b>1. Irregular Administration of Emergency Funds</b><br>Note 8 to the financial statements reflects an amount of Kshs. 94,448,230 with respect to other grants and transfers. The balance includes Kshs.11, 286,190 with respect to emergency  | The reports were not provided for audit verification. However the same   | Not Resolved      | Two weeks         |

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

|  |   | Management comments                         |  |  |
|--|---|---|--|--|
|  | <p>projects executed during the year. Included in this balance is Kshs.8,000,000 transferred to two (2) schools for the construction of toilets on an emergency basis.</p> <p>However, the Fund management did not provide an evidence that the utilization of the emergency reserves was reported to the Fund Board within thirty days of the occurrence of the emergency as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve to be reported to the Board within thirty days of the occurrence of the emergency.</p> | <p>were provided for audit verification</p> |  |  |



.....  
**Name: Samuel Mwangi**  
**Fund Account Manager.**