

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

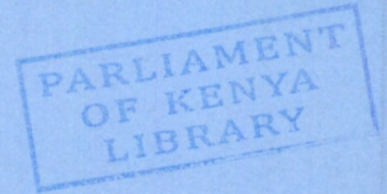
REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – ISIOLO NORTH  
CONSTITUENCY



FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 FEB 2026

DAY.

Wednesday

TABLED  
BY:

Hon. (Dr.) Robert Pukose  
on behalf of Leader of Opposition

CLERK-AT  
THE-TABLE:

Wanjau



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**ISILO NORTH CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

RECEIVED  
F. B. I.  
WASHINGTON, D. C.  
JAN 20 1953

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

- A. NGCDF-National Government Constituency Development Fund
- B. PFM-Public Finance Management
- C. IPSAS- International Public Sector Accounting Standards.
- D. PMC-Project management committee
- E. FY-Financial Year
- F. ARMC-Audit and Risk Management Committee
- G. FAM- Fund Account Manager.
- H. AIE-Authority to Incur Expenditure
- I. NG-CDFC –National Government Constituency Development Committee
- J. NG-CDFB–National Government Constituency Development Board
- K. NSCA- National Sub County Accountant.
- L. ICPAK-Institute of Certified Public Accountant of Kenya
- M. PLWD-People Living with Disability
- N. CSR- Corporate Social Responsibility.
- O. AIA- Appropriation in Aid
- P. COC- Constituency Oversight Committee
- Q. ICT-Information Communication &Technology
- R. PSASB-Public Sector Account Standards Board
- S. AC- Audit Committee
- T. DCC-Deputy- County Commissioner
- U. NG-CDF -National Government Constituencies Development Fund
- V. PFM-Public Finance Management
- W. PWD-Persons with Disability
- X. FY-Financial Year

**Y. 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 Isiolo North 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	David Kaberia Murungi
2.	National Sub-County Accountant	Francis Nyamai
3.	Ag Chairperson NGCDFC	Habiba Mohamed Sheikh
4.	Member NGCDFC	Habiba Mohamed Sheikh
5.	Member NG CDFC-PWD	Abdi Wako Giro (deposit bank account)

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

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

P.O. Box 5-60300 Isiolo  
Isiolo North NG-CDF Building  
Near Isiolo Central ACC office  
Isiolo, KENYA

**(e) NGCDF Isiolo North Constituency Contacts**

P.O. Box 5-60300  
Telephone: (254) 720104-432  
E-mail: [cdfisiolonorth@cdf.go.ke](mailto:cdfisiolonorth@cdf.go.ke)  
Website: [www.isiolonorth.go.ke](http://www.isiolonorth.go.ke)

**(f) NGCDF Isiolo North Constituency Bankers**

1. Bank A. (Operations Account). EQUITY BANK-ISIOLO BRANCH  
A/C NO.0410261949254.

P.O. Box 197-60300

Isiolo

2. Bank B. (Deposit account). EQUITY BANK-ISIOLO BRANCH  
A/C NO.0410285302613.

P.O. Box 197-60300

Isiolo

3. Bank C. (PMC Accounts)  
(a). EQUITY BANK-ISIOLO BRANCH

Branch

P.O. Box 197-60300

(b). SIDIAN BANK

P.O. BOX 188-60300

ISIOLO BRANCH *(List all PMC bank accounts in the annex 2)*

**(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**

*National Government Constituencies Development Fund (NGCDF)*  
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The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

3. NGCDF Committee

Name	Details
 Ag. Chairperson	<p>She represents the female adult in the committee. She is also the committee secretary. Born in 1962. She is a retired primary school head teacher. She has experience in teaching and being a community leader. She has also served the Ng-cdf committee for the last 2yrs</p>
 Ms. Habiba Mohamed Sheikh Secretary	<p>She represents the female adult in the committee. She is also the committee secretary. Born in 1962. She is a retired primary school head teacher. She has experience in teaching and being a community leader. She has also served the Ng-cdf committee for the last 2yrs.</p>

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Ms. Madina Abdi

She represents female adult in the committee. She was born in the year 1987. She has experience of working with community. She holds a diploma in business administration.



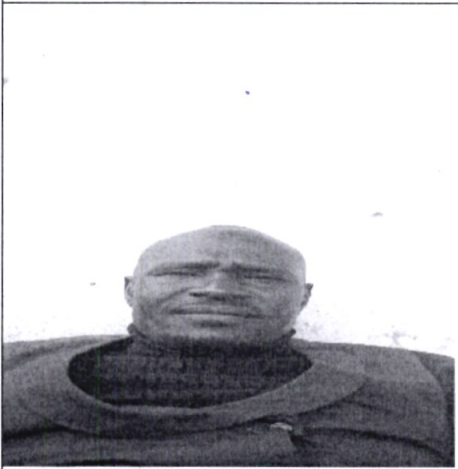
Mr. Abdifatah Daud

He was born in 1991. He represents male youth in the committee. He holds a KCSE Certificate. He has served as NG-CDF committee for the last 2years .He is a businessman.



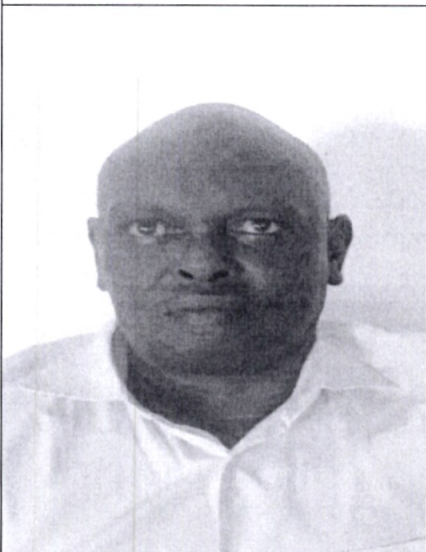
Ms. Bone Omar Godana

She represents the female youth in the committee. She was born in the year **1996**. She is a graduate in human resource management. She has experience in working with community has youth leader.






Pastor Joseph Ekiru

He was born in the year 1984. He represents Adult male in the committee. He has a certificate in bible studies. He has been a pastor for many years. He has served has a committee for the last 2years.



He was born in the year 1972. He represents PWD in the committee. He has served has a committee for the last 2years.

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<p>Mr. Abdi Wako Giro</p>	
 <p>Ms. Fridah Kairuthi</p>	<p>She is a co-opted member in the committee. She was born in the year 1970. She has experience of working with community and also having been a committee for the last two years. She holds a KCSE certificate.</p>
 <p>Mr. Christopher Siele -DCC</p>	<p>He is the Deputy County Commissioner. Born in the year 1971. Bachelor degree holder. He has experience public service.</p>
 <p>Mr. David Kaberia Murungi Fund Account Manager</p>	<p>He is the Fund Account Manager. Born in the year 1977. Bachelor degree and a diploma in project planning and management. Has an experience of over 20 years having worked as a Fund account manager for 18years.</p>

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*NG CDFC members who exited during the financial year.*

S/NO	NAME	POSITION	Period Of Service
1	Mr. Alfred Tinani	Chairperson	2 Years
2	Mr. Guyo Tuke	Co-opted Member	2 Years

Mr. Alfred Tinani was serving as the chairman for the NG-CDF Committee. His name was dropped after he joined public service.

Mr. Guyo Tuke was a co-opted member of the committee during the last 2 years.

#### 4. NG-CDFC Chairman’s Report



**Ms. Habiba Sheikh Mohamed – Ag.  
 Chairperson NGCDF Isiolo North**

We the NGCDFC-Isiolo North are very happy to be part of the large NGCDF family established under the National Government Constituencies Development Fund Act 2015 and regulation 2016. In the financial year 2024/2025 the board allocated **Kshs. 197,386,150** to our constituency. We prepared a proposal and submitted but the board has given a conditional approval projects worth Kshs. 30,215,508 awaiting submission of some approval documents from the ministry of education.

Going by the objectives of the NG-CDF, Isiolo North National Government Constituency Development Fund Committee (NG-CDFC) endeavored to administer projects in the financial year 2024/2025 within the confines of the law and guidance by the NGCDF Board.

Projects were identified and implemented with much regard to public participation, sustainable development orients and enhancement of local accountability and transparency in the use of public resources. This was vital to enhance ownership of the projects and continued appreciation of the fund in changing the livelihoods of the locals.

During the meeting held on **5<sup>TH</sup> February 2025** the amount was apportioned to the following sectors according to the NG-CDF Act 2015.

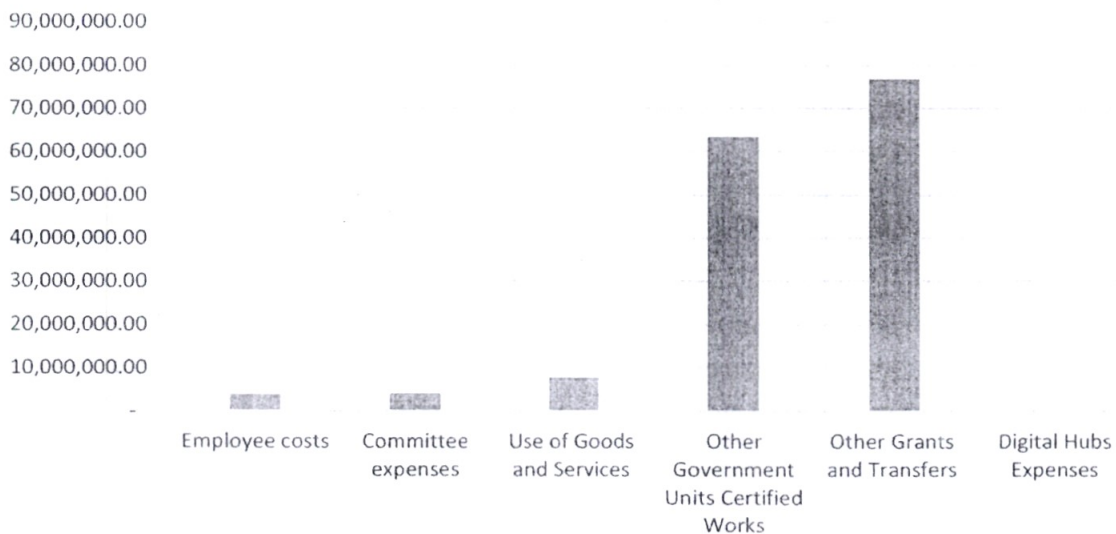
<b>Serial</b>	<b>Name of Project</b>	<b>Amount Allocated</b>
1	Administration/Recurrent	11,843,116.00
2	Monitoring and Evaluation/Capacity Building	5,921,584.50
3	Bursaries	60,000,000.00
4	Primary School Projects	59,132,652.00
5	Secondary School Projects	41,474,560.77
6	Security Projects	2,905,492.00
7	Climate Change Mitigation projects	1,000,000.00
8	Emergency	10,388,744.73
9	Office equipment's	720,000.00
10	Digital Hubs	4,000,000.00
<b>Total</b>		<b>197,386,150.00</b>

During the Financial Year 2024/2025, we had a total receipt of Kshs. 217,812,974 from the board and a opening balance of Kshs. 135,042,478 and Kshs. 1,353,317 for the operation account and deposit account respectively as at 1<sup>st</sup> July 2024 totaling to Kshs. 136,395,795. In total the funds available for spending in the financial year 2024/2025 was Kshs. 354,208,769. The total expenditure for the year was Kshs. 194,277,023\_which is approximately 70.64% of the total available funds during the financial year.

As at the end of the financial year the amount owing to the constituency by the NG-CDF Board was Kshs. 41,386,150 for the FY 2024/2025.

Below are the graph showing the expenditure on different sectors.

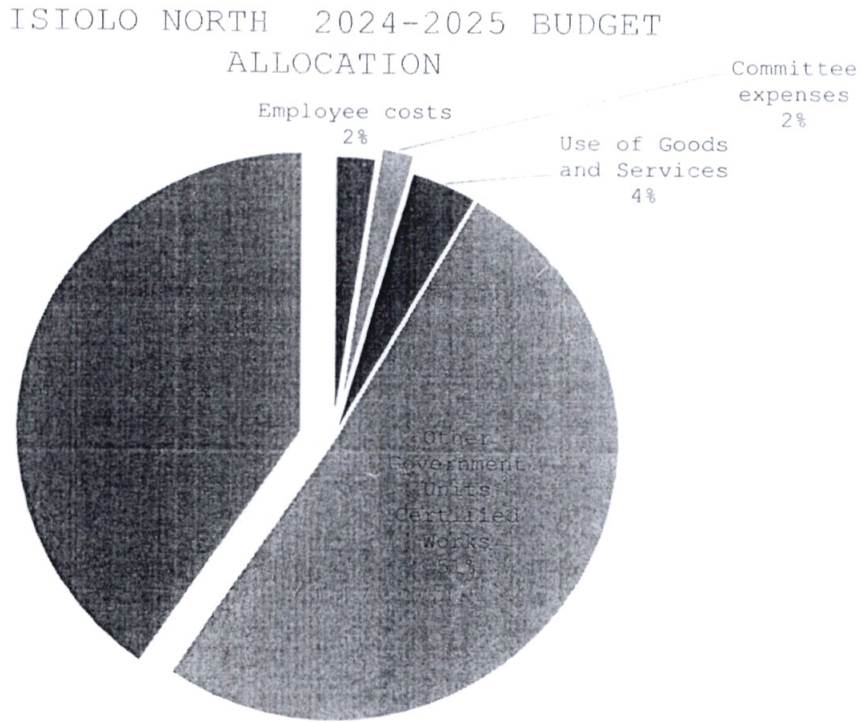
### ISIOLO NORTH EXPENDITURE REPORT



*National Government Constituencies Development Fund (NGCDF)*  
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Below is pie charts showing how the fund were allocated to different sectors.



