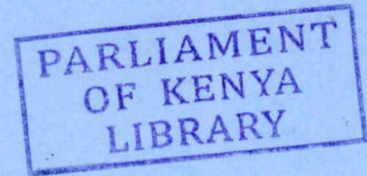
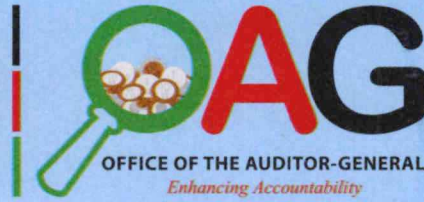


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

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

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

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MATAYOS CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

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



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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- 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 Matayos Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Kevin Otieno McAkech
2.	National Sub-County Accountant	Kennedy Okoth Olouch
3.	Chairman NGCDFC	Stephen Ojwang Ronald
4.	Member NGCDFC	Fredrick Okello
5.	Member NGCDFC	Violet A. Nyongesa (Deposit bank account)
6.	Member NGCDFC	Hillary T. Oboya (Deposit bank account)

(c) Fiduciary Oversight Arrangements

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

NGCDF Building
Nairobi-Busia Highway
Busia, KENYA.

(e) NGCDF Matayos Constituency Contacts

P.O. Box 1055-50400
Telephone: (254) 791273298
E-mail: cdformatayos@ngcdf.go.ke
Website: www.matayos.go.ke

(f) NGCDF Matayos Constituency Bankers

1. Operational Account
Kenya Commercial Bank.
Busia-Branch
P.O. Box 27
Busia.
2. Deposit Account
Equity Bank.
Branch, Busia
P.O. Box 514
Busia
3. Project Management Committee Accounts
 - Equity Bank
Busia-Branch
P.O. Box 514-50400
Busia
 - KCB Bank
Busia-Branch
P.O. Box 27-50400
Busia
 - Family Bank
Busia-Branch
P.O. Box 254-50400
Busia
 - National Bank
Busia-Branch

P.O. Box 27-50400
Busia

- DTB Bank
Busia-Branch
P.O. Box 123-50400
Busia
- Sidian Bank
Busia-Branch
P.O. Box 217-50400
Busia
- Co-operative Bank
Busia-Branch
P.O. Box 87-50400
Busia







(g) Independent Auditor





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

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 <p>Mr. Stephen Ronald Ojwang</p>	<p>Mr. Stephen Ronald Ojwang Born on the 22nd December 1975- Has been a member of staff at the NGCDF Matayos as a filed officer and has a work experience of over 8 years</p>
 <p>Mr. Dickson Ooko</p>	<p>Mr. Dickson Ooko-Born on the 25th December 1987-Has work as an Electrical overheads technician and as an administrator at Kenya Power and Lighting company, has also served in the NGCDF Matayos committee for a period of 12years.</p>
 <p>Ms. Caroline Atieno Minnie</p>	<p>Ms. Caroline Atieno Minnie Born on the 31st December 1977,has worked as a Nursing aid assistant and has also served as a member of the NGCDF committee for a total of 10years.</p>
 <p>Mrs. Violet Aluvizia</p>	<p>Mrs. Violet Aluvizia Nyongesa -Born on the 29th November 1969, is a Farmer and has served in the NGCDF Matayos committee for 6years.</p>
 <p>Mr. Hillary Wafula Oboya</p>	<p>Mr. Hillary wafula Oboya Born on the 7th July 1973 Holds a Diploma in Marketing, Diploma in clearing and forwarding maritime studies, Business administration certificate, has also served as the NGCDF Matayos committee for 4years.</p>
 <p>Mr. Fredrick Okello</p>	<p>Mr. Fredrick Okello Born on 5th June 1958,has been a TSC Teacher for the past 37 years and has also served as a member of the NGCDF Committee, he is also a member of various schools board of management.</p>

	<p>Ms. Caren Lutta Nakuti Born on 2nd October 1992, has a Diploma Clinical Medicine from KMTC-Busia , Bachelors in Counseling Psychology from the university of Nairobi Is a member of the NGCDF Matayos committee for the past 6 years.</p>
	<p>Mr. Solomon Chesut- Born on 08 August 1972 has a M.A in International Relations and a bachelor's degree Criminology and Social Order from the University of Nairobi and 24 years' wealth of experience in National government affairs. Currently the Deputy County Commissioner, Busia.</p>
	<p>Mr. Pascal Wandera Born on 11TH June 1954, He is a Businessman with wealth of experience from various sectors.</p>
	<p>Mr. Kevin Otieno McAkech Born in 23rd April 1981 has an MBA in Strategic Management, a bachelor of Commerce degree with a major in accounting from the University of Nairobi and Bugema University respectively. A diploma in information technology and hold a CPA 3 qualification. He has held the position of Field operations officer for the past 9 years and prior to that was an Ag. Administration manager at the NGCDF Board. Currently, an Ex-Offio Member and a Field Operation Officer of MATAYOS NG- CDF</p>