Below is some of the projects undertaken within the financial year.



*Malkagala primary school -2NO Classroom.*



ATTAN CHIEFS OFFICE –TOILETS



*ATTAN CHIEFS OFFICE*



*Climate Change Project-Installation of water tank at Tullu Roba Police post.*

During the year the constituency was able complete nine (12) classrooms, two (3) administration block, two (3) science laboratory, one (1) dining halls, Twenty (20) doors pit latrines, Three 3 NO. Chiefs office, eight (8) units staff house in police posts. These has led to improvement in learning facilities in school and increased enrolments, improvement in security and creation of job to the community labour engaged

#### **List of emerging issues related to the entity**

Currently there are a number of emerging issues that the office needs to put into consideration as we implement the projects. The includes;

- ✓ Gender mainstreaming in our operations
- ✓ Adherence to the disability act as we implement our projects.
- ✓ Matters of environmental conservations and sustainability.
- ✓ Adherence to all presidential directives

**Implementation challenges and recommended way forward.**

The office has during the financial year experienced a number of challenges during the implementation of projects

**1. Delay in release of the funds to the Constituency-**

We request the board to see the possibility of releasing funds before the end financial year.

**2. Delay in preparation of tender documents by the public Works-**

We request the Ministry of public works to consider posting a public works officers in every Sub county.

**3. Poor road network among the five ward of the constituency hence poor mobility and high cost of transports.**

The road network linking the wards is very poor

We have requested KERRA to improve the roads to make them passable.

**4. Insecurity in three wards of the constituency.**

Three ward of the constituency are very insecure to operate i.e. Chari, Cherab and Oldonyiro we are planning to build more police stations to improve the situation.

*H. M.*

.....  
Name Habiba Mohamed Sheikh  
Ag. Chairperson 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 Isiolo North Constituency 2022-2027* plan are to:

1. To improve enrolment, learning and teaching environment by rehabilitation of existing and construction of new facilities in both primary and secondary schools.
2. To improve transition and retention from primary to secondary and to tertiary of students by allocating bursary to needy students.
3. To promote security and service delivery by constructing and rehabilitating police post, chief's and assistant chief's office.
4. To promote sports activities by improving sporting facilities and provision of equipment's.
5. To ensure sustainable environmental conservations by improving on water harvesting and trees planting.
6. To build capacity of the staff, committee members, projects management committee's and local contractors by holding regular trainings and benchmarking exercise.
7. To promote access information, communication and technology.

### 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:

Sectors	Objective	Outcome	Indicator	Performance
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**National Government Constituencies Development Fund (NGCDF)**

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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 -Number of bursary's beneficiaries at all levels	In FY 2024/25 -we increased number of classrooms by 12 classrooms from 278 to 290 in three Pry school and one secondary school. -We have increased the number of administration blocks by Four (4) in Kambi ya juu pry, Kambi Garba sec, Aremiet Sec and Bula pesa pry school -We have increased science laboratory by two i.e. Merti Muslim girl's sec, Isiolo Barracks sec and Bulesa day school - Bursary beneficiaries 5,000 at secondary level and 3,000 at tertiary level.
Security	To have conducive working environment for security agencies	Increased construction of chief's offices and other security lines	Improved security in the area	Constructed three(3) chief's office Nakuprat, Kambi Garba and Attan , 2single staff houses,12 doors pit latrines
Climate Change Mitigation	Improve of environment through tree planting	Increased forest cover	Improved environments by increasing tree cover	Instilled water harvesting tanks in 15 institutions
Emergency	To address unforeseen		Improved sanitation and security	Addressed emergencies at Bula Mpya Pry, Kambi Garba pry and Isiolo county commander office blown by wind

## **6. Governance Statement**

### **Appointment of NG CDFC Members**

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
  - a) The national government official responsible for co-ordination of national government functions
  - b) Two men each nominated in accordance with subsection (3)
  - (3) One of whom shall be a youth at the date of appointment
  - c) Two women nominated in accordance with subsection (3) one of whom shall be youth at the date of appointment
  - d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
  - e) Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act
  - f) The officer of the board seconded to the constituency committee by the board who shall be an ex officio member without a vote
  - g) One member co-opted by the board in accordance with Regulations made by the Board
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
  - (10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.
  - (11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.
- 
- 1 A member of the Constituency Committee may be removed from office on any one or
  - 2 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.
  - (13) A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.
  - (14) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

The Isiolo North National Government constituency development fund Committee is in charge of management and overseeing the implementation of the fund. The process of appointment and removal is properly outlined in the NG CDF Act of 2015 and as amended in 2022.

The Constituency Committee comprises of— (a) the national government official responsible for co-ordination of national government functions; (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment; (c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment; (d) one persons with disability nominated by a registered group

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representing persons with disabilities in the constituency in accordance with subsection (3); (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act; (f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote. (g) one member co-opted by the Board in accordance with Regulations made by the Board. Following the above guidelines Isiolo North Constituency appointed new NG CDFC Members through the process guided by the NG CDF Act of 2015 and as amended in 2022. Advertisement was made, short listing done as per the 7 wards in the constituency. The selection panel chaired by a nominee of the deputy county commissioner spearheaded the process. After conducting interviews to the applicants the nominees from the panel were:

No.	Name	Position	ID. No	Category
1	Habiba Mohamed Sheikh	Member	0184035	Female Adult representative
2	Madina Abdi Dika	Member	27332372	Female Adult representative
3	Bone Omar Galgalo	Member	33474301	Female youth representative
4	Abdifatah Daud Adan	Member	28908923	Male Youth representative
5	Lonyet Joseph Ekiru	Member	27180317	Male Adult representative
6	Alfred Tinani	Member	9855075	Male Adult representative
7	Abdi Giro Wako	Member	11120026	Representative of persons with disability
8	Fridah Scolastica Kairuthi	Member	9854476	Co-opted Members

Through a forwarding letter the nominee of Persons living with disability was:

NAME	CATEGORY	DESIGNATION
Abdi Giro Wako	Representative of persons living with disability	Member

The NG CDF Board co-opted the following member to sit in the NG CDFC Committee;

NAME	CATEGORY	DESIGNATION
Fridah Scolastica Kairuthi	Co-opted Member	Member

The NG CDFC members were appointed and gazetted via Gazette NO. **Vol.CXXVII-N0.98** dated 21<sup>st</sup> May, 2025 as follows:

No.	Name	Position	ID. No	Category
1	Habiba Mohamed Sheikh	Secretary	0184035	Female Adult representative
2	Madina Abdi Dika	Member	27332372	Female Adult representative
3	Abdifatah Daud Adan	Member	28908923	Male Youth representative
4	Abdi Giro Wako	Member	11120026	Representative of persons with disability
5	Lonyet Joseph Ekiru	Member	27180317	Male Adult representative
6	Bone Omar Galgalo	Member	33474301	Female youth representative

One nominee representing the male adult Mr. Alfred Tinani was declined but we forwarded another name **Mr. Joseph Ngichili**. The name was approved by the parliament now awaiting the gazzettelement.

The committee is made up of 10 members including the deputy county commissioner who is the representative of the national government and the Fund account manager an ex-officio member.

The first meeting of Isiolo North constituency committee took place On 25<sup>th</sup> May 2025 after gazzettelement.

#### **Removal of NG CDFC Members**

The NG CDF Act of 2015 and as amended in 2022 also outlines the process of removal of a member from office; a member may be removed based on 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 practises; (f) causing disharmony within the committee; (g) physical or mental infirmity. In the financial year 2024/2025 there was no removal of committee members in Isiolo North Constituency.

#### **NGCDFC Tenure**

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

***National Government Constituencies Development Fund (NGCDF)  
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**Roles and functions of Isiolo North NG CDFC Committee**

Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

**Training and inductions of members.**

Upon appointment of the new members of the committee induction training shall be conducted by the relevant government departments for the committee to know and understand the NG-CDF act and also their roles in the fund.

There after a complete training of the NG-CDFC shall take place to enable the committee to an in-depth knowledge of the fund in order to discharge their responsibilities effectively.

The NG-CDF Board organized induction training for all the National Government constituency development funds committee, fund account managers and the sub county accountants between 8<sup>th</sup> and 12 July 2025 at Garissa. We will be holding more training this year.

**Meetings and Remunerations**

As the NG-CDF Act 2015, the NG-CDF Committee is supposed to hold a minimum of six meetings and maximum of twenty-four meeting. In this financial year the committee held nine meetings. The first meeting is called by the FAM who act as the secretary and the DCC act as the chairperson. The members receive a sitting allowance of Kshs. 5,000 apart from the chairpersons who is paid Kshs. 7,000.

During the FY 2024/2025 the committee held the following number of meeting.

No	Name	31/7/24	29/8/24	25/9/24	17/10/24	30/10/24	19/11/24	27/11/24
1	Alfred Tinani	√	√	√	√	√	√	√

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2	Habiba Mohamed Sheikh	√	√	√	√	√	√	√
3	Madina Abdi Dika	√	√	√	√	√	√	√
4	Abdifatah Daud Adan	√	√	√	√	√	√	√
5	Abdi Giro Wako	√	√	√	√	√	√	√
6	Lonyet Joseph Ekiru	√	√	√	√	√	√	√
7	Fridah Scolastica Kairuthi	√	√	√	√	√	√	√
8	Guyo Toke Dabelo	√	√	√	√	√	√	√
9	DCC-Christopher Siele	√	√	√	√	√	√	√
10	David K Murungi	√	√	√	√	√	√	√

No.	Name	20/12/24	5/2/25	27/2/25	3/4/25	29/5/25	5/6/25	24/6/25
1	Alfred Tinani	√	√	√	√	N/A	N/A	N/A
2	Habiba Mohamed Sheikh	√	√	√	√	√	√	√
3	Madina Abdi Dika	√	√	√	√	√	√	√
4	Abdifatah Daud Adan	√	√	√	√	√	√	√
5	Abdi Giro Wako	√	√	√	√	√	√	√

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6	Lonyet Joseph Ekiru	√	√	√	√	√	√	√
7	Fridah Scolastica Kairuthi	√	√	√	√	√	√	√
8	Guyo Toke Dabelo	√	√	√	√	N/A	N/A	N/A
9	DCC- Christopher Siele	√	√	√	√	√	√	√
10	Bone Omar Galgalo	N/A	N/A	N/A	N/A	√	√	√
11	David K Murungi	√	√	√	√	√	√	√

**Dissolution of a Constituency Committee**

The NG CDF Act of 2015 and as amended in 2022 outlines the procedures to be taken when dissolving a constituency committee. A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution— (a) serious violation of the Constitution or any other law including a contravention of Chapter Six; (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise; (c) incompetence; (d) bankruptcy; or (e) any other cause as may be deemed justifiable.

Isiolo North NG CDFC has not been dissolved for any of the above reasons.

**Conflict of Interest**

The NG CDF Act of 2015 regulations of 2016 states that all officers should declare conflict of interest before commencement of any meeting. Isiolo North NG CDFC ensures that members declare conflict of interest before start of any meeting.

**Ethics and conduct**

The chapter on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being objective and impartial in ensuring that decisions are not influenced by nepotism, favouritism, and other improper motives.

The NGCDFC Members Isiolo North Constituency are bound by the requirements and guidelines of this chapter like other public officers

**Risk management**

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Identifying risks,

- Analyse risks,
- Prioritization of risk,
- A solution for implementation is sort,
- Monitored.

## 7. Management Discussion and Analysis

Operational and Financial Performance (FY2020/21 – FY2024/25)

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

### Annual Allocation and Utilization

Financial Year	Allocation (KES M)	Utilized (KES M)	Absorption Rate (%)
2020/2021	137,088,879	135,788,879	99%
2021/2022	137,088,879	137,088,879	99%
2022/2023	158,832,745	158,832,745	98%
2023/2024	192,897,991	192,697,991	99%
2024/2025	197,386,150	66,721,840	33%

The utilization for 2024/2025 is low since many projects have not been implemented awaiting the new rules of procurements the eggs implementation.

### Key Projects Implemented or Ongoing

Isiolo North NG-CDF focused on high-impact and community-prioritized projects.

### Compliance with Statutory Requirements

- Timely submission of financial reports to NG-CDF Board and Auditor General.
- Adherence to procurement thresholds and PPADA 2015.
- Active community participation through Project Management Committees (PMCs).
- Routine site visits and verification by Fund Account Manager and stakeholders.

### Risks and Mitigation

Risk	Description	MITIGATION
Delayed Disbursements	Cash flow interruptions from Treasury	Prioritized rolling projects and batching
High Construction Costs	Inflation and material shortages	Framework contracts and value engineering
Community Disputes	Disagreement over project locations	Stakeholder engagement and public Barraza's
Political Pressures	Non-objective project nominations	Strict adherence to PMC resolutions

### Arrears and Statutory Obligations

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As of 30th June 2025, Isiolo North NG-CDF had no pending arrears on supplier payments, staff salaries, statutory deductions (KRA, NSSF, NHIF), or pension contributions. All obligations were met within the fiscal timelines.

#### Review of the Economy

The economy grew by 5.5% in FY2024/25, buoyed by recovery in transport, manufacturing, and agriculture. However, high inflation and weakening shilling increased project costs.

Despite national fiscal tightening, NG-CDF remained stable, with timely releases enabling sustained development in the constituency.

#### Sector Review (NG-CDF)

The NG-CDF continues to anchor grassroots development. In Isiolo North, its impact remains strong due to:

- Enhanced transparency via digitized reporting
- Growing community awareness and oversight
- Emphasis on education and social equity

Challenges included overlaps with county projects and contractor performance gaps.

#### Outlook for FY2025/26 and Beyond

#### Key Focus Areas

- Upgrade of 4 secondary Schools to Extra County School's status.
- Expansion of bursary reach by 20%.
- Integration of solar energy in 10 public Schools.
- Digital M&E tools for real-time project tracking.

#### Conclusion

The Isiolo North NG-CDF has maintained solid financial discipline and a high impact on local development. Through transparency, community engagement, and strategic planning, the Fund aims to scale greater heights in service delivery and inclusivity.



Name: David Kaberia Murungi  
Fund Account Manager



**8. Environmental and Sustainability Reporting**

Isiolo North 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 and Environment. 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 Isiolo North Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

## **2. Environmental performance**

We monitor and continuously improve our environmental performance through planting trees, encouraging water harvesting and sensitization of community.

## **3. Employee welfare**

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

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

Isiolo North Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

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

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

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

Isiolo North Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

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

### **Public Awareness**

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

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



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

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The Accounting Officer in charge of the NGCDF Isiolo North 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- Isiolo North Constituency financial statements were approved and signed by the Accounting Officer on 26/11 2025.

.....  
Name: Habiba Mohamed Sheikh  
Ag. Chairperson – NGCDF Committee

.....  
Name: David Kaberia Murungi  
Fund Account Manager

# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ISIOLO NORTH 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 transitional IPSAS financial statements of National Government Constituencies Development Fund - Isiolo North Constituency set out on

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

pages 1 to 103, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Isiolo North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Errors and Inaccuracies in the Financial Statements**

The annual reports and the financial statements prepared and presented for audit had the following errors and inaccuracies;

- i. The table of contents has not included the environmental and sustainability reporting.
- ii. Under the statement of cash flows, the net cash flows from operating activities reflects a balance of Kshs.24,664,631 while the disclosure Note 30 to the financial statements reflects a balance of Kshs.23,970,926, resulting in an unexplained variance of Kshs.693,705.
- iii. The statement of comparison of budget and actual amounts does not reflect the surplus for the period.
- iv. The statement of comparison of budget and actual amounts reflects total actual expenditure on comparable basis of Kshs.194,277,023 while the statement of budget execution by sectors and projects reflects total actual expenditure on comparable basis of Kshs.194,607,311 resulting in unexplained and unreconciled variance of Kshs.330,287.

In the circumstances, the presentation, accuracy and completeness of the respective financial statements' figures could not be confirmed.

## **2. Cash and Cash Equivalents**

### **2.1 Unsupported Project Management Committee Bank Balances**

The statement of financial position and Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.159,931,746, which includes Project Management Committee's (PMC) bank balances of Kshs.26,939,998 as disclosed in Annex 2 to the financial statements. However, the relevant certificates of bank balances, cash books and bank reconciliations statements supporting the PMC bank balances were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.159,931,746 could not be confirmed.

### **2.2 Variances in Deposit Account Balance**

Note 19 to the financial statements discloses deposit account balance of Kshs.2,327,438. However, the cash book provided for review reflected a balance of Kshs.2,252,254 resulting to an unexplained variance of Kshs.75,184.

In the circumstances, the accuracy and completeness of the deposit account balance of Kshs.2,327,438 could not be confirmed.

## **3. Unreconciled Third-Party Deposits**

The statement of financial position and Note 27 to the financial statements reflect third-party deposits amounting to Kshs.4,070,071, while Note 19 on cash and cash equivalents discloses a deposit bank account balance of Kshs.2,327,438, resulting in an unexplained variance of Kshs.1,742,633. Third-party deposits should reconcile with the corresponding deposit account balances. Further, Management did not provide movement schedule detailing suppliers names, contract numbers, opening balances, amounts withheld, refunds made, and closing balances for audit verification.

In the circumstances, the accuracy and completeness of the third-party deposits balance of Kshs.4,070,071 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 - Isiolo North Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.395,594,919 and Kshs.354,208,769, respectively, resulting to a shortfall of Kshs.41,386,150, or 10% of the budget. Similarly, the Fund spent Kshs.194,277,023 against actual receipts of Kshs.354,208,769, resulting to under absorption of Kshs.159,931,746, or 45% of the actual receipts.

The shortfall in receipt and under absorption may have adversely affected the implementation of planned activities, potentially impacting service delivery to the residents of Isiolo North Constituency.

### **2. Late Transfers from the NG-CDF Board**

The statement of financial performance and Note 6 to the financial statements reflect total transfers from the NG-CDF Board of Kshs.197,386,150. However, transfers totalling Kshs.41,386,150, or 21% of the total transfers, had not been received by the closure of the financial year on 30 June, 2025.

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

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year's Matters**

In the prior year audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the NGCDF - Isiolo North Constituency in financial year 2024/2025 revealed that the following matters remained unresolved:

1. Irregularities in the Process of Awarding the Bursaries
2. Irregular Procurement Process for Construction of Oldonyiro Sub-County Administration Block
3. Failure to Prepare Work Plan and Procurement Plans

4. Construction of Dining Hall- Kiwanjani Mixed Secondary School
5. Supply of Semi-Luxury School Buses
6. Construction of Dining Hall -Kisima 78 Mixed Secondary School
7. Construction of a Science Laboratory – Merti Muslim Primary School
8. Un-utilized Funds
9. Irregular Award of Tenders
10. Project Verification and Inspection – Kambi Ya Juu Integrated Primary School
11. Irregular Procurement Process for Fuel, Oils and Lubricants

### **Other Information**

Management is responsible for the Other Information set out on page iv to xxxvii which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management 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 if there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

### **1. Projects Verification**

#### **1.1 Construction of Pit Latrine Projects**

The statement of financial performance reflects Kshs.82,548,973 and Kshs.94,397,108 in respect to other government units' actual expenditure and other grants and transfers actual expenditure respectively. The balance includes primary schools' actual expenditure of Kshs.46,442,975 and security projects actual expenditure of Kshs.23,736,288. Further, included was a disbursement amounting to Kshs.7,950,000 for the construction of 4-door pit latrines at various primary schools and security projects. Each project was to include one door adapted for persons with disabilities and a urinal, in line with the approved specifications in the code list and Bills of Quantities. However, physical verification conducted on 23 July, 2025 revealed the following;

- i. None of the completed facilities included the disability-accessible features or urinals, contrary to the approved cost list, designs and Bills of Quantities specifications.
- ii. Key fittings as per Bills of Quantities such as aluminum handrails, ceramic water closets, and windows were missing across several sites including, Nathuroi, Aukot, Kambi Garba, Bula Mpya Primary Schools, Kambi ya Juu and Mabatini Police Posts, Kambi Garba and Attan Chiefs' Offices. Total cost of the undelivered appliances was Kshs.333,650.
- iii. At Nathuroi and Kambi Garba Primary Schools, the constructed ramps were excessively steep, undermining accessibility for persons with disabilities.
- iv. The costs of construction varied between Kshs.850,000 and Kshs.1,000,000 for toilets projects of similar scope and design. No justification was provided to explain the variances.

In the circumstances, the value for money for the expenditure of Kshs.7,950,000 could not be confirmed.

#### **1.2 Irregularities in Procurement and Implementation of OI Donyiro Sub-County Administration Block Project**

The statement of financial performance and Note 14 to the financial statements reflect Kshs.94,397,108 in respect to other grants and transfers actual expenditure, which includes security projects actual expenditure of Kshs.23,736,288. During the year under review, the NGCDF awarded a contract worth Kshs.13,489,988 to a local contractor for the construction of the OI Donyiro Sub-County Administration Block. However, the following anomalies were noted in the procurement process and project implementation;

- i. Key procurement documents including tender opening minutes dated 4 July, 2024, tender evaluation report dated 5 July, 2024, professional opinion dated 9 July, 2024, letter of notification of award dated 9 July, 2024, Form of contract agreement dated 22 July, 2024 were not signed by the responsible officers.
- ii. Kshs.100,000 was withdrawn from the PMC Account to cater for tender-related expenses such as transport, meals, and accommodation without proper documentation, including bus tickets/ work tickets and hotel receipts.
- iii. The contractor raised two interim certificates for payment: 1st Certificate of Kshs.2,346,987 dated 4 October, 2024 and 2nd Certificate of Kshs.2,187,568 dated 14 November, 2024, both covering completed works and materials on site. However, following the second disbursement, the contractor abandoned the site, leaving the building at lintel level, with only substructure works completed and superstructure works partially done. No follow-up action or contractual remedy was initiated by the PMC against the contractor for non-performance.

In the circumstances, the value for money for the amount of Kshs.13,489,988 could not be confirmed.

### **1.3 Irregularities in the Procurement and Implementation of Completion Works at Isiolo Samburu Complex Primary School**

The statement of financial performance and Note 13 to the financial statements reflect other government units' actual expenditure of Kshs.82,548,973, which includes Kshs.46,442,975 as transfers to primary schools where Kshs.1,800,000 was transferred to Isiolo Samburu Complex Primary School. The amount was paid to a local contractor for the completion of the administration block and classroom project under Tender No. SCHS/2023-2024/012. However, the following anomalies were noted;

- i. The winning bidder did not meet the mandatory tender requirements, including demonstrating similar past projects, providing three months' financial statements, and submitting a CR12. The company was incorporated on 15 February, 2023, making it impossible to show the required prior experience.
- ii. The contractor was not prequalified, the award lacked the professional opinion from the Head of the Procurement and the Project Management Committees did not maintain tender opening registers.
- iii. Audit inspection carried on 23 July, 2025 revealed that some works were poorly executed or incomplete, including absence of union locks on two-panel double doors; unfinished ceiling works; exposed electrical wiring posing safety and theft risks; poor quality painting, plastering, and decorative works with visible cracks despite issuance of payment certificates.
- iv. Provisional sum of Kshs.130,000 was not supported with schedules and approval by tender evaluation committee contrary to Section 139(2) of Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the value for money for the expenditure of Kshs.1,800,000 incurred in the project could not be confirmed.

#### **1.4 Irregularities in the Procurement and Implementation of Construction Works at Aukot Primary School**

The NGCDF awarded the contract for the construction of three classrooms and the supply of furniture at Aukot Primary School at a contract sum of Kshs.4,199,977 under Contract No. SCHS/2023-2024/018. However, audit review revealed the following anomalies:

- i. The contractor was not prequalified, the award lacked the mandatory professional opinion from the Head of Procurement and the Project Management Committee did not maintain tender opening registers.
- ii. The project file did not contain key procurement documents, including completed Confidential Business Questionnaires, Form of Tender, and Tender Questionnaires. Despite these omissions, while the bidder was declared responsive by the evaluation committee, contrary to Section 79(1) of the Public Procurement and Asset Disposal Act, 2015.
- iii. The school was not registered with the Ministry of Education, and Management did not explain how public funds were allocated to an unregistered institution, raising concerns on adherence to eligibility and accountability requirements.
- iv. A payment certificate dated 3 July, 2025 of Kshs.1,966,971 lacked detailed valuation of works done to justify the payment, despite the project being stalled.
- v. A site inspection conducted on 24 July, 2025 established that the contractor had abandoned the site and the works had stalled at the lintel level with visible cracks on the walls indicating poor workmanship.
- vi. Provisional sum of Kshs.250,000 was not supported with detailed schedules or evidence of approval by the tender evaluation committee, contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, value for money for the expenditure of Kshs.4,199,977 incurred in the project could not be confirmed.

#### **1.5 Irregularities in the Procurement and Implementation of Construction Works at Bulla Pesa Primary School**

The Fund awarded a contract worth Kshs.4,500,000 for the construction of a four-room administration block at Bulla Pesa Primary School, under Tender No. SCHS/2023-2024/002. However, review of the procurement and project implementation processes revealed the following irregularities;

- i. The contractor was not prequalified under the relevant category of works, contravening Section 71 Public procurement and Asset Disposal Act, 2015.
- ii. The contract was not supported with a professional opinion, contrary to the requirement of Section 84(1) of the Public Procurement and Disposal Act, 2015.
- iii. Audit inspection conducted on 23 July, 2025 revealed that the contractor was not on site despite finishes works being incomplete.
- iv. Provisional sum of Kshs.360,000 was not supported with schedules and approval by tender evaluation committee, contrary to Section 139(2) of Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the value for money for the expenditure of Kshs.4,500,000 incurred in the project could not be confirmed.