4. NG-CDFC Chairman's Report

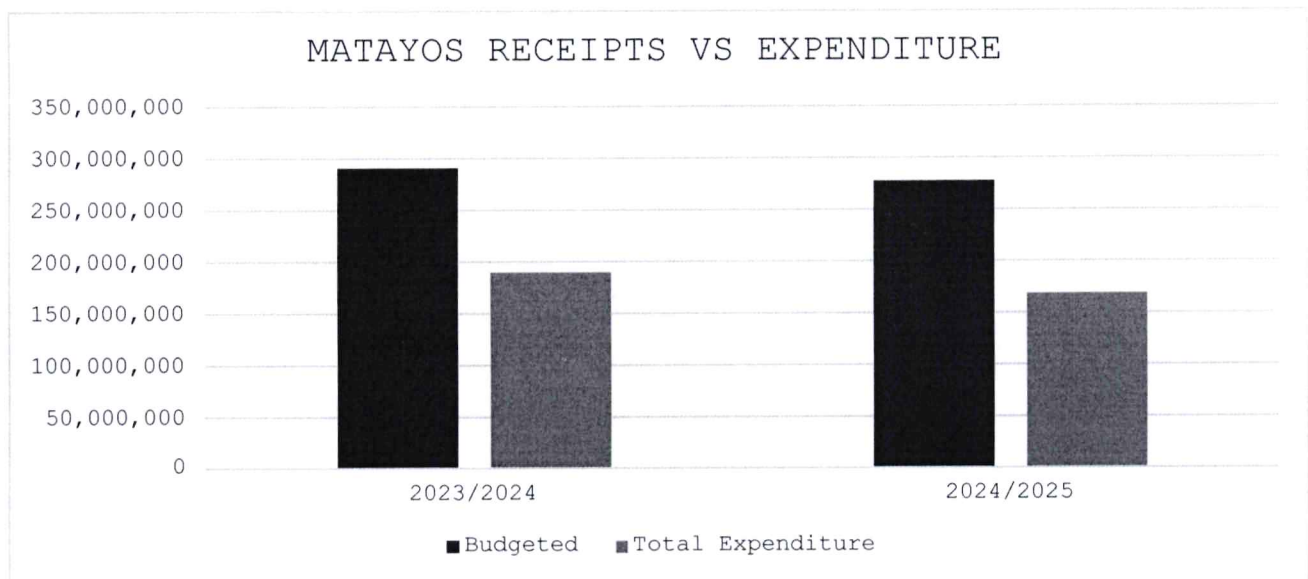
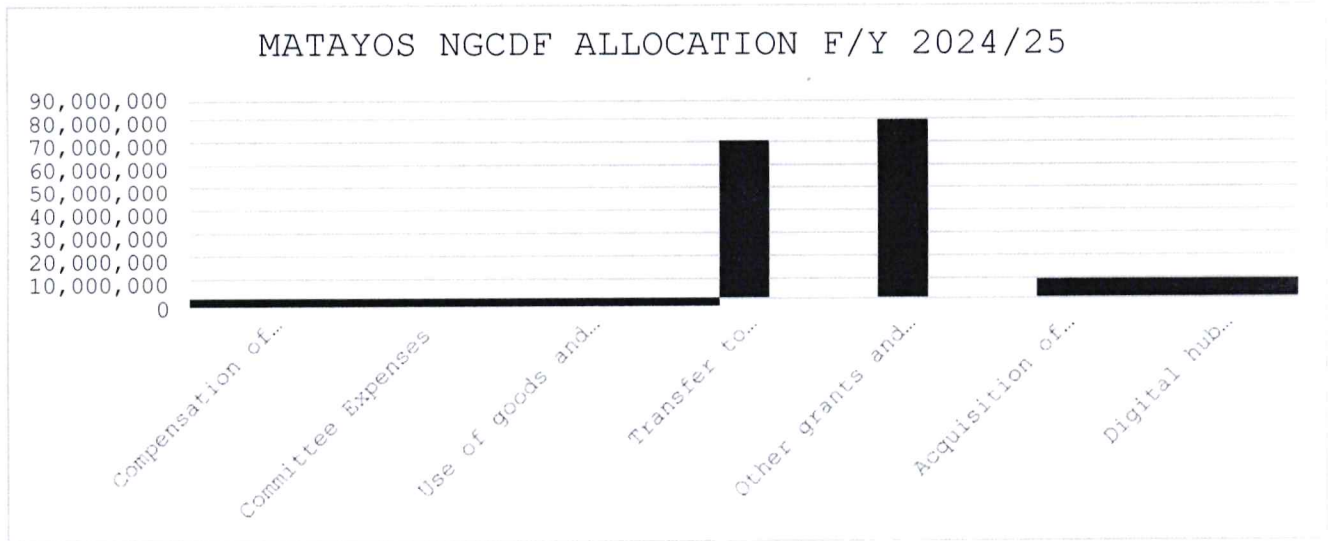


Mr. Stephen Ronald Ojwang
Chairperson, Matayos NG-CDF

It is with great honor that I present the Annual Report and financial statements for NGCDF Matayos for the year ended 30th June 2025. The constituency had an original budget of Kshs. 179,441,954. (One Seventy-Nine Million Four Hundred Forty-One Thousand Nine Hundred Fifty-Four) balance brought forward as per the cashbook of Kshs. 31,875,303 (Thirty-One million Eight Hundred Seventy-Five Thousand Three Hundred and three) Leading to a final budget of Kshs. 277,453,789 (Two Hundred Seventy-Seven Million Four Hundred Fifty-Three Thousand Seven Hundred Eighty-Nine) As presented in the table and graph below: -

Description	Amount (Kshs.)
Compensation of Employees	5,747,332
Committee Expenses	2,815,967
Use of goods and services	6,099,982
Transfer to Other Government Units	70,384,928
Other grants and transfers	78,644,313
Acquisition of Assets	8,449,432
Digital hub Expenses	7,300,000

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



The financial year F/Y 2024/2025 presented several challenges arising from numerous legal framework bottlenecks rendering low absorption of funds due to late disbursement of funds from the ex-chequer. One of the greatest challenge the NGCDF committee was faced with was the growing number of youth and the small number of opportunities available in the

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

constituency due to meagre resources. This notwithstanding, the NGCDFC has registered notable success and is delighted to present its financial statements for F/Y 2024/25.

I also thank our stakeholders for their support and look forward to working with you in the future.

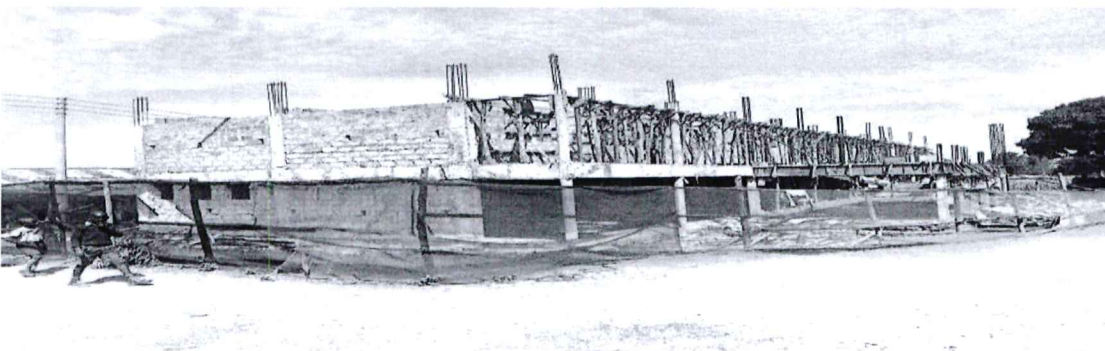
Key Achievements

The following are some of the key projects that have been undertaken by Matayos NG-CDF

Project 1: Matayos Assistant County Commissioner Office-Renovation of Administration Block



Project 2: **Mundika Boys Primary School-Administration Block**



This is an on-going construction expected to be completed in the financial year.

Project 3: Construction of JSS Classroom



Busendebala Primary School-Construction of Two Classrooms

Emerging Issues

The following are some of the emerging issues that have been experienced throughout the Covid-19 period to the current state of the economy

1. Introduction of the Junior Secondary School

The introduction of the Junior Secondary School has led to most primary schools requiring more infrastructure to cater for the student population, as other primary schools have not qualified to host the junior Secondary school. This has necessitated the NGCDF to come to the rescue of such schools in the construction of more classrooms to enable 100% absorption of the students for the lower primary.

IMPLEMENTATION CHALLENGES AND SOLUTIONS

1. Late Disbursement to the Constituency

This has been a rampant issue year in year out which has resulted into delays in the completion of projects in the constituency. We hope that this will improve and the funds disbursed in time so that there is value for money. However, we have been able to disburse money to various projects in time through the project management Committees for implementation of the projects.

2. Bursary and Acknowledgements by Institutions

Bursary has been the key pillar for NGCDF all over Kenya. As the population increases so is the number of students that apply for bursary in the constituency. The number of students who qualify for the bursary has increased rendering the Constituency bursary committee to

incorporate all with a lower amount to cater for the number. We wish that the amount for bursary be increase in the coming years to cater for the large numbers.