### **1.6 Irregularities in Procurement and Implementation of Construction of Classrooms at Ngaremara Primary School**

The NG-CDF awarded a contract of Kshs.2,600,000 for the construction of two classrooms at Ngaremara Primary School, through contract No. SCHS/2023-2024/008. However, review of the procurement and project implementation processes revealed the following irregularities;

- i. The company did not submit key mandatory documents including a duly filled Confidential Business Questionnaire, Form of Tender, and Tender Questionnaire, contrary to Section 79(1) of the Public Procurement and Asset Disposal Act, 2015.
- ii. The contractor was not prequalified under the relevant category of works, contrary to Section 71 of the Public Procurement and Asset Disposal Act, 2015.
- iii. The contract was not supported with a professional opinion of the head of procurement unit, contrary to Section 84(1) of the Public Procurement and Disposal Act, 2015.
- iv. Audit inspection conducted on 23 July, 2025 revealed that two-panel double doors were installed without union locks, ceiling finishes were incomplete, electrical wiring was exposed posing safety and theft risks, external and internal painting, plastering, and general finishing works were poorly executed despite full payment including retention made.
- v. Provisional sum of Kshs.140,000 was not supported with schedules and approval by tender evaluation committee, contrary section 139(2) of Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the value for money for the expenditure of Kshs.2,600,000 incurred in the project could not be confirmed.

### **1.7 Irregularities in Procurement and Implementation of VIP Latrine Construction at Mabatini Police Post**

The NG-CDF awarded a contract worth Kshs.848,888 for the construction of a four-door VIP pit latrine at Mabatini Police Post. However, the following anomalies were noted:

- i. The tender opening minutes and evaluation report were not signed by all Committee Members and the professional opinion was not provided for audit, contrary to Section 84(1) of Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement function of a procuring entity to provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.
- ii. Audit inspection conducted on 23 July, 2025 revealed that the facility did not include disability-accessible features and a urinal. Aluminum handrails costing Kshs.10,000 and a ceramic water closet costing Kshs.15,000 were not installed.
- iii. The latrine was constructed at a police post that had never been operational, with prior infrastructure projects at the same site which included AP houses done in year 2014/15 and an office block done in year 2021/22 lying idle. The justification for the choice of the location was not provided.

In the circumstances, the value for money for the expenditure of Kshs.848,888 incurred in the project could not be confirmed.

### **2. Incomplete Fixed Asset Register**

Annex 1 to the financial statements reflects property, plant and equipment balance of Kshs.28,862,478. However, review of the asset register revealed significant omissions, including failure to disclose the cost of land and absence of key identification details such as tag numbers, vehicle chassis numbers, and current asset locations. Further, a motorcycle acquired on 20 June, 2024 at a cost of Kshs.546,413 and confirmed to be in the custody of the NG-CDF was not recorded in the asset register. This was contrary to Public Finance Management (National Government) Regulations Section 143(1) which requires that the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession.

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

### **3. Irregularities in Award of the Bursaries**

The statement of financial performance and Note 14 to the financial statements reflect other grants and transfers actual expenditure of Kshs.94,397,108 which includes bursary to secondary schools of Kshs.27,113,000, tertiary institutions of Kshs.42,728,100 and special schools of Kshs.500,000, all totalling Kshs.70,341,100. However, review of the bursary award and disbursement process revealed the following irregularities;

- i. There was no documented evidence of vetting by either the Ward-level or Constituency-level Bursary Vetting and Award Committees, contrary to

Regulation 21 (3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board

- ii. There was no evidence of a criteria used to vet and identify the needy cases for award of bursary based on poverty levels, total orphans, or semi orphan's status, and other criterions that could identify the applicants for bursary support based on need and availability of funds for posterity, equity and fairness.
- iii. Review of sampled bursary application forms revealed that they were not signed by the Chairperson or Secretary of the relevant vetting committee. The forms also lacked evidence of approval, rejection, or amount awarded, making it difficult to confirm that a structured vetting process occurred.
- iv. Bursary payments totalling Kshs.315,000 to thirty-five (35) students were not supported by admission letters or student registration numbers.
- v. Analysis of the beneficiary records showed that nine (9) students received duplicate bursary awards, with identical admission numbers. This resulted in irregular double disbursements amounting to Kshs.183,000.
- vi. A total of Kshs.105,000 was disbursed to 12 students with same admission numbers but in the same institutions. Since admission numbers are unique identifiers, this raises concerns regarding the authenticity of the bursary beneficiary list.

In the circumstances, the credibility, transparency, fairness and accountability of the bursary award process could not be confirmed.

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 Management and those Charged with Governance**

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

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

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

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

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

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

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**04 December, 2025**

*National Government Constituencies Development Fund (NGCDF) Isiolo North 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
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	197,386,150
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>197,386,150</b>
<b>Expenses</b>		
Employee costs	10	4,902,402
Committee expenses	11	3,543,190
Use of Goods and Services	12	9,175,739
Other Government Units Actual expenditure	13	82,548,973
Other Grants and Transfers Actual expenditure	14	94,397,108
Depreciation and amortization expense	15	376,412
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>194,943,823</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>2,442,327</b>

The Constituency financial statements were approved by the NGCDFC on 26/11/ 2025. and signed by:

H. M. D.  
Ag. Chairperson NG-CDF  
Committee

Name: Habiba Mohamed  
Sheikh

Francis Nyamai  
National Sub-County  
Accountant  
Name: Mr. Francis Nyamai  
ICPAK M/No: 6161

D. Kaberia  
Fund Account Manager  
Name: David Kaberia  
Murungi



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

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


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


	No te	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	159,931,746	136,395,795
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	41,386,150	61,812,974
Prepayments	22	81,447	81,710
<b>Total Current Assets</b>		<b>201,399,343</b>	<b>198,290,479</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	1,287,820	535,552
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>1,287,820</b>	<b>535,552</b>
<b>Total Assets (A)</b>		<b>202,687,163</b>	<b>198,826,031</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	4,070,071	3,553,478
Lease Liabilities	28	-	-

*National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Gratuity provision	29	2,255,529	1,353,317
<b>Total Current Liabilities</b>		<b>6,325,600</b>	<b>4,906,796</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>6,325,600</b>	<b>4,906,796</b>
<b>Net Assets (A-B)</b>		<b>196,361,563</b>	<b>193,919,236</b>
<b>Represented by:</b>			
Revaluation Reserves		196,361,563	193,919,236
Accumulated Surplus			
<b>Total Net Assets</b>		<b>196,361,563</b>	<b>193,919,236</b>

The Constituency financial statements set out on pages 1 to 27 approved by NG CDFC on 20/11 2025. and signed by:

  
 Name: Habiba Mohamed Sheikh  
 Ag. Chairperson – NGCDF Committee

  
 National Sub-County Accountant  
 Name: Mr. Francis Nyamai  
 ICPAK M/No: 6161

  
 Fund Account Manager

Name: David Kaberia  
 Murungi  


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

Description	Accumulated surplus/Deficit	Reserve	Total
		Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	58,929,537		58,929,537
Adjustments: (to recognize assets and liabilities)			-
Add Assets	139,896,495		139,896,495
Less Liabilities	4,906,796		4,906,796
<b>As at July 1, 2024</b>	193,919,236		193,919,236
			-
Surplus/(Deficit) For the Period	2,442,327		2,442,327
Revaluation Gain/Loss	-		-
<b>As at 30th June (current year)</b>	<b>196,361,563</b>		<b>196,361,563</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.

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

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

	Notes	2024-2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		217,812,974
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>217,812,974</b>
<b>Payments</b>		
Employee costs		4,000,190
Committee expenses		3,543,190
Use of Goods and Services		9,103,567
Other Government Units Certified Works		83,051,976
Other Grants and Transfers		93,449,421
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>193,148,343</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>24,664,631</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		(1,128,680)
Purchase of Intangible assets		-

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

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Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>(1,128,680)</b>
Net increase/(decrease) in cash & Cash equivalents		
		-
<b>Cash Flows from Financing Activities</b>		<b>-</b>
Lease Payment		
<b>Net Cash Flows from Financing Activities</b>		<b>23,535,951</b>
Cash and cash equivalents at 1 July	19	<b>136,395,795</b>
<b>Cash and cash equivalents at 30 June</b>	<b>19</b>	<b>159,931,746</b>

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	197,386,150	136,395,795	61,812,974	395,594,919	354,208,769	41,386,150	90%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	

*National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Totals	197,386,150	136,395,795	61,812,974	395,594,919	354,208,769	41,386,150	90%
Expenses							
Employee costs	4,843,249	4,159,458	-	9,002,707	4,000,190	5,002,517	44%
Committee expenses	3,848,000	2,552,000	-	6,400,000	3,543,190	2,856,810	55%
Use of Goods and Services	8,353,505	7,231,495	-	15,584,999	9,103,567	6,481,433	58%
Other Government Units Certified Works	71,111,652	56,607,745	42,464,323	170,183,720	83,051,976	87,131,743	49%
Other Grants and Transfers	74,294,237	59,901,525	19,348,651	153,544,413	93,449,421	60,094,992	61%
Others Projects	4,000,000	4,808,668	-	8,808,668	-	8,808,668	0%
Acquisition of Assets	720,000	1,134,904	-	1,854,904	1,128,680	726,224	61%
Funds Pending Approval**	30,215,508	-	-	30,215,508	-	30,215,508	0%
<b>Total Expenditure</b>	<b>197,386,150</b>	<b>136,395,795</b>	<b>61,812,974</b>	<b>395,594,919</b>	<b>194,277,023</b>	<b>201,317,896</b>	<b>49%</b>
Surplus for the period							

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

*Explanatory Notes.*

**1. Employee costs**

Employee costs were underutilized due to accumulated gratuity which is yet to be paid

**2. Use of Goods and Services**

Use of goods and services were underutilized due to delay in disbursement of funds to the constituency during the financial year.

**3. Other Government Units Certified Works**

Other government units certified works were underutilized due to delay in disbursement of funds to the constituency during the financial year. Also awaiting implementation of the new procurement policy.

**4. Other Grants and Transfers**

Other grants and transfers were underutilized due to delay in disbursement of funds to the constituency during the financial year. Also awaiting implementation of the new procurement policy.

**5. Digital Hubs Expenses**

Digital hubs expenses were underutilized due to delay in disbursement of funds to the constituency during the financial year. Also awaiting implementation of the new procurement policy.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	201,317,896
Less undisbursed funds receivable from the Board as at period 30th June 2025	41,386,150
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	159,931,746

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 26/11 2025. and signed by:

 \_\_\_\_\_ Fempeter Mui  \_\_\_\_\_

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



Fund Account Manager

Name: David Kaberia Murungi

National Sub-County Accountant

Name: Mr. Francis Nyamai  
ICPAK M/No: 6161

Ag. Chairperson NG-CDF Committee

Name: Habiba Mohamed Sheikh

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,843,249	4,159,458		9,002,707	4,000,190	5,002,517
1.2 Committee allowances	2,144,000	820,000		2,964,000	2,472,100	491,900
1.3 Use of goods and services	4,135,920	4,239,137		8,375,057	3,226,751	5,148,306
<b>Sub-total</b>	<b>11,123,169</b>	<b>9,218,595</b>	<b>-</b>	<b>20,341,764</b>	<b>9,699,041</b>	<b>10,642,723</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,850,000	518,792		2,368,792	561,000	1,807,792
2.2 Committee allowances	1,704,000	1,227,000		2,931,000	1,071,090	1,859,910

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
2.3 Use of goods and services	2,367,585	2,473,566		4,841,150	1,214,790	3,626,360
2.4.COC		505,000		505,000		505,000
<b>Sub-total</b>	<b>5,921,585</b>	<b>4,724,358</b>	-	<b>10,645,942</b>	<b>2,846,880</b>	<b>7,799,062</b>
<b>3.0 Emergency</b>						
unutilized	6,988,745	<b>5,051,877</b>	<b>5,100,651</b>	<b>17,141,273</b>		17,141,273
Bula mpya Primary School	1,000,000			1,000,000		1,000,000
Kambi Garba Primary School	1,000,000			1,000,000		1,000,000
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Isiolo County AP Office	1,400,000			1,400,000		1,400,000
<b>Sub-total</b>	<b>10,388,745</b>	<b>5,051,877</b>	<b>5,100,651</b>	<b>20,541,273</b>	-	<b>20,541,273</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.2 Secondary Schools	30,000,000	4,036,000		34,036,000	27,113,000	6,923,000
4.3 Tertiary Institutions	28,000,000	23,247,100		51,247,100	42,728,100	8,519,000
5.4 special needs	2,000,000	500,000		2,500,000	500,000	2,000,000
4.5 Social Security		1,308,000	4,998,000	6,306,000		6,306,000
<b>Sub-total</b>	<b>60,000,000</b>	<b>29,091,100</b>	<b>4,998,000</b>	<b>94,089,100</b>	<b>70,341,100</b>	<b>23,748,000</b>
<b>5.0 Climate Change Mitigation</b>						
St. Puals Kiwanjani Mixed day secondary school	500,000			500,000		500,000
Labaresheriki Secondary School	500,000			500,000		500,000
7.1. Akadeli Primary School			160,000	160,000	151,867	8,133
7.2 Aremiet Day Mixed Secondary School			160,000	160,000		160,000
7.3. Aremiet Primary School			160,000	160,000		160,000
7.4. Attan Primary School			160,000	160,000		160,000

*National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.5. Bula Mpya Secondary School			160,000	160,000	151,867	8,133
7.6. Daaba Primary School			160,000	160,000		160,000
7.7. Elsa Primary School			160,000	160,000		160,000
7.8. Elsa Secondary School			160,000	160,000		160,000
7.9. Emejen Primary School			160,000	160,000		160,000
7.10.MCK Kisima 78 Mixed Day Secondary School			160,000	160,000		160,000
7.11.Mwanganza Primary School			160,000	160,000		160,000
7.12. St. Pauls Kiwanjani Mixed Day Secondary School			160,000	160,000		160,000
7.13. St.Kizito Primary School			160,000	160,000		160,000
7.14. Tullu Roba Police Post			160,000	160,000		160,000
7.15. Uhuru Mixed Day Secondary School			160,000	160,000		160,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kambi Garba Primary School Environment Project NGCDF Account		485		485	485	-
<b>Sub-total</b>	<b>1,000,000</b>	<b>485</b>	<b>2,400,000</b>	<b>3,400,485</b>	<b>304,219</b>	<b>3,096,266</b>
<b>6.0 Primary Schools Projects (List all the Projects)</b>						
Elsa Primary School	1,400,000			1,400,000		1,400,000
Merti boarding Girls primary School	1,500,000			1,500,000		1,500,000
Merti School for the deaf primary School	1,500,000			1,500,000		1,500,000
Kipsing Primary School	2,300,000			2,300,000		2,300,000
Longopito Primary School	3,250,000			3,250,000		3,250,000
Rumate Primary School	4,875,000			4,875,000		4,875,000
Aremiet Primary School	3,050,000			3,050,000		3,050,000
Leparua Primary School	4,600,000			4,600,000		4,600,000
Chumviere Primary School	4,736,652			4,736,652		4,736,652

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Isiolo Barracks Primary School	4,200,000			4,200,000		4,200,000
Wabera Primary school	1,400,000			1,400,000		1,400,000
Kipsing Primary School	1,500,000			1,500,000		1,500,000
Raap Primary School	1,500,000			1,500,000		1,500,000
Tuale Primary School	1,500,000			1,500,000		1,500,000
Noloroi Primary School	1,500,000			1,500,000		1,500,000
Isiolo Samburu Complex Primary School	1,400,000			1,400,000		1,400,000
Gotu Primary School	1,400,000			1,400,000		1,400,000
Taqwa Primary School	1,500,000			1,500,000		1,500,000
Biliqo Muslim Primary School	1,500,000			1,500,000		1,500,000
Bulesa Primary School	1,500,000			1,500,000		1,500,000
Aukot Primary School			4,210,500	4,210,500	-	4,210,500

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Aukot Primary School			850,000	850,000	-	850,000
Bula pesa Primary School			4,500,000	4,500,000	4,050,001	449,999
Longopito Primary School			4,000,000	4,000,000	4,000,000	-
Nathuroi Primary School			4,210,500	4,210,500	-	4,210,500
Nathuroi Primary School			850,000	850,000	-	850,000
Ngaremara Primary School			2,600,000	2,600,000	2,600,000	-
Malka Galla Primary School			2,971,660	2,971,660	2,971,660	-
Mwangaza Primary School			2,971,663	2,971,663	2,970,980	683
Isiolo Samburu Complex Primary School			1,800,000	1,800,000	1,709,455	90,545
Awarsitu Primary School		1,300,000		1,300,000	-	1,300,000
Lakole Primary School – PMC Account		13,443		13,443	13,443	0
Ndonyo Lengala Primary School – PMC		2,000		2,000	2,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mokori Primary School – PMC		14,450		14,450	14,450	-
Kambi Garba Primary School – PMC Account		5,667		5,667	5,667	-
Kom Primary School – PMC		2,765		2,765	2,765	1
Korbesa Primary School - PMC		1,428		1,428	1,428	1
Lenguruma Primary School – PMC		1,794		1,794	1,794	(0)
Oldonyiro Primary School - PMC		26,800		26,800	26,800	-
Uhuru Primary School - PMC		3,590		3,590	3,590	-
Wabera Day &Boarding Primary School – PMC Account		3,495		3,495	3,495	-
Biliqo Primary School - PMC		1,560		1,560	-	1,560
Awarsitu Primary School - Classroom NG-CDF AccountPMC		130,649		130,649	130,649	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Daaba Primary School Classroom CDF Account		25		25		25
Goda Primary School Classrooms CDF Account		1,180		1,180	1,180	-
Dima Ado Primary School Classroom CDF Account		396		396	396	-
Bisan Biliqo Primary School Desks CDF Account		1,560		1,560	1,560	-
Merti Muslim primary Shool Science Lab CDF Account		226,632		226,632	226,632	-
Daaba Primary School classroom CDF Account		3,279		3,279	-	3,279
Attan Primary School Administration Block NG-CDF Account		452,786		452,786	452,786	-
Emerjen Primary School Administration Block		219		219	219	-
Munanda-Nur Primary School Classroom NG-CDF		25		25	25	-
Bulapesa Primary School Toilets CDF Account		2,741,778		2,741,778	2,741,778	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Dololo Dakiye Primary School Toilets CDF Account		500,000		500,000	500,000	-
Alrahma Primary School Classroom NG-CDF Account		2,600,000		2,600,000	2,600,000	-
Rumate Primary School Staff Houses NG-CDF		4,000,000		4,000,000	3,748,850	251,150
Adhewarabesa Primary School Classroom CDF Account		2,600,000		2,600,000	2,599,920	80
Tualle Primary School Science Lab NG-CDF Account		4,500,000		4,500,000	4,281,309	218,691
Taqwa Primary School Classrooms NG-CDF Account		2,971,660		2,971,660	2,969,173	2,487
Natundu Primary School Toilet NG – CDF Account		850,000		850,000	850,000	-
Kambi Ya Juu Integrated Pry School Administration Block NG-CDF Account		4,500,000		4,500,000	4,225,011	274,989
Waso Primary School Classrooms NG-CDF Account		2,600,000		2,600,000	2,468,986	131,014

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Sub-total</b>	<b>46,111,652</b>	<b>30,057,181</b>	<b>28,964,323</b>	<b>105,133,156</b>	<b>46,176,002</b>	<b>58,957,154</b>
<b>7.0 Secondary Schools Projects (List all the Projects)</b>						
Isiolo Girls Secondary school	5,000,000			5,000,000		5,000,000
Waso Secondary School	10,000,000			10,000,000		10,000,000
Oldonyiro Boys Secondary School	10,000,000			10,000,000		10,000,000
Aremiet Secondary school			4,500,000	4,500,000	4,275,003	224,997
Bulesa Secondary School			4,500,000	4,500,000	4,277,219	222,782
Merti Girls Secondary School			4,500,000	4,500,000	4,049,833	450,167
Kambi Garba Mixed Day Secondary School – PMC Account		1,141		1,141	1,141	-
Biliqo Day secondary school		110,165		110,165	110,165	-
Ngaremara Secondary School PMC Account		8,089		8,089	8,089	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Biliqo Day Secondary School Dining Hall		502,270		502,270	500,270	2,000
Mwangaza Girls Secondary School. School Bus CDF Account		18,850		18,850	19,445	(595)
Elsa Secondary School Bus CDF Account		18,850		18,850	18,850	-
Ngaremara Girls Secondary School Bus CDF Account		18,850		18,850	18,850	-
Bula Mya Mixed Day Secondary School 2 Classrooms CDF Account		257,832		257,832	257,832	-
ST. Pauls Kiwanjani Mixed Day Secondary School Dining Hall CDF Account		5,249,174		5,249,174	4,255,512	993,662
Aremiet Mixed Day Secondary School Science Lab CDF Account		456,098		456,098	456,098	-
M.C.K Kisima 78 Mixed Secondary School Dining Hall CDF Account		498,850		498,850	498,850	-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Uhuru Secondary School Administration Block CDF Account		410,395		410,395	410,395	-
Labarisheriki Secondary School Dormitory NG-CDF Account		5,000,000		5,000,000	4,745,240	254,760
Kambi Garba Mixed Day Secondary School Administration Block NG-CDF		4,500,000		4,500,000	4,275,399	224,601
Mck Kisima 78 Day Secondary School Dormitory NG-CDF Account		5,000,000		5,000,000	4,748,865	251,135
Isiolo Barracks Secondary School Lab NG-CDF Account		4,500,000		4,500,000	4,275,434	224,566
<b>Sub-total</b>	<b>25,000,000</b>	<b>26,550,564</b>	<b>13,500,000</b>	<b>65,050,564</b>	<b>37,202,490</b>	<b>27,848,074</b>
<b>8.0 Tertiary institutions Projects (List all the Projects)</b>						
Oldonyiro Sub -County Offices	2,905,492	10,584,496		13,489,988	4,182,251	9,307,737
Isiolo County Commissioner Office		922,938		922,938	677,875	245,063

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
11.10. Tullu Roba Police Post		850,000		850,000	850,000	0
11.1. Attan Chiefs office			2,850,000	2,850,000	2,850,000	-
Kambi Garba Chief's Office		2,850,000		2,850,000	2,850,000	-
Kambi Ya Juu Police Station		2,850,000		2,850,000	2,850,000	-
Mabatini Administration Police Camp		850,000		850,000	850,000	-
Nakuprat Chiefs Office.		2,850,000		2,850,000	2,709,195	140,805
11.8 Mulango General Service Unit Camp			4,000,000	4,000,000	3,800,573	199,427
Cherab DCC Office		1,250,000		1,250,000	1,187,980	62,020
<b>Sub-total</b>	<b>2,905,492</b>	<b>23,007,434</b>	<b>6,850,000</b>	<b>32,762,926</b>	<b>22,807,874</b>	<b>9,955,052</b>
<b>10.0 Acquisition of assets</b>						
Board room Executive Chairs	450,000			450,000		450,000
Purchase of two Desktops	120,000			120,000		120,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of 10 Containers of 9kgs fire extinguishers	150,000			150,000		150,000
12.3 Purchase of furniture and equipment(15 Metallic safes)		600,000		600,000	600,000	-
12.4 Purchase of 2desktop computers		100,000		100,000	100,000	-
12.5Purchase of computers-Laptop		100,000		100,000	100,000	-
12.6 Purchase of 5 Ups		50,000		50,000	50,000	-
12.7 Purchase of TV		80,000		80,000	80,000	-
12.8 Purchase of Camera		100,000		100,000	100,000	-
12.9 Purchase of Printer		100,000		100,000	98,680	1,320
12.10. Purchase of 2desktop computers& service charter		4,904		4,904		4,904
<b>Sub-total</b>	<b>720,000</b>	<b>1,134,904</b>	<b>-</b>	<b>1,854,904</b>	<b>1,128,680</b>	<b>726,224</b>
11.0 Digital Hubs						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<i>(Itemize as per the code list)</i>						
<b>Sub total</b>						
<b>12.0 Others</b>						
Kambi Ya Juu Chief's office Digital hub at bula pesa ward	4,000,000	-	-	4,000,000		4,000,000
13.1 Strategic Plan		2,083,000	-	2,083,000	1,485,000	598,000
13.3 Office toilets		1,475,668	-	1,475,668	1,366,253	109,415
13.5. Renovation of the office		1,000,000		1,000,000	999,850	150
13.4. Notice Board		250,000		250,000	249,922	78
<b>Sub-total</b>	<b>4,000,000</b>	<b>4,808,668</b>	<b>-</b>	<b>8,808,668</b>	<b>4,101,026</b>	<b>4,707,642</b>
<b>14.0 Sports</b>						
6.1		2,750,629		2,750,629		2,750,629
6.2						
<b>Sub-total</b>		<b>2,750,629</b>	<b>-</b>	<b>2,750,629</b>	<b>-</b>	<b>2,750,629</b>

National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>13.0 Funds pending approval**</b>						
13.1 Unapproved projects	30,215,508	-		30,215,508		30,215,508
13.2 AIA	-			-		-
<b>Sub-total</b>	<b>30,215,508</b>	<b>-</b>	<b>-</b>	<b>30,215,508</b>	<b>-</b>	<b>30,215,508</b>
<b>Total</b>	<b>197,386,150</b>	<b>136,395,795</b>	<b>61,812,974</b>	<b>395,594,919</b>	<b>194,607,311</b>	<b>200,987,608</b>

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

## **17. Notes to the Financial Statements**

### **1. General information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Isiolo North Constituency principal activity is transforming life's through bring development at the grassroots.