The other issue is the acknowledgment by institutions when bursary cheques have been issued to the various schools. The NGCDF Matayos has endeavoured to incorporate the Postal Corporation to enable 100% acknowledgement of the bursary but still to no avail. To enable the public be more proactive more civic education needs to be carried out in schools, institutions and public barazas.

3. Project Implementation

Many major projects in the constituency have been designed missing crucial amenities like disability ramps, toilets, proper flooring and septic tanks. This has led to the additional funding to the same project year in and out. The NGCDFC has endeavoured to counter such design problems before it is implemented. The Public works officers have also been capacity built to reduce the bottle necks experienced by lack of funds when the project has taken off.

All Project management Committees have been capacity built to enable them operate at their optimal to reduce errors in the project implementation face.

4. Legal Challenges

NG-CDF Fund has faced numerous legal hurdles which has led to the funds not being disbursed on time. The legal hurdles have reduced the roles that the fund plays in the villages. We wish for the day NGCDF Fund will perform its functions without the challenges in the legal fraternity.

I wish to urge the NGCDF Board/NASC to continually increase the NGCDF funding to enable more projects uptake and also timely disbursement of funds to constituencies.

I really thank my NG-CDFC and all our stakeholders for the great support they have given me during the year in serving the constituents’.

5. Rapid population Growth

The constituency has experienced rapid population growth over years, hence resulting in over stretching of available resources. The annual population growth rate for Busia County, which includes Matayos sub-county, is estimated at 2.2%, according to the Busia County Government. This growth rate is based on the 2019 Kenya Population and Housing Census.

6. Climate Change

Due to changing globule environmental conditions the constituency has experienced increased vulnerability to natural disasters and changes in agricultural productivity. As a

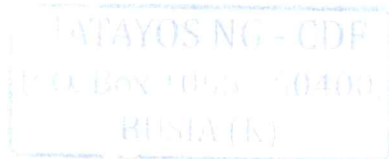
result, we require increased allocation to the emergency allocation and climate mitigation allocation to enable us cater for unforeseen occurrences throughout the financial year and mitigate on climate changes

7. Political Interference

NG-CDF over years has been subjected to political interference both from political class and lobby groups. The fund should be left to run independently so as to achieve vision, mission and goals as it was envisioned in the constitution. Given the support and goodwill the NG-CDF can achieve more as envisioned in its motor "maendeleo kwa wote".



.....
Name Stephen R. Ojwang
Chairman NGCDF Committee



5. Statement Of Performance Against Predetermined Objectives for FY 2024/2025

Introduction

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

The key development objectives of the *NGCDF Matayos Constituency 2024-2025* plan are to:

1. To ensure all Boys and Girls above five years' access quality primary education.
2. Improve access, equity, retention of secondary education
3. To reduce number of crimes in the constituency

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 -we increased number of classrooms etc from 10 to 22 in the following schools Munongo Primary school-3, Busendebala Primary School-3,Siwongo primary School-2,St. Theresa Primary 1,Bulanda Secondary - 2,Luliba Primary School-1,Murende Primary School-1,Bugengi Special-1,Khuduru Primary School-2 - Bursary beneficiaries at all levels were as per the attached schedules</i>

Security	To reduce the number of crimes	Developed and enhanced security organs	Number of usable physical infrastructure built in locations, Sub locations and police stations	Completion of Matayos ACC's renovations, Construction of a modern toilet for Burumba police post
Climate change mitigation activities	Improved access to a more sustainable and conserved environment	Improved sanitation facilities in schools provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools. Number of trees planted	Purchase and planting of 2000 trees in 10 schools Collection of rain water through installation of tanks and gutters
Emergency	Cater for unseen occurrences within the constituency	Provide stable environment within the constituency throughout the financial year	Quick response to the emergency issues within the constituency	All emergency occurrences in the constituency addressed within shortest time possible
Others (Specify)	Constituency strategic plan, purchase of constituency vehicle	Improve service delivery to the constituency	Effective, timely and efficient service delivery to all constituent	Good service delivery to all Matayos residence

6. Governance Statement

Introduction

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund Act (NG-CDF) Act state that:

1. there is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) the national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one 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 sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board. The current NGCDFC members were gazetted in 9th December 2022 and the first meeting was held in 13th December 2022

The persons appointed are drawn from different groupings as follows:

- Male Adult-Stephen Ronald Ojwang-Chairman
- Male youth --Dickson Ooko- Member
- Female adult-Caroline Minnie Atieno- Member
- Female youth--Caren Lutta Nakuti - Member
- PWD REP--Fredrick Okello Wafula -secretary
- CO-opted Member-Pascal Wandera - Member
- Nominee of constituency Office--Hillary Oboya Wafula - Member
- Nominee of constituency Office--Vailet Nyongesa - Member

b. NG-CDFC 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 maybe

approved by the Board. The current committee is still in place until the new committee is gazetted in the financial year 25/26 as per NGCDF Act, 2015.

c. The Role of the Constituency Committee

- Convene public meetings in every ward in the constituency to deliberate on development matters.
- Deliberate on project proposals and any other projects considered beneficial to the constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

d. Removal of a member

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

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

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

In Matayos the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

e. NG-CDFC Induction and training

In the financial year 2022/2023 the NGCDF Board organized training of NGCDF members. During the training, critical areas such as public finance, project planning,

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

procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Matayos.

f. Number of meetings;

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Matayos Constituency Held a total of 18 meetings (Two (4) meetings for the old committee and Ten (14) for the New Committee) in the financial year 2024-2025 and the attendance was as follows.

NO.	NG-CDFC COMMITTEE MEMBERS	15/07/2024	30/07/2024	19/08/2024	02/09/2024	11/10/2024	07/11/2024	13/12/2024	03/01/2025	22/01/2025	06/02/2025	26/02/2025	07/03/2025	25/03/2025	30/03/2025	11/04/2025	24/04/2025	14/05/2025	20/05/2025
1	Stephen Ronald Ojwang-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Fredrick Okello-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Caroline Minnie Atieno-Member	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Carren Lutta Nakuti-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Hillary Tom Oboya-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
6	Pascal Wandera-Member	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Dickson Ooko-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Violet Nyongesa-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Kevin McAkech-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Rutto Kipchumba-ACC	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓

g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000.00 per meeting and all other members an allowance of Ksh. 5,000.00 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

h. Disclose the policy on conflict of interest

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

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of member

j. Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.

ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.

iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NGCDFC Matayos adhered to the above ethical issues.

k. 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

- a) Training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently.
- b) Training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations.
- c) Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system.
- d) Ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year
- e) Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

To ensure sustainability of Matayos NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Matayos NG-CDF 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 marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as

tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Matayos NG-CDF Committee supports the improvement and maintenance of the environment by ensuring that at least 2% of the Constituency budget is spent on preserving and protection of the environment through enhanced tree planting. Matayos NG-CDF Committee recognizes the provisions of the strategic plan (2023-2028) and the National Environmental Management Authority (NEMA) guidelines.

Matayos NG-CDF Committee is guided by an environment policy which commits to;

- Increase the forest cover in Matayos through planting of trees
- Protect the environment through minimizing our contribution to pollution of land, air and water and management of waste by ensuring proper waste disposal.
- Comply with the relevant environmental measures which have been put in place
- Encouraging and sensitizing on the importance of protecting the environment to the constituents.