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

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Isiolo North 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 Isiolo North 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 20xx, it is applicable in Kenya from 1<sup>st</sup> July 20xx)*

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p><b><i>Applicable 1<sup>st</sup> January 2025</i></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 recognize, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS has no impact in the constituency</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This IPSAS is not applicable at the constituency</p>

<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></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 recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable effective 1<sup>st</sup> July 2025</p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></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>This IPSAS is applicable effective 1st July 2025</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1<sup>st</sup> July 2026</p>

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<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></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>This IPSAS is not applicable in the constituency this financial year</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></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>This IPSAS is not applicable at the constituency</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></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> <ul 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> </ul> <p>This IPSAS is not applicable at the constituency</p>

***iii. Early adoption of standards***

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

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

###### **Transfers from other government entities**

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

##### ii) Revenue from exchange transactions

###### **Sale of goods**

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

###### **Interest income**

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

###### **Rental income**

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

**b) Budget information**

The original budget was approved by Parliament on 12 June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

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

## **b) Financial liabilities**

### **Classification**

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

### **g) Inventories**

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

#### **h) Provisions**

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

#### **i) Social Benefits**

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

#### **j) Contingent liabilities**

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

#### **k) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **l) Employee benefits**

##### **Retirement benefit plans**

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

##### **m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity 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	<i>2024-2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	197,386,150
<b>Total</b>	<b>197,386,150</b>

7. Transfers from domestic and foreign partners

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

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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**10. Employees cost**

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,592,126
Personal allowances paid as part of salary	-
House Allowance	744,000
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	902,212
Employer Contributions Compulsory national social security schemes	438,528
Employer Contributions Compulsory Housing levy	109,632
Employer contributions to National Industrial Training Authority	11,750
Other Specify	104,154
<b>Total</b>	<b>4,902,402</b>

**11. Committee Expenses**

	<i>2024-2025</i>
	Kshs
Sitting allowance	2,472,100
Other Committee expenses	1,071,090
<b>Total</b>	<b>3,543,190</b>

12. Use of Goods and services

	<i>2024-2025</i>
	Kshs
Utilities, supplies and services	200,740
Communication, supplies and services	211,000
Domestic travel and subsistence	905,500
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	561,000
Hospitality supplies and services	581,050
Insurance costs	112,023
Specialized materials and services	-
Office and general supplies and services	247,302
Fuel, oil & lubricants	732,939
Bank charges	2,560
Routine maintenance – vehicles and other transport equipment	743,800
Routine maintenance – other assets	-
Strategic plan expenses	1,485,000
Other operating expenses	3,392,825
<b>Total</b>	<b>9,175,739</b>

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13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	46,442,975
Secondary Schools Actual expenditure	36,105,998
Tertiary Institutions Actual expenditure	-
<b>Total</b>	<b>82,548,973</b>

14. Other Grants and transfers Actual expenditure

	<i>2024-2025</i>
	Kshs
Bursary – secondary schools	27,113,000
Bursary – tertiary institutions	42,728,100
Bursary – special schools	500,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	23,736,288
Climate change mitigation projects	319,720
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	
<b>Total</b>	<b>94,397,108</b>

15. Depreciation and Amortization Expenses

Description	<i>2024-2025</i>
	Kshs
Property Plant and Equipment	376,412
Intangible Assets	-
<b>Total</b>	<b>376,412</b>

16. Digital Hubs Expenses

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

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**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>	-

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

**18. Impairment Loss**

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

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i>	130,664,310	57,576,219
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	2,327,438	1,353,317
<i>Name of Bank, account No. (PMC accounts)</i>	26,939,998	77,466,258
<b>Total</b>	<b>159,931,746</b>	<b>136,395,795</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-

-	-	Other Locations (Specify)
-	-	Total
<i>[Provided Cash Count Certificates for Each]</i>		

*(Provided a schedule of all reconciled PMC bank balances as at the end of the period)*

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**20. Receivables from Exchange Transactions**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Total receivables</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 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% 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 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	41,386,150		61,812,974.00	
Outstanding imprest	-		-	
<b>Total</b>	<b>41,386,150</b>		<b>61,812,974</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	41,386,150	100%	61,812,974	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>41,386,150</b>	<b>100%</b>	<b>61,812,974</b>	<b>100%</b>

22. Prepayments

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	81,447		81,710	
Prepaid Electricity Costs	-		-	
Other Prepayments ( <i>Specify</i> )	-		-	
<b>Total</b>	<b>81,447</b>		<b>81,710</b>	

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**23. Property, Plant and Equipment**

		Buildings	Motor vehicles	Computer & ICT	Furniture and fittings	Total
<b>Depreciation Rate</b>		10%	25%	30%	12.50%	
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	556,000.00	169,360.00	-	725,360
Additions	-	-	-	545,780.00	582,900	1,128,680
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
<b>As At xx Sep/Dec/Mar/Jun 20xx</b>	-	-	556,000.00	715,140.00	582,900	1,854,040
<b>Depreciation And Impairment</b>						
Opening bal accu depreciation 1st July 2024	-	-	139,000.00	50,808.00	-	189,808
Depreciation	-	-	104,250.00	199,299.60	72,863	376,412
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
<b>As At xx Sep/Dec/Mar/Jun 2025</b>	-	-	243,250.00	250,107.60	72,863	566,220
<b>Net Book Values</b>						
<b>Opening Bal as at 1<sup>st</sup> July 20xx</b>	-	-	417,000.00	118,552.00	-	535,552
<b>As At 30TH June, 2025</b>	-	-	312,750.00	465,032.40	510,038	1,287,820

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**Valuation**

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

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

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	556,000	243,250	312,750
Computers And Related Equipment	715,140	250,108	465,032
Office Equipment, Furniture, And Fittings	582,900	72,863	510,037
<b>Total</b>	<b>1,854,040</b>	<b>566,221</b>	<b>1,287,820</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>	<b>-</b>	<b>-</b>

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**24. Intangible Assets**

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

**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	-	-	-	-

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<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		-		-
<b>Total trade and other payables</b>		-		-
<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	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (tie to above total)</b>	-	-	-	-

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**27. Third-Party deposits**

	<i>2024-2025</i>
	KShs
Retention as at 1 <sup>st</sup> July (A)	3,553,478
Retention held during the year (B)	8,442,894
Retention paid during the Year (C)	7,926,301
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>4,070,071</b>

**Retentions aging analysis.**

	<i>2024-2025</i>	% of the total	<i>2023-2024</i>	% of the total
Less than 1 year			-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>4,070,071</b>	<b>100%</b>	-	

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

**28. Lease Liabilities**

Description	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	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>	-	-

**Maturity Analysis**

<b>Period</b>	<b>Amount</b>
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	-
	-

**Analysed as:**

<b>Description</b>	<b>Amount</b>
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Gratuity at the beginning of the year 1 <sup>st</sup> of July	1,353,317
Gratuity held during the year	902,212
Gratuity paid during the year	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>2,255,529</b>

### 30. Cash Generated from Operations

Surplus for the period before tax	2,641,627
<b>Adjusted for:</b>	
Depreciation	177,113
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	(20,427,087)
Changes in deferred income	-
Changes in Third party deposits	(902,212)
Changes in gratuity provision	-
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>23,970,926</b>

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

### 31. Financial Risk Management

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

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past 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	41,386,150	41,386,150	-	-
Bank balances	159,931,746	159,931,746	-	-
<b>Total</b>	<b>201,317,896</b>	<b>201,317,896</b>	-	-
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	61,812,974	61,812,974	-	-
Bank balances	136,395,795	136,395,795	-	-
<b>Total</b>	<b>198,208,769</b>	<b>198,208,769</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 recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,255,529	2,255,529
<b>Total</b>	-	-	2,255,529	2,255,529
<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	-	-	1,353,317	1,353,317
<b>Total</b>	-	-	1,353,317	1,353,317

**iii) Market risk**

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

**a) Foreign currency risk**

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

## Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on 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.

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

#### iv) Capital Risk Management

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

Description	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve	193,919,236	193,919,236
Retained Earnings	2,442,327	-
Capital Reserve		-
<b>Total Funds</b>	<b>196,361,563</b>	193,919,236
Total Borrowings	-	-
Less: Cash and Bank Balances	159,931,746	136,395,795
Net Debt/(Excess Cash And Cash Equivalents)	36,429,817	57,523,441
<b>Gearing</b>	0%	0%

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### 32. Related Party Disclosures

	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	3,543,190	-
		-
<b>Transaction with the NGCDF Board</b>		-
Transfers from the NGCDF Board during the year	217,812,974	-
<b>Total</b>	217,812,974	-

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

Description	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	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>	-	-

*(Give details)*

### Contingent Liabilities

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

### 35. Capital Commitments

Capital Commitments	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Authorised for	-	-
Authorised 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 Isiolo North Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

### 38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	18,000,000	-	-	18,000,000
Transport equipment	8,355,500	-	-	8,355,500
Office equipment, furniture, and fittings	2,157,218	-	-	2,157,218
ICT Equipment and Other ICT Assets	150,760	-	-	150,760
Other Machinery and Equipment	199,000	-	-	199,000
Intangible assets		-	-	
<b>Total</b>	<b>28,862,478</b>			<b>28,862,478</b>

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

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

PMC	Bank	Account number	Bank Balance 30/6/2025	Bank Balance 30/6/2024
AKADELI PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286177061	8,133	-
AL-RAHMA PRIMARY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285208471	-	2,600,000
AREMIET MIXED DAY SECONDARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286313413	160,000	-
AREMIET PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286411040	160,000	-
ATTAN PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286246487	160,000	-
BULA MPYA MIXED DAY SECONDARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286268523	8,133	-
BULA PESA PRIMARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410285887195	449,999	-
BULA PESA PRIMARY SCHOOL TOILET NG-CDF PROJECT	EQUITY BANK ISIOLO BRANCH	410284838426	-	2,741,778.00
BULAMPYA PRIMARY SCHOOL TOILET NG-CDF PROJECT	EQUITY BANK ISIOLO BRANCH	410286298007	1,000,000	-
BULAMPYA SECONDARY SCHOOL 2 CLASSROOMS NG-CDF	EQUITY BANK ISIOLO BRANCH	410284418769	232	257,832
BULESA DAY SECONDARY SCHOOL SCIENCE LAB	EQUITY BANK ISIOLO BRANCH	410285967428	222,779	-
BILIQO DAY SECONDARY SCHOOL DINING HALL NG-CDF	EQUITY BANK ISIOLO BRANCH	410284428212	-	502,270
DAABA PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286248750	160,000	-
DOLOLO DAKIYE PRIMARY SCHOOL TOILETS NG CDF	EQUITY BANK ISIOLO BRANCH	410285202133	-	500,000
ELSA PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286173688	160,000	-

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PMC	Bank	Account number	Bank Balance 30/6/2025	Bank Balance 30/6/2024
EMEJEN PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286176084	160,000	-
ISIOLO SAMBURU COMPLEX PRIMARY SCHOOL RENOVATIONS	EQUITY BANK ISIOLO BRANCH	410285854043	90,545	-
KAMBI GARBA CHIEFS OFFICE BLOCK AND TOILETS NG CDF	EQUITY BANK ISIOLO BRANCH	410285573055	-	2,850,000
KAMBI GARBA PRIMARY SCHOOL TOILETS PROJECT	EQUITY BANK ISIOLO BRANCH	410286314070	1,000,000	-
KAMBI YA JUU INTERGRATED PRIMARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410285465132	274,988	4,500,000
ADHE WARABESA PRIMARY SCHOOL CLASSROOM NG- CDF	EQUITY BANK ISIOLO BRANCH	410285399764	-	2,600,000
LONGOPITO PRIMARY SCHOOL STAFF HOUSES	EQUITY BANK ISIOLO BRANCH	410285895347	-	-
MALKAGALLA PRIMARY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285932610	-	-
MWANGAZA PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286233878	160,000	-
MWANGAZA PRY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285636493	2,240	-
NAKUPURAT CHIEFS OFFICE BLOCK	EQUITY BANK ISIOLO BRANCH	410285664785	140,805	2,850,000
NATUNDU PRIMARY SCHOOL TOILETS	EQUITY BANK ISIOLO BRANCH	410285452283	-	850,000
NGAREMARA PRIMARY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285658298	-	-
RUMATE PRIMARY SCHOOL STAFF HOUSES	EQUITY BANK ISIOLO BRANCH	410285445042	251,150	4,000,000
ST. KIZITO PRIMARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286230412	160,000	-
ST.PAUL'S KIWANJANI SECONDARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286298132	160,000	-
UHURU MIXED DAY SECONDARY SCHOOL CLIMATE	EQUITY BANK	410286423574	160,000	-

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PMC	Bank	Account number	Bank Balance 30/6/2025	Bank Balance 30/6/2024
CHANGE	ISIOLO BRANCH			
WASO PRIMARY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285568276	131,013	2,600,000
ATTAN PRIMARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410284388765	-	452,786
AWARSITU PRIMARY SCHOOL-	EQUITY BANK ISIOLO BRANCH	410279944815	-	130,649
CHERAB DEPUTY COUNTY COMMISSIONER OFFICE	EQUITY BANK ISIOLO BRANCH	410285664300	62,020	1,250,000
EMEJEN PRY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410284382136	-	219
ISIOLO BARRACKS SECONDARY SCHOOL SCIENCE LAB	EQUITY BANK ISIOLO BRANCH	410285474444	224,565	4,500,000
ISIOLO COUNTY COMMISSIONER OFFICE NG-CDF TOILET	EQUITY BANK ISIOLO BRANCH	410284740627	245,064	922,938
AREMET MIXED DAY SECONDARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410285640749	224,997	456,098
AREMET MIXED DAY SECONDARY SCHOOL -SCIENCE LABORATORY	EQUITY BANK ISIOLO BRANCH	410284393227	-	456,098
KAMBI GARBA MIXED DAY SECONDARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410285402964	224,601	4,500,000
LABARISHEREKI SECONDARY DORMITORY	EQUITY BANK ISIOLO BRANCH	410285385351	254,560	5,000,000
MCK KISIMA 78 MIXED DAY SECONDARY SCHOOL CLIMATE CHANGE	EQUITY BANK ISIOLO BRANCH	410286173598	160,000	-
MCK KISIMA 78 MIXED DAY SECONDARY SCHOOL DORMITORY	EQUITY BANK ISIOLO BRANCH	410285450312	251,135	5,000,000
MCK KISIMA 78 MIXED DAY SECONDARY SCHOOL DINING HALL	EQUITY BANK ISIOLO BRANCH	410284401295	-	498,850
MERTI MUSLIM GIRLS SECONDARY SCHOOL SCIENCE LAB	EQUITY BANK ISIOLO BRANCH	410285894484	450,166	-
MERTI MUSLIM PRIMARY SCHOOL SCIENCE LAB	EQUITY BANK ISIOLO BRANCH	410284579220	-	226,632