3. Employee welfare

We invest in providing the best working environment for our employees. Matayos 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 of our employees for exemplary performance. The reward and sanctions system are based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Matayos 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 policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices

Matayos NGCDF Constituency is committed to fair and ethical market practises.

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 for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly. NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption

- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Matayos NGCDF has endeavoured 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 sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, 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 NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

Matayos NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

8. Management Discussion and Analysis

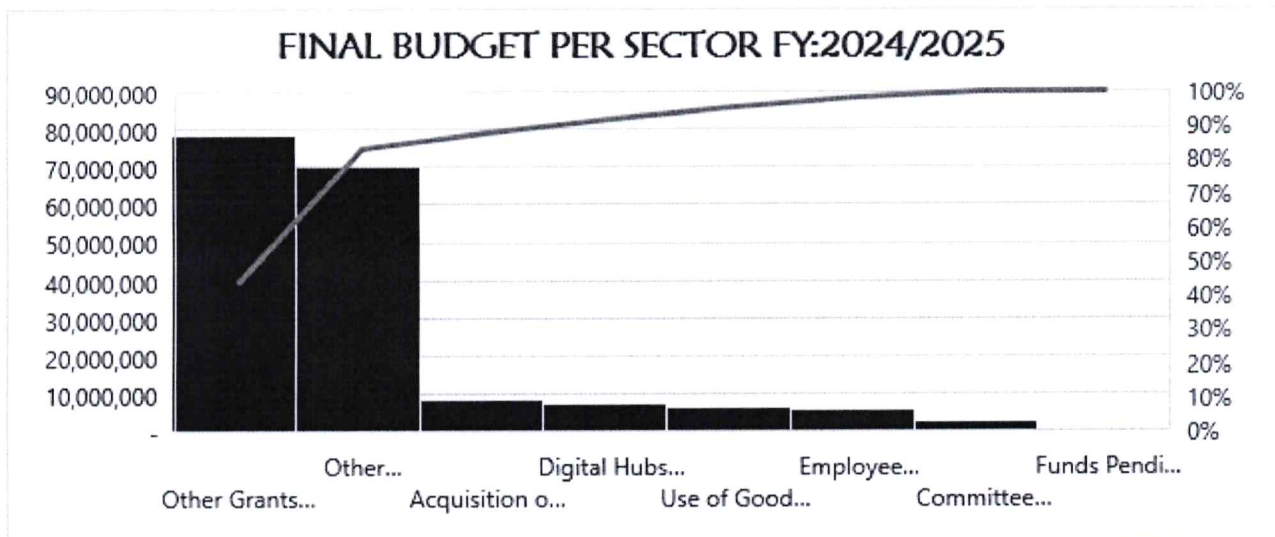
We are pleased to present the unaudited financial statements for Matayos NG-CDF for the financial year ended 30th June 2025. The final budget for the financial year under review is Kshs.277,453,789 where by Kshs.179,441,954 is the normal allocation to the constituency for the financial year 2024/2025, Kshs.55,362,127 being the amounts receivable to the Matayos Constituency from the NGCDFB for prior years as at the beginning of the financial year and Kshs.36,397,362 was in the constituency’s bank account as at the beginning of the financial year.

On receipt of the above allocation, Matayos NG-CDFC pursuant to the provisions of the National Government CDF Act 2015, as amended in 2023, met and allocated funds to various projects with reference to priorities of the public participation meetings held across the constituency. The funds received were disbursed to earmarked projects. Out of these, the committee focused more on the full implementation of bursary and completion of projects in primary, secondary and security sectors.

In the statements that follow, I’m pleased to present the statements of performance against predetermined objectives which outlines the performance of the NGCDF committee against its key pillars in the 5-year strategic plan.

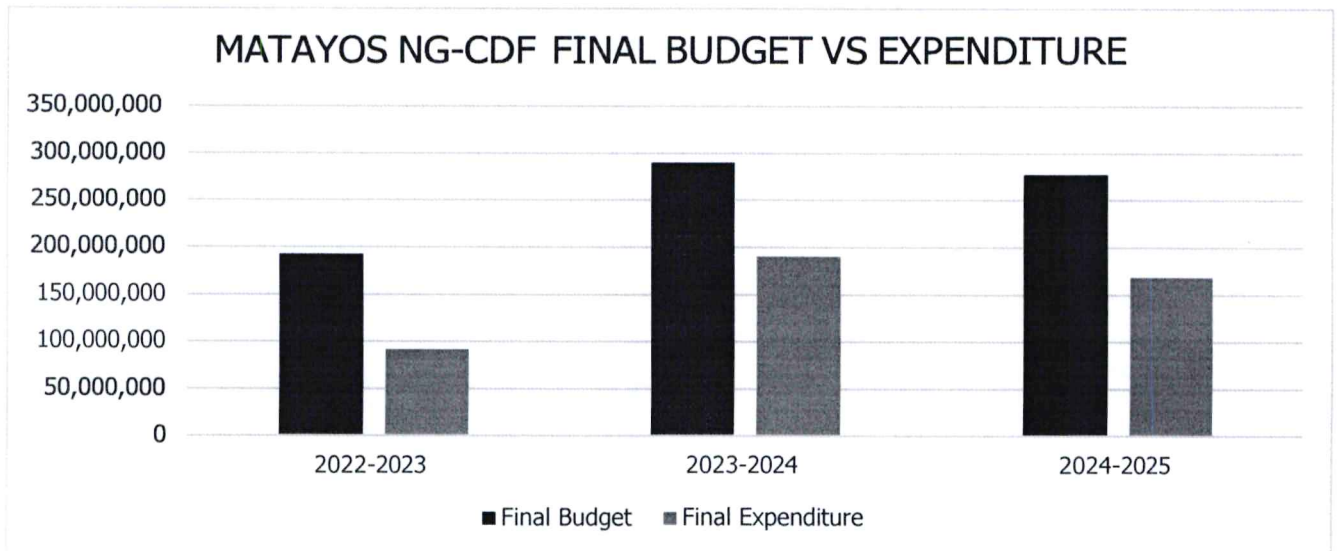
I also present management discussion and analysis that indicate how funds received were allocated and utilised.

The final budget allocation as per the various sectors is as shown here below: -



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

The final budget performance against actual amounts for the financial year under review based on sectors is as depicted below;



Matayos NG-CDF has implemented various projects across the constituency, focusing on education, security and infrastructure development. The fund has been involved in

1. Education Bursaries for needy and deserving students
2. Funding construction in Schools, Renovations, procurement of School Buses
Construction of National government administrative offices, Chief’s and assistant chief’s office.
3. Climate change mitigation, Improving conservation, afforestation in the constituency.

Key Risks Facing the Fund

Even though the fund has achieved outstanding success in the implementation of its mandate. The fund faces numerous challenges both in existence and operational channels.

Fiscal pressure-the debt gap experienced in the budget.