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PMC	Bank	Account number	Bank Balance 30/6/2025	Bank Balance 30/6/2024
NATUNDU PRIMARY SCHOOL TOILETS	EQUITY BANK ISIOLO BRANCH	410285452283	-	850,000
ST PAULS KIWANJANI SECONDARY SCHOOL DINING HALL	EQUITY BANK ISIOLO BRANCH	410284393313	993,662	5,249,174
TAQWA PRIMARY SCHOOL CLASSROOMS	EQUITY BANK ISIOLO BRANCH	410285452658	425	2,971,660
TUALE PRIMARY SCHOOL SCIENCE LAB	EQUITY BANK ISIOLO BRANCH	410285452642	218,551	4,500,000
MLANGO ANTI-STOCK THEFT UNIT STAFF HOUSES	EQUITY BANK ISIOLO BRANCH	410285955805	199,426	-
ATTA CHIEF'S OFFICE BLOCK AND TOILETS	EQUITY BANK ISIOLO BRANCH	410285640992	-	-
MABATINI POLICE POST TOILETS	EQUITY BANK ISIOLO BRANCH	410285607639	-	850,000
TULLU ROBA POLICE POST TOILETS	EQUITY BANK ISIOLO BRANCH	410285505660	-	850,000
KAMBI YA JUU POLICE POST STAFF HOUSES	EQUITY BANK ISIOLO BRANCH	410285571817	-	2,850,000
ISIOLO COUNTY AP COMMANDER OFFICE NG-CDF	SIDIAN BANK ISIOLO BRANCH	1024710007862	1,400,000	-
OLDONYIRO SUB COUNTY ADMINISTRATION BLOCK NG-CDF	EQUITY BANK ISIOLO BRANCH	410285444448	6,402,244	10,584,496
AUKOT PRIMARY SCHOOL 3 CLASSROOM AND SUPPLY OF DESKS	SIDIAN BANK ISIOLO BRANCH	1024710008020	4,210,500	-
AUKOT PRIMARY SCHOOL TOILETS	SIDIAN BANK ISIOLO BRANCH	1024710008020	850,000	-
NATHUROI PRIMARY SCHOOL 3 CLASSROOM AND SUPPLY OF DESKS	SIDIAN BANK ISIOLO BRANCH	1024710008010	4,210,500	-
NATHUROI PRIMARY SCHOOL TOILETS	SIDIAN BANK ISIOLO BRANCH	1024710008010	850,000	-
MWANGAZA SECONDARY SCHOOL BUS NG-CDF	EQUITY BANK ISIOLO BRANCH	410284750476	-	19,445
ELSA SECONDARY SCHOOL BUS NG-CDF	EQUITY BANK	410284802736	-	18,850

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PMC	Bank	Account number	Bank Balance 30/6/2025	Bank Balance 30/6/2024
	ISIOLO BRANCH			
NGAREMARA GIRLS SECONDARY SCHOOL BUS NG-CDF	EQUITY BANK ISIOLO BRANCH	410284890585	-	18,850
UHURU MIXED DAY SECONDARY SCHOOL ADMINISTRATION BLOCK	EQUITY BANK ISIOLO BRANCH	410284413748	-	410,395
<b>Total</b>			<b>26,939,999.</b>	<b>77,466,259</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>Irregularities in the Process of Awarding of the Bursaries</b></p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects Kshs. 86,533,785 in respect to other grants and transfers, which includes Kshs. 31,791,683, Kshs. 19,500,000, and Kshs. 6,500,000 in respect of bursaries to secondary schools, tertiary institutions, and special schools respectively.</p> <p>However, a review of the bursary award process shows that there was no evidence of a due process for application, vetting criteria, and award of the bursary. There was no evidence of</p>	<p>The management admit that we have weakness in bursary management and we promise to improve to address all the issues raised. Our emphasis is the that the neediest students are identified by</p>	<p>Not Resolved</p>	<p>The management is in consultation with OAG pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resol ed / Not Resolv ed)	Timefram e: (Put a date when you expect the issue to be resolved)
	<p>vetting by the ward NG-CDF bursary vetting and award committee at the ward level or at the constituency level.</p> <p>In the circumstances, the accuracy, credibility, transparency, fairness and accountability of expenditure of Kshs. 86,533,785 in respect to the entire bursary award process could not be ascertained.</p>	<p>the ward bursary vetting committee. Funds are distributed to the wards based on the population. Secondary students are awarded Kshs. 5,000 and tertiary students awarded Kshs. 10,000</p>		
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>Irregular Procurement Process for Construction of Oldonyiro Sub-County Administration Block</b></p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements</p>	<p>We accept that we weakness with procurement process with</p>	<p>Not resolve d.</p>	<p>The managem ent is in consultati on with OAG</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>reflects Kshs. 86,533,785 in respect to other grants and other transfers, which includes Kshs. 23,027,396 in respect of security projects. Included in this amount is Kshs. 10,584,496 expended on construction of an administration block up to the roofing and construction of a 6-door pit latrines to completion</p> <p>The Project Management Committee used restricted tendering as the preferred procurement method for the project. Although it was explained that the restricted tendering method was used due to time constraints required to finish the project, there was no evidence that at least ten (10) contractors were invited to tender in compliance with Section 102(1)(b) of the Public Procurement and Assets Disposal Act on restricted tendering.</p> <p>Further the following anomalies were noted:</p>	<p>at the project management committee level. The Management is committed to building capacity through training. We confirm that the project is progressing well. We will follow up with PMC to make sure all the documents are availed.</p>		<p>pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i. It was observed that five bidders were invited to bid for the tender, however, none of the bidders was on the list of prequalified suppliers at the time they were invited to tender, which was contrary to Regulation (5) of the Public Procurement and Asset Disposal Regulations, 2020 which states that where restricted tendering is used pursuant to Section 102(1)(b) of the Act, the procuring entity shall invite tenders from at least ten persons selected from the list of prequalified suppliers.</p> <p>ii. It was noted that the tender opening committee and the tender evaluation Committee had been appointed by the Secretary of the Project Management Committee which was contrary to Sections 46(1) and 78(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Accounting Officer to appoint both of the committees.</p> <p>In addition, the tender opening minutes and the evaluation minutes were not provided for audit review thus it could not be ascertained the criteria used to award the tender for Kshs. 13,489,988.</p> <p>iv. It was noted that the bid document for the winning bidder was not paginated which was a requirement and which would have resulted to a disqualification for non-compliance by this bidder.</p> <p>V. The priced bills of quantities provided by the winning bidder had a summation error on page AB/3 as the total sum of the page was indicated to as Kshs. 512,290 instead of Kshs. 542,800 resulting to a variance of Kshs. 30,910. The</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resol ed / Not Resolv ed)	Timefram e: (Put a date when you expect the issue to be resolved)
	<p>arithmetical error was not corrected by the Evaluation Committee contrary to the law.</p> <p>In the circumstances, the accuracy, credibility, validity, and value for money for the Kshs. 10,584,496 could not be ascertained.</p>			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>Emphasis of Matter</b> <b>Budgetary Control and Performance</b></p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 350,567,655 and Kshs. 288,754,681, respectively resulting to a shortfall of Kshs. 61,812,974 or 18% of the budget.</p>		Not resolve d	The managem ent is in consultati on with OAG pending appearan ce before DFAC

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

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	<p>Similarly, the Fund spent Kshs. 231,178,404 ay resulting to an under-utilization of Kshs. 119,389, 193 or 34% of the approved budget</p> <p>The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>			
<p>OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)</p>	<p><b>. Irregularities in Transfers to Other Government Units</b></p> <p>Note 7 to the financial statements reflects payments in respect of transfers to other government units of Kshs. 129,995,640 which includes Kshs. 89,633,980 in respect of transfers to secondary schools. However, the following anomalies were noted:</p> <p><b>2.1 Construction of Dinning Hall - Kiwanjani Mixed Secondary School</b></p>	<p>We accept that we weakness with procurement process with at the project management committee level. The Management is committed to building</p>	<p>Not resolved</p>	<p>The management is in consultation with OAG pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Included in Kshs. 89,633,980 is Kshs. 19,933,979.40 transferred to Kiwanjani Mixed Secondary School for the proposed construction of 800 students' capacity dining hall.</p> <p>However, audit review of the project file revealed the following:</p> <p>(1) The minutes of the tender opening committee, held on 14 September, 2023, show that the tender opening committee, evaluated, disqualified, and recommended the winning bidder, even though this committee was not the designated evaluation committee. This is contrary to Section 78, 7, of the Public Procurement and Asset Disposal Act, 2015, which states that no tender shall be disqualified by the procuring entity during the tender opening process. Furthermore, the minutes from</p>	<p>capacity through training. The project is under liability period for the next 6 months, the management will be sure all the defects are attended to.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the evaluation committee were not provided for audit.</p> <p>(ii) One of the requirements in the tender document was to provide evidence of their sound financial standing by submitting bank statements that were stamped and signed, covering the last three months. However, the winning bidder, submitted bank statements for the period of November 2022 to April 2023, which did not meet the specified timeframe and which should have constituted to a non-responsiveness leading to a disqualification. However, the evaluation committee ignored this fact. The bank statements should have been from June 2023 to August 2023, as the tender was advertised on September 4, 2023.</p> <p>(iii) The notification of award was issued on 19 September, 2023, while the acceptance letter</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>from the winning bidder was dated 23 October, 2023, and yet the contract agreement was signed on 5 October, 2023. This sequence of events is irregular, as the contract should not have been signed after the official acceptance of the award.</p> <p>(iv) It was observed that the Bill of Quantities' grand summary attached by the winning bidder for the proposed completion of the dining and kitchen at Kiwanjani Secondary School contained arithmetic errors and misstatement. The sub total summation before tax is given as Kshs. 17,184,465, whereas the actual summation should have been Kshs. 17,484,465 resulting in a shortfall of Kshs. 300,000. The arithmetic errors were not corrected before the tender was awarded, contrary to the law.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>(v) The project file did not contain any evidence of minutes of appointment of the members to the project management committee. This is contrary to the NGCDF Regulations 2016, Section 16, 4 which states that the members of the project management committee are required to forward minutes of their election to the constituency committee.</p> <p>(vi) There was no evidence that the tender was publicized or advertised to inform potential bidders in compliance with the law.</p> <p>(vii) Awarded contract was not supported by professional opinion of the head of procurement unit contrary to the requirement of Section 84 of the Public Procurement and Disposal Act, 2015.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	(viii) Work plans from the project management committee, along with their approval by the constituency committee, were not provided for audit. This is in violation of NGCDF Regulations 2016, Section 15(4), which stipulates that the project management committee shall submit work plans outlining how the allocated funds will be utilized for the project's implementation.			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>2.2 Supply of Semi-Luxury School Buses</b></p> <p>Included in Kshs. 89,633,980 is Kshs. 21,900,000 was awarded to a supplier for supply of semi-luxury school bus 45-seater with special seats for PWD for Mwangaza Girls Secondary School, Elsa Secondary School, and Ngaremara Girls Secondary School. However, audit review of the project files revealed the following:</p>	The management acknowledge the need to rotate the supplier and promise to implement in future.	Not resolved	The management is in consultation with OAG pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>(i) Isiolo North NGCDF procured three buses for three different schools from a Garage Ltd, totalling Kshs 21,900,000, with each bus priced at Kshs. 9,700,000. The entity used the Request for Quotation (RFQ) method as the preferred procurement process. However, this procurement method violated Section 45(3)(b) of the Public Procurement and Asset Disposal Act, 2015, as well as the second schedule of the Procurement Threshold Matrix which states that the maximum value for the use of the RFQ procurement method for goods is Kshs. 3,000,000. The prices of the buses were way above the maximum threshold for request for quotation as a procurement method.</p> <p>(ii) It was observed that Isiolo North NG-CDF engaged the same supplier (Central Farmers Garage Ltd) for the supply and delivery of three</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>(3) semi-luxury 45-seater ISUZU school bus. The three tenders were different bided by the same suppliers. Section 91(5) of the Public Procurement and Asset Disposal Regulations, 2020 requires the accounting officer to ensure a fair and equitable rotation amongst the person in the list of registered suppliers, hence the NGCDF should have rotated the suppliers and award to either of the other bidders in compliance with this Section of the law.</p>			
OAG/RO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>2.3 Construction of Dinning Hall - Kisima 78 Mixed Secondary School.</b> Included in Kshs. 89,633,980 is Kshs. 5,000,000 was transferred to Kisima 78 Mixed Secondary School for construction of a dining hall.</p>	We accept that we weakness with procurement process with at the project management committee	Not resolved	The management is in consultation with OAG pending appearance