Institutional Challenges-The fund faces challenges in

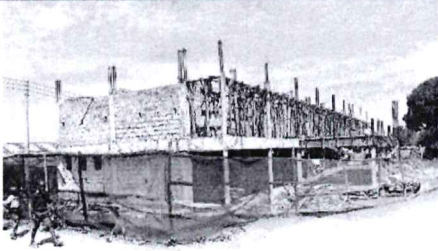

Key projects Implemented or On-going

NO.	Name of The Project	Projects Pictorial	Status
1.	Matayos ACC administration Office		Complete and In-use

National Government Constituencies Development Fund (NGCDF)

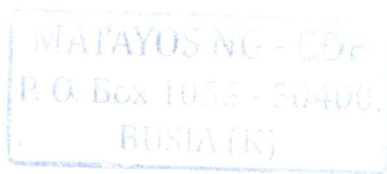
Matayos Constituency

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

2,	Mundika Primary School-Administration Block		On-going
3.	Buderia Primary School-Construction of two classrooms		Complete and In-use



Kevin O. McAkech
Fund Account Manager



9. Environmental and Sustainability Reporting

Matayos NG-CDF aspire to improve livelihood of both present and future generations. This is what informs all proposals that have already been carried out and those that are in the pipeline as envisioned in our strategic plan 2023-2028. Constituency plan is based on improving welfare of generations by aiming to improve access and quality of education, climate change mitigation and access to information.

6. Sustainability strategy and profile -

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

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

7. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities, e.g., planting trees once in an academic calendar.*
- *Sensitization of youth/ community on the impact of drug abuse.*
- *Report on security activities, e.g., construction of police stations supported by NG-CDF*

8. Employee welfare

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

9. Marketplace practices-

Matayos Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- b) Good business practices, including cordial Supply chain and supplier relations, by honouring contracts and respecting payment practices.
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10. Community Engagements-

Matayos 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

Matayos 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

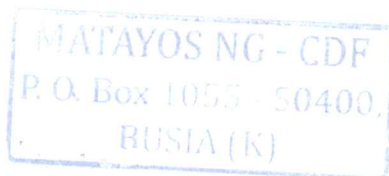
This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

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



.....
Kevin O. Mcakech

Fund Account Manager.



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

The Accounting Officer in charge of the NGCDF Matayos 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

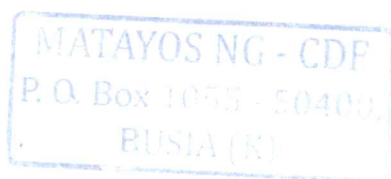
The NGCDF- Matayos Constituency financial statements were approved and signed by the Accounting Officer on 9-8 2025.



.....
Name: Stephen R. Ojwang
Chairman – NGCDF Committee



.....
Name: Kevin O. Mcakech
Fund Account Manager



11. Report Of the Independent Auditor on the NGCDF- Matayos Constituency

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Matayos Constituency set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2025 and the

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Matayos Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2023).

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.54,733,596 as disclosed in Note 15 to the financial statements. The balance includes Project Management Committee (PMC) account balances amounting to Kshs.21,654,649 as at 30 June, 2025 in respect to seventy-two (72) bank accounts. However, the bank reconciliation statements, bank statements, cash books and bank confirmation certificates for the accounts were not provided for audit review.

Further, review of bank reconciliation statements revealed that cheques totalling Kshs.258,000 had become stale as at the time of audit in September, 2025 and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.54,733,596 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of financial performance reflects other grants and transfers expenditure amounting to Kshs.77,709,393 which, as disclosed in Note 12 to the financial statements includes bursary disbursements totalling Kshs.59,266,300. However, bursary disbursements amounting to Kshs.5,264,000 paid to various tertiary institutions were not supported by acknowledgement slips from beneficiary institutions.

In the circumstances, the regularity, accuracy and completeness of the bursary disbursements amounting to Kshs.5,264,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Matayos 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.277,453,789 and Kshs.223,567,883 respectively, resulting in under-funding of Kshs.53,885,906 or 19% of the approved budget. Similarly, the Fund expended an amount of Kshs.168,834,287 against the budget of Kshs.277,453,789 resulting in under-expenditure of Kshs.108,619,502 or 39% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix 1**. Management has indicated under progress of follow up of Auditor Recommendations section of the financial statements that two issues have been resolved and the other issues have not been resolved. However, no evidence was provided for audit review indicating that the two issues were resolved and Management has not given reasons for the delay in resolving the other issues.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Project Implementation Status

During the year under review, the Fund had planned to implement a total of thirty-one (31) projects with estimated total cost of Kshs.190,263,328. However, out of these projects, twenty-four (24) or 77% of the projects costing Kshs.58,522,166 were not started, while one (1) or 3% costing Kshs.46,891,730 was ongoing with only six (6) or 19% of the projects costing Kshs.84,849,432 were completed.

In the circumstances, value for money was not obtained from the 24 projects that had not started and one (1) project that was ongoing.

2. Delayed Completion of Construction of Multipurpose Hall and Administration Block Projects

During the year under review, the Fund transferred Kshs.10,490,000 and Kshs.7,660,191 to Mundika Secondary school and Lwanya Girls Secondary School being additional funds for completion of 2,000 capacity multipurpose hall and administration block for the two schools, respectively. Review of records showed the additional funding was made to the two projects varying the contract sum to Kshs.57,323,216 and Kshs.35,284,255 from the initial contracts sums of Kshs.46,833,216 and Kshs.42,944,446 respectively.

However, review of the contracts, revealed that the contracts period had lapsed and no contracts extension had been granted or sought before and after variations and contractor's variation requests justifying the costs, technical evaluation committee

reports, incomplete works engineer's estimates and the National Government Constituencies Development Fund Committee approval minutes in relation to the two projects contract sum variations were not provided for audit review.

Field inspection conducted on 30 July, 2025 revealed that the projects were incomplete with guard rails and floors not yet done despite additional payments made to respective PMC's accounts.

In the circumstances, value for money was not obtained from the two projects.

3. Lack of Land Ownership Documents

Annex 1 to the financial statements on summary of asset register reflects historical cost of assets balance of Kshs.45,303,075 which includes land balance of Kshs.1,200,000 in respect to land where Matayos National Government Constituency Fund offices sits. However, land ownership documents were not provided for audit review contrary to Paragraph 46 of The National Treasury Guidelines on Asset and Liability Management in the Public Sector, March 2020 on proper management of public assets.

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

4. Failure to Insure the Fund's Assets

Annex 1 to the financial statements on summary of asset register reflects historical cost of assets balance of Kshs.45,303,075, which includes land, buildings and structures, transport equipment, office furniture and fittings, ICT equipment and other ICT assets, and other machinery and equipment. However, no policy documents were provided for audit review indicating that the assets were insured contrary to Section 36(3) of National Government Constituencies Development Fund Act, 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Internal Audit Reports

During the year under review, the Fund did not maintain internal audit reports contrary to Section 73(1) of the Public Finance Management Act, 2012.

In the circumstances, the Fund risks having weak internal controls.

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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

27 October, 2025

Appendix 1

Unresolved Prior Year Matters

Reference No.	Audit Issue
	Report on the Financial Statements
1	Unsupported Project Management Committee Bank Balances
2	Unsupported Bursary Disbursements
3	Stale Cheques and Unsupported Bank Balance
	Emphasis of Matter
	Budgetary Control and Performance
	Other Matter
	Unresolved Prior Year Matters
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Delay in Projects Implementation
2.1	Delayed Completion of Administration Block at St. Stephen's Lwanya Girls Secondary School
2.2	Delayed Completion of Multipurpose Hall at St. Mary's Mundika High School
	Report on Effectiveness of Internal Controls, Risk Management and Governance
	Lack of Internal Audit Report

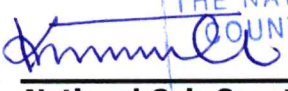
12. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	FY 24/25
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities		-
Revenue from exchange transactions		
Finance income		-
Miscellaneous income	7	-
Total revenue		179,441,954
Expenses		
Employee costs	8	5,737,283
Committee expenses	9	2,812,400
Use of Goods and Services	10	6,065,963
Other Government Units Actual expenditure	11	72,153,863
Other Grants and Transfers Actual expenditure	12	77,709,393
Depreciation and amortization expense	13	2,112,358
Digital Hubs Actual expenditure	14	-
Total expenses		166,591,261
Other gains/(losses)		
Gain/Loss on Sale of Assets		-
Impairment loss		-
Surplus/(Deficit) for the year		12,850,694

The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:


Chairman NG-CDF
Committee

Name: Stephen R. Ojwang


National Sub-County
Accountant

Name: Kennedy O. Oluoch
ICPAK M/No:24101


Fund Account Manager

Name: Kevin O. McAkech

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

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

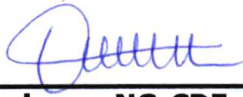
	Note	FY 24/25	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	15	54,733,596	36,698,273
PMC Bank Balances at 1 st July 2024	15		5,951,435
Receivables from Exchange Transactions		-	-
Receivables from Non-Exchange Transactions	16	53,885,906	55,362,127
Prepayments		-	-
Total Current Assets		108,619,503	98,011,835
Non-Current Assets			
Property, Plant and Equipment	17	6,337,074	-
Intangible Assets		-	-
Right-of-use assets		-	-
Total Non- Current Assets		6,337,074	-
Total Assets (A)		114,956,577	98,011,835
Liabilities			
Current Liabilities			
Trade and Other Payables		-	-
Third-Party Deposits	18	3,191,315	-
Lease Liabilities		-	-
Gratuity provision	19	1,203,644	300,911
Total Current Liabilities		4,394,959	300,911
Non-Current Liabilities			
Lease Liabilities		-	-
Total Liabilities (B)		4,394,959	300,911
Net Assets (A-B)		110,561,618	97,710,924
Represented by:			
Revenue Reserve		61,313,562	61,313,562
Accumulated Surplus		49,248,056	36,397,362
Total Net Assets		110,561,618	97,710,924

National Government Constituencies Development Fund (NGCDF)

Matayos Constituency

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

The Constituency financial statements set out on pages 1 to 19 approved by NG CDFC on 28/09 2025 and signed by:




**Chairman NG-CDF
Committee**

Name: Stephen R. Ojwang



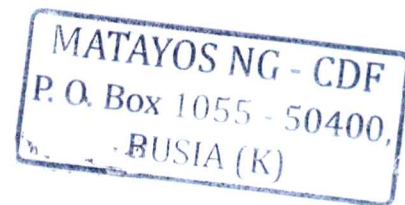
**National Sub-County
Accountant**

**Name: Kennedy O. Oluoch
ICPAK M/No: 24101**



Fund Account Manager

Name: Kevin O. Mcakech



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

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

Description	Revenue Reserve	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	-	36,397,362	36,397,362
Surplus/(Deficit) For the Period ended 30 th June 2024	-	-	-
Adjustments			
Recognition of Assets	61,313,562	-	61,313,562
Recognition of Liabilities	-	-	-
As at July 1, 2024	61,313,562	36,397,362	97,710,924
Surplus/(Deficit) For the Period	-	12,850,694	12,850,694
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	61,313,562	49,248,056	110,561,618

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.
3. Recognition of assets as at July 2024 of 61,313,562 was accruals of Closing PMC balances of Ksh. 5,951,435 and Disbursement Owings from the Board of Kshs. 55,362,127 for the period ended 30th June 2024.

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

	Notes	FY 24/25
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board	7	180,918,175
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		180,918,175
Payments		
Employee costs	8A	4,834,550
Committee expenses	9	2,812,400
Use of Goods and Services	10	6,065,963
Other Government Units Certified Works	11A	69,138,098
Other Grants and Transfers	12A	77,533,843
Digital Hubs Expenses	14	-
Total Payments		160,384,855
Net Cash Flows from/ (used in) Operating Activities	20	20,533,320
Cash flows From Investing Activities		
Purchase of PPE	17	(8,449,432)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		(8,449,432)
Net increase/(decrease) in cash & Cash equivalents		12,083,888
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		
Cash and cash equivalents at 1 July,2024	15	36,698,273
PMC Bank Balances at 1 July,2024	15	5,951,435
Cash and cash equivalents at 30 June 2025		54,733,596

Annual Report and Financial Statements for The Year Ended June 30, 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
	FY 24/25	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 24/25	FY 24/25		
Total Expenditure	179,441,954	42,649,708	55,362,127	277,453,789	168,834,287	108,619,503	61%
Surplus for the period					54,733,596	(54,733,596)	

**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.

Matayos Constituency

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

Explanatory Notes.

Due to late disbursement of funds from NG-CDF Board. We have experienced low absorption of 42% in the transfer and implementation of projects in the PMCs and 82% on other grant and transfers. Under the employee costs the underutilization is due to provisional gratuity held during the financial year.

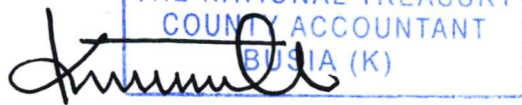
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	108,619,503
Less undisbursed funds receivable from the Board as at 30 th June 2025	53,885,906
Cash and Cash Equivalents at the end of the 30 th June 2025	54,733,596

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 _____ 2025 and signed by:



Fund Account Manager

Name: Kevin Otieno Mcakech



THE NATIONAL TREASURY
COUNTY ACCOUNTANT
BUSIA (K)

National Sub-County Accountant

Name: Kennedy Okoth Oluoch
ICPAK M/No: 24101



Chairman NG-CDF Committee

Name: Stephen Ronald Ojwang

17. Budget Execution by Sectors and Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of Employees	5,747,332	-	-	5,747,332	4,834,550	912,782
1.2 Committee Allowance	1,250,000	-	-	1,250,000	1,929,400	(679,400)
1.3 Use of Goods and Services	3,089,982	-	22,927	3,112,909	3,122,958	(10,049)
Sub-total	10,087,314	-	22,927	10,110,241	9,886,908	223,333
2.0 Monitoring and evaluation						
2.1 Capacity Building	1,160,000			1,160,000	1,132,645	25,355
2.2 Committee Allowance	1,565,967			1,565,967	883,000	682,967
2.3 Use of Goods and Services	1,850,000			1,850,000	1,808,360	41,640
Sub-total	4,575,967			4,575,967	3,826,005	749,962
3.0 Emergency						
3.1 Primary Schools	9,444,313			9,444,313	7,361,707	2,082,606
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Sub-total	9,444,313			9,444,313	7,361,707	2,082,606
4.0 Bursary and Social Security						
4.1 Primary Schools						