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, a review of the project file revealed the following:</p> <p>(i) The evaluation and analysis report meeting held on 19 September, 2023, indicated that 'Seven Eighty-Six Limited' was recommended as the winning bidder. However, the report was not signed by the members of the tender evaluation committee, hence it was not clear whether the minutes were valid or not.</p> <p>(ii) Work plans from the project management committee, along with their approval by the constituency committee, were not provided for audit review. This is in violation of NGCDF Regulations 2016, Section 15. (4) which stipulates that the project management committee shall submit work plans outlining how the allocated funds will be utilized for the project's implementation.</p>	<p>The Management is committed to building capacity through training. The project is under liability period for the next 6months, the management will be sure all the defects are attended to.</p>		<p>ce before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resol ed/ Not Resolv ed)	Timefram e: (Put a date when you expect the issue to be resolved)
	<p>(iii) It was also observed that the tender was evaluated by the same officers who opened the quotations contrary to the requirement of Section 78(1) (b) of the Public Procurement and Asset Disposal Act, 2015 which require at least one of the members involved in the tender opening not to be involved in the tender evaluation.</p> <p>(iv) There was no evidence that the tender was publicized or advertised to inform potential bidders in compliance with the law</p>			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>2.4 Construction of a Science Laboratory - Merti Muslim Primary School</b></p> <p>Included in Kshs. 89,633,980 is Kshs. 4,500,000 was transferred to Merti Muslim Primary School for construction of a science laboratory.</p>	We accept that we weakness with procurement process with at the project management committee	Not resolved	The management is in consultation with OAG pending appearance

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, a review of the project file revealed the following</p> <p>(i) The project file did not contain any evidence of minutes of election or appointment of the members to the project management committee. This is contrary to the NGCDF Regulations 2016, Section 16, 4 which states that the members of the project management committee are required to forward minutes of their election to the constituency committee.</p> <p>(ii) Work plans from the project management committee, along with the approval by the constituency committee, were not provided for audit review. This is in violation of NGCDF Regulations 2016, Section 15, (4) which stipulates that the project management committee shall submit work plans outlining</p>	<p>level. Management is committed to building capacity through training. The project is under liability period for the next 6months, the management will be sure all the defects are attended to.</p>		<p>ce before DFAC</p>

*National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>how the allocated funds will be utilized for the project's implementation.</p> <p>(iii) There was no evidence that the tender was publicized or advertised to inform potential bidders in compliance with the law.</p> <p>(iv) It was also observed that contract was evaluated by the same officers who opened the quotations contrary to the requirement of Section 78(1) (b) of the Public Procurement and Asset Disposal Act, 2015 which require at least one of the members involved in the tender opening not to be involved in the tender evaluation.</p> <p>(v)</p> <p>Review of the evaluation and analysis report held on the 9 October, 2023 revealed that one member who signed the minutes was not listed</p>			

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	<p>as a member in the official Tender Evaluation Committee letter sent on the same date. This discrepancy raises concerns about the authenticity and validity of the signed evaluation committee minutes.</p> <p>In the circumstances, management was in breach of the law and the credibility and accountability of the funds transferred to other government units could not be confirmed.</p>			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>3. Unutilized Funds</b></p> <p>Annex 3 to the financial statements for the year ended 30 June, 2024 reflects unutilized funds totaling to Kshs. 119,389, 193. However, the management of National Government - Constituency Development Fund failed to utilize funds for the following projects with a total amount of Kshs. 119,389,193 hence the</p>	<p>It true that projects/programs amounting to Kshs. 119,389,193 had not been implemented by the closure of the</p>	<p>Not resolved</p>	<p>The management is in consultation with OAG pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)										
	<p>projects were not fully implemented during the period under review. Out of the Kshs. 119,389,193 of the unutilized fund, Kshs. 61,812,923 was not disbursed or received from the NGCDF board while, Kshs. 57,576,220, was funds received by the NGCDF which had not been utilized on budgeted projects as at the end of the financial year under review as per the table below:</p> <table border="1" data-bbox="824 922 1473 1396"> <thead> <tr> <th data-bbox="824 922 1151 970">Description</th> <th data-bbox="1151 922 1473 970">2023-2024 (Kshs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="824 970 1151 1098">Compensation of employees</td> <td data-bbox="1151 970 1473 1098">2,806,141</td> </tr> <tr> <td data-bbox="824 1098 1151 1185">Committee expense</td> <td data-bbox="1151 1098 1473 1185">2,346,000</td> </tr> <tr> <td data-bbox="824 1185 1151 1313">Use of goods and services</td> <td data-bbox="1151 1185 1473 1313">7,437,494</td> </tr> <tr> <td data-bbox="824 1313 1151 1396"></td> <td data-bbox="1151 1313 1473 1396">43,764,323</td> </tr> </tbody> </table>	Description	2023-2024 (Kshs.)	Compensation of employees	2,806,141	Committee expense	2,346,000	Use of goods and services	7,437,494		43,764,323	<p>financial due to delay in disbursement of funds from the board. By the closure of the financial year we had received Kshs.140 Million against the expedited Kshs.201 Million.</p> <p>It true we had balance of Kshs. 57,576,220 unspent by the closure of the year. Included in it</p>		
Description	2023-2024 (Kshs.)													
Compensation of employees	2,806,141													
Committee expense	2,346,000													
Use of goods and services	7,437,494													
	43,764,323													

*National Government Constituencies Development Fund (NGCDF) Isiolo North Constituency  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resol ved / Not Resolv ed)	Timefram e: (Put a date when you expect the issue to be resolved)										
	<table border="1" data-bbox="698 544 1346 1193"> <tr> <td data-bbox="698 544 1025 632">Amounts due to other Government entities</td> <td data-bbox="1025 544 1346 632"></td> </tr> <tr> <td data-bbox="698 632 1025 887">Amounts due to other grants and other transfers</td> <td data-bbox="1025 632 1346 887">58,091,663</td> </tr> <tr> <td data-bbox="698 887 1025 975">Acquisition of assets</td> <td data-bbox="1025 887 1346 975">1,384,904</td> </tr> <tr> <td data-bbox="698 975 1025 1106">Other Payments ( )</td> <td data-bbox="1025 975 1346 1106">3,558,668</td> </tr> <tr> <td data-bbox="698 1106 1025 1193">Total</td> <td data-bbox="1025 1106 1346 1193">119,389,193</td> </tr> </table> <p data-bbox="698 1281 1317 1358">In the circumstances, the residents of Isiolo North Constituency did not get budgeted and</p>	Amounts due to other Government entities		Amounts due to other grants and other transfers	58,091,663	Acquisition of assets	1,384,904	Other Payments ( )	3,558,668	Total	119,389,193	<p data-bbox="1370 544 1563 1410">is bursary allocation of Kshs.30 Million awarded whose cheques were in progress of drawing, administration and monitoring funds amounting to Kshs.12 .5 Million. Also sports fund amounting to Kshs.2.7 Million awaiting reallocation after the act</p>		
Amounts due to other Government entities														
Amounts due to other grants and other transfers	58,091,663													
Acquisition of assets	1,384,904													
Other Payments ( )	3,558,668													
Total	119,389,193													

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resol ed/ Not Resolv ed)	Timefram e: (Put a date when you expect the issue to be resolved)
	expected services for the incomplete and un implements projects.	was amended to remove sports from the viable projects.		
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>4.Irregular Award of Tenders</b></p> <p>Note 7 to the financial statement reflects Kshs. 129,955,640 on transfer to other government entities which includes Kshs. 40,321,660 transfers to primary schools.</p> <p>Available records show that an amount of Kshs. 16,471,660.00 was paid to different contractors for construction of a school administration blocks and classroom as tabulated below:</p>	We accept that we weakness with procurement process with at the project management committee level. The Management is committed to building capacity through training.	Not resolve d	The managem ent is in consultati on with OAG pending appearan ce before DFAC

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	Name of Schools	Payee	Tender No	Amount (Kshs.)	We confirm that all three of the projects above are complete. Tualle administratio n block is progressing well and at finishing stages		
Attan Primary School- Admin Block	Jeldin Construction and Supplies Limited	Isiolo North/NG - COF/PRY SCHS/202 2- 2023/001	4,500,0 00				
Tualle Primary school- Adm Block	Serengetinkis hon Enterprises Limited	Isiolo North/NG - CDF/TUA LE PRY SCHS/202 3- 2024/005	4,500,0 00				

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kambi Ya Juu Integrated Pry School-Adm Block	Dirup Traders Company LTD	Isiolo North/NG - CDF/KAMBI YA JUU PRY SCHS/2023-2024/002	4,500,000			
	Taqwa Pry School-Classroom and lockers	Ibro Company Limited	Isiolo North/NG - CDF/TAQWA PRY SCHS/2023-2024/009	2,971,660			
	Total						

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	<table border="1" data-bbox="544 880 632 1521"> <tr> <td data-bbox="544 1389 587 1521"></td> <td data-bbox="544 1190 587 1389"></td> <td data-bbox="544 1019 587 1190">16,471.6</td> </tr> <tr> <td data-bbox="587 1389 632 1521"></td> <td data-bbox="587 1190 632 1389"></td> <td data-bbox="587 1019 632 1190">60</td> </tr> </table> <p>However, the following issues were noted:</p> <p>1. There was no evidence provided of a tender opening and evaluation committees that was formally appointed, as required by Section 78 (1) and Section 46 (1) Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer of a procuring entity to establish a Tender Opening Committee and Tender Evaluation Committees respectively in accordance with the Act.</p> <p>ii. The evaluation of tender No Isiolo North/NG-CDF/Kambi Ya Juu Primary schs/2023-2024/002, was performed by the same officers who had participated in the</p>			16,471.6			60			
		16,471.6								
		60								

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>tender opening. This is contrary to Section 78 (1) (b), of Public Procurement and Asset Disposal Act, 2015 which specifies that at least one member of the tender opening committee shall not be directly involved in the tender processing or evaluation.</p> <p>In the circumstances, management was in breach of the law.</p>			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>Project Verification and Inspection - Kambi Ya Juu Integrated Primary School</b></p> <p>Note 7 to the financial statements reflects Kshs. 129,955,640 in respect to transfer to other government units, which includes Kshs. 40,321,660 transferred to Primary Schools, out of which Kshs 4,500,000 was disbursed to Kambi Ya Juu Integrated Primary School PMC for construction of an administration block</p>	We accept that we weakness with procurement process with at the project management committee level. The Management is committed	Not resolved	The management is in consultation with OAG pending appearance before DFAC

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	<p>However, review of the project file and a physical verification/inspection done on 4 December, 2024 revealed the following:</p> <p>(1) The project implementation status report submitted for audit review indicated that the construction of the administration block, which included four office rooms and a staffroom, had been completed and was in use. However, a physical project inspection revealed that the administration block was not completed and not in use, contrary to the information in the project status report.</p> <p>(ii) Provisional sum amounting to Kshs. 120,000 and Kshs. 100,000 was made in the Bills of Quantities as contingencies and project management and public works expenses</p>	<p>to building capacity through training. The project is under liability period for the next 6months, the management will be sure all the defects are attended to.</p>		

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	<p>respectively. However, there was no evidence on how these provisions were utilized. Further, there was no evidence documented to confirm that the utilization of provisional sum was requested and approved by tender evaluation committee as required by section 139 (2) of Public Procurement and Assets Disposal Act, 2015</p> <p>(iii) During a site visit to the premises, several issues were identified that raise concerns about the quality of construction. It was observed that the contractor had installed a sink without a tap, rendering it non-functional. Additionally, large wall chippings were visible next to a steel window, pointing at poor workmanship. In one room, the chipboard ceiling had begun to deteriorate and was falling off from the edges. Cracks were visible on the frames of the timber</p>			

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	<p>doors, indicating structural weaknesses and poor workmanship.</p> <p>(iv) It was also observed that the tender was evaluated by the same officers who opened the quotations contrary to the requirement of Section 78(1) (b) of the Public Procurement and Asset Disposal Act, 2015 which require at least one of the members involved in the tender opening not to be involved in the tender evaluation</p> <p>(v) The tender opening and the tender evaluation minutes meeting held on July 4th, 2023, indicated that a local company was recommended as the winning bidder. However, the minutes were not signed by the members of the committees, hence the minutes were incomplete and invalid.</p>			

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	In the circumstances, management was in breach of the law and the credibility and accountability of the funds transferred to other government units could not be confirmed.			
OAG/IRO/AUD/NGCDF/ISIOLO.NO RTH/2023-2024/(11)	<p><b>Irregular Procurement Process for Fuel, Oils and Lubricants</b></p> <p>The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects Kshs. 5,078,093 in respect to expenditure on the use of goods and services which includes Kshs. 927,982 spent on fuel, oil and lubricants. However, it could not be ascertained how the supplier was identified and procured since the supplier was not on the list of prequalified suppliers at the transaction date, which is contrary to Section 57 (1) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of the procurement</p>	The company is prequalified at the sub county procurement office, see the attached list of prequalified supplier shared. The management will make sure that a written agreement is done.	Not resolved	The management is in consultation with OAG pending appearance before DFAC

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	<p>function of procuring entity to maintain and update lists of registered suppliers, contractors, and consultants in the categories of goods, works or services according to its procurement needs.</p> <p>Further, the Contract agreement between the NG-CDF and fuel supplier was not provided for audit review, hence the terms and conditions of the fuel supply contract could not be determined. Failure to enter into a fuel supply contract with the supplier is contrary to Section 134(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the accounting officer to be responsible for the preparation of contracts in line with the award decision.</p> <p>In the circumstances, accuracy and credibility of the Kshs. 927,982 spent on fuel, oil and</p>	(		

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	lubricants could not be confirmed. Management was in breach of the law.			



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Name  
Fund Account Manager.

ISILOLO NORTH NG-CDF  
FUND ACCOUNT MANAGER  
26 NOV 2025  
P O Box 5-60300,  
ISILOLO