Matayos 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
4.2 Secondary Schools	46,000,000		3,000,000	49,000,000	45,999,500	3,000,500
4.3 Tertiary Institutions	20,000,000		1,500,000	21,500,000	13,266,800	8,233,200
4.4 Special School	1,000,000			1,000,000		1,000,000
4.5 Social Security						
Sub-total	67,000,000		4,500,000	71,500,000	59,266,300	12,233,700
5.0 Climate Change Mitigation						
5.1 Busibwabo Primary School	60,000			60,000		60,000
5.2 Mabale Secondary School	60,000			60,000		60,000
5.3 Budokomi Primary School	60,000			60,000		60,000
5.4 Bukalama Primary School	60,000			60,000		60,000
5.5 Nambere Primary School	60,000			60,000		60,000
5.6 Busabakhwa Primary School	60,000			60,000		60,000
5.7 Buyama Primary School	60,000			60,000		60,000
5.8 Matayos Assistant Comm. Office	60,000			60,000		60,000
5.9 St. Eugene Primary School	60,000			60,000		60,000
5.10 Alungori Primary School	60,000			60,000		60,000
5.11 Mundika Boys Primary School	150,000			150,000		150,000
5.12 Burumba Police Post	150,000			150,000		150,000
Climate Change Mitigation	-	-	1,040,000	1,040,000	1,040,000	-

National Government Constituencies Development Fund (NGCDF)

Matayos 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
Sub-total	900,000		1,040,000	1,940,000	1,040,000	900,000
6.0 Primary Schools Projects (List all the Projects)						
6.1 Mundika Boys Primary School	26,919,096	1,518,418	18,749,566	47,187,080	9,420,930	37,766,150
6.2 Bwamani Primary School	1,200,000	-	-	1,200,000	-	1,200,000
6.3 Siteko Primary School	2,400,000	-	-	2,400,000	-	2,400,000
6.4 St. Theresa Girls Primary School	1,400,000	-	-	1,400,000	1,398,425	1,575
6.5 Lukonyi Primary School	1,400,000	-	-	1,400,000	-	1,400,000
6.6 Munongo Primary School	1,200,000	-	-	1,200,000	-	1,200,000
6.7 Alungoli Primary School	1,200,000	-	-	1,200,000	-	1,200,000
6.8 Busibwabo Primary School	900,000	-	-	900,000	-	900,000
6.9 Nasira AC Primary School	1,800,000	-	-	1,800,000	-	1,800,000
6.10 Nasira RC Primary School	2,400,000	-	-	2,400,000	-	2,400,000
6.11 Igero Primary School	2,342,999	-	-	2,342,999	-	2,342,999
6.12 Indoli Primary School	1,500,000	-	-	1,500,000	-	1,500,000
6.13 Buyama Primary school	2,400,000	-	-	2,400,000	-	2,400,000
6.14 Burumba Primary school	622,833	-	-	622,833	-	622,833
6.15 Nambere Primary school	1,200,000	-	-	1,200,000	-	1,200,000
6.16 Busende Primary school	1,200,000	-	-	1,200,000	-	1,200,000
6.17 Budokomi Primary school	1,400,000	-	-	1,400,000	-	1,400,000

Matayos 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
6.18 Esirisia Primary school	8,000,000	-	-	8,000,000	7,253,429	746,571
6.19 Luliba Primary school	1,400,000	-	-	1,400,000	-	1,400,000
6.20 Khuduru Primary school	3,000,000	-	-	3,000,000	-	3,000,000
6.21 Khuduru Primary school	-	3,815	-	3,815	1,191	2,624
6.22 Lwanya Primary school	-	3,707	-	3,707	-	3,707
6.23 Mundika Boys Primary school	-	1,968	-	1,968	-	1,968
6.23 St. Joseph Girls Primary school	-	3	-	3	3	-
6.24 Nambere RC Primary school	-	27	-	27	-	27
6.25 Nasewa Primary school	-	1,244	-	1,244	1,244	-
6.26 Khuduru Primary school	-	27,440	-	27,440	27,000	440
6.27 Bugengi Primary school	-	33,933	900,000	933,933	932,797	1,136
6.28 Bukalama Primary school	-	1,166	-	1,166	-	1,166
6.29 Lwanya Primary school	-	43,206	-	43,206	43,000	206
6.30 Mundika Girls Primary school	-	12,794	1,500,00	1,512,794	1,511,979	815
6.31 Busidibu Primary school	-	4,076	-	4,076	-	4,076
6.32 Buyende Primary school	-	8,035	-	8,035	5,800	2,235
6.33 Esikulu Primary school	-	11,068	-	11,068	-	11,068
6.34 Esirisia Primary school	-	514	-	514	-	514
6.35 Buyende Primary school	-	1,023,531	1,500,000	2,523,531	2,523,458	73

National Government Constituencies Development Fund (NGCDF)

Matayos 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			
6.36 Nangoma Primary school	-	4,189	-	4,189	-	4,189
6.37 Buderie Primary school	-	620	-	620	-	620
6.38 Bulanda Primary school	-	62,729	-	62,729	62,360	369
6.39 Buringala Primary school	-	358	-	358	-	358
6.40 Mayenje Primary school	-	10,858	-	10,858	-	10,858
6.41 Muyafwa Primary school	-	1,005	-	1,005	-	1,005
6.42 Siwongo Primary school	-	1,103	-	1,103	-	1,103
6.43 Budokomi Primary school	-	2,280	-	2,280	-	2,280
6.44 Mayenje Primary school	-	1,362,929	-	1,362,929	1,361,510	1,419
6.45 Busidibu Primary school	-	1,500,000	-	1,500,000	1,499,724	276
6.46 Mother Teresa Bugengi M.H Special Classroom	-	1,400,000	-	1,400,000	1,399,678	322
6.47 Mother Teresa Bugengi M.H Special Water Tank	-	142,000	-	142,000	142,000	-
6.48 Buringala Primary school	-	600,000	-	600,000	598,766	1,234
6.49 Busendebala Primary school	-	4,200,000	-	4,200,000	3,990,236	209,764
6.50 Budokomi Primary school	-	1,800,000	-	1,800,000	1,798,529	1,471
6.51 Munongo Primary school	-	2,800,000	-	2,800,000	2,800,000	-
6.52 Burumba Primary school	-	1,400,000	-	1,400,000	1,397,498	2,502
6.53 Mundika Special Renovation	-	1,183,997	-	1,183,997	1,179,527	4,470

Matayos 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
6.54 Mundika Special Water Tank	-	228,000	-	228,000	224,400	3,600
6.55 Khuduru Primary school	-	4,200,000	-	4,200,000	4,159,127	40,873
6.56 Luliba Primary school	-	2,800,000	-	2,800,000	2,694,610	105,390
6.57 Luliba Primary school	-	900,000	-	900,000	899,121	879
6.58 Buderie Primary school	-	2,800,000	-	2,800,000	2,799,470	530
6.59 St. Theresa's Girls Primary school	-	1,400,000	-	1,400,000	1,354,163	45,837
6.60 Busidibu Special school	-	1,400,000	-	1,400,000	1,322,840	77,161
6.61 Murende Primary school	-	1,400,000	-	1,400,000	1,399,366	634
6.62 Mabunge Primary school	-	900,000	-	900,000	899,441	559
Sub-total	63,884,928	35,195,013	22,649,566	121,729,507	55,101,622	66,627,885
7.0 Secondary Schools Projects (List all the Projects)						
7.1 Bulanda Secondary School	1,400,000	2,762,929	-	4,162,929	2,669,394	1,493,535
7.2 Mundulusia Secondary School	5,100,000	-	-	5,100,000	-	5,100,000
7.3 Mabunge Secondary School	-	2,239	-	2,239	1	2,238
7.4 Mayenje Secondary School	-	3,034	-	3,034	3034	-
7.5 Our Lady of Mercy Secondary School	-	95,482	-	95,482	95,305	177
7.6 St. Peters Budokomi Secondary School	-	91,327	-	91,327	91,235	92

National Government Constituencies Development Fund (NGCDF)

Matayos 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			
7.7 Mabunge Secondary School hall	-	459,624	-	459,624	379,871	79,753
7.8 Mundika Secondary phase 2 hall	-	93,405	-	93,405	90,575	2,830
7.9 Mundika High School	-	163,025	10,090,000	10,253,025	5,771,065	4,481,960
7.10 Mundika Secondary Administration Block	-	74	410,000	410,074	409,868	206
7.11 Lwanya Girls Secondary School	-	54,455	7,650,515	7,704,970	4,206,906	3,498,064
7.12 Mundika Secondary School	-	24,331	-	24,331	-	24,331
7.13 Esirisia Secondary School	-	1,071	-	1,071	-	1,071
7.14 St. Mathias Secondary School	-	260,125	-	260,125	1,080	259,045
7.15 Lunga Secondary School	-	1,087	-	1,087	-	1,087
7.16 Nasira Secondary School	-	3,080	-	3,080	-	3,080
7.17 St. Mathias Secondary School	-	429,767	-	429,767	-	429,767
7.18 Budokomi Secondary School	-	181,027	-	181,027	180,689	338
7.19 Burumba Secondary School	-	10,139	-	10,139	-	10,139
7.20 Budokomi Secondary School	-	137,453	-	137,453	137,453	-
7.21 Alungoli Secondary School	-	316	-	316	-	316
Sub-total	6,500,000	4,773,990	18,150,515	29,424,505	14,036,476	15,388,029
8.0 Tertiary institutions Projects (List all the Projects)						
8.1 Dr. Daniel Wako TVC	-	3,960	--	3,960	-	3,960

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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
Sub-total	-	3,960	-	3,960	-	3,960
9.0 Security Projects						
9.1 Township Chiefs Office	1,300,000	-	-	1,300,000	-	1,300,000
9.2 Bukhayo West Chiefs Office	-	15,829	-	15,829	15,600	229
9.3 Nangoma Chiefs Office	-	9,925	-	9,925	-	9,925
9.4 Mabunge Assistant Chiefs Office	-	3,595	-	3,595	10,001	(6,406)
9.5 Matayos Assistant Comm-Gate	-	448,106	1,000,000	1,448,106	1,448,097	9
9.6 Matayos Assistant Comm-Renovation	-	1,785,268	1,000,000	2,785,268	2,784,649	619
9.7 Matayos Assistant Comm-Toilet	-	414,022	-	414,022	414,022	-
9.8 Burumba Police Post	-	-	1,200,000	1,200,000	1,160,351	39,649
9.9 Alungoli Assistant Chief- Toilet	-	-	600,000	600,000	540,599	59,401
9.10 Alungoli Assistant Chief-Renovation	-	-	600,000	600,000	572,928	27,072
9.11 Matayos Assistant Comm-Fence	-	-	1,871,119	1,871,119	1,865,415	5,704
9.12 Matayos Assistant Comm-furniture	-	-	528,000	528,000	528,000	-
9.13 Murende Assistant Chief	-	-	1,000,000	1,000,000	526,175	473,826
Sub-total	1,300,000	2,676,745	7,799,119	11,775,864	9,865,836	1,910,028
10.0 Acquisition of assets						

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
10.1 Motor Vehicles (including motorbikes)	8,449,432	-	-	8,449,432	8,449,432	-
Sub-total	8,449,432	-	-	8,449,432	8,449,432	-
11.0 Digital Hubs						
11.1 Budokomi Digital Hub Youth Empowerment Centre	7,300,000	-	-	7,300,000	-	7,300,000
Sub total	7,300,000	-	-	7,300,000	-	7,300,000
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
Sub total						
13.0 Funds pending approval**						
13.1 Unapproved projects	-	-	1,200,000	1,200,000	-	1,200,000
13.2 AIA	-	-	-	-	-	-
Sub-total	-	-	1,200,000	1,200,000	-	1,200,000
Total	179,441,954	42,649,708	55,362,127	277,453,789	168,834,287	108,619,503

(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)

18. 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 Matayos Constituency principal activity is development at the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The NG-CDF Matayos has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach; Therefore, this is the 1st transitional financial statements. (The NG-CDF Matayos has recognised all financial Assets which includes cash and cash equivalent for operational account, deposit account and PMC balances, Receivables (owing from the Board and others), Prepayments, PPE and intangible assets acquired in F/Y 2023/2024 to date of reporting. Liabilities recognised includes trade and other payables, third party deposits and gratuity provisions. Recognition of all other non-financial assets acquired in f/Y prior to 2023/2024 to be recognised in the third year of transition after identification and valuations have been done.). The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency

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

3. Adoption of New and Revised Standards

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

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

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

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are

recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the NGCDF Matayos. 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 NGCDF Matayos 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 NGCDF Matayos 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 NGCDF Matayos. 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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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 *MATAYOS NGCDF* 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.

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

6. Transfers from the NGCDF Board

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

7. Transfers from the NGCDF Board Actual

Description	FY 2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	180,918,175
Total	180,918,175

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8. Employees cost

	FY 2024/2025
	Kshs
NG-CDFC Basic staff salaries	4,551,972
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	902,733
Employer Contributions Compulsory national social security schemes	225,443
Employer Contributions Compulsory Housing levy	57,135
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,737,283

8A. Employees cost

	FY 2024/2025
	Kshs
NG-CDFC Basic staff salaries	4,551,972
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	-
Employer Contributions Compulsory national social security schemes	225,443
Employer Contributions Compulsory Housing levy	57,135
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,834,550

9. Committee Expenses

	FY 2024/2025
	Kshs
Sitting allowance	1,929,400
Other Committee expenses	883,000
Total	2,812,400

10. Use of Goods and services

	FY 2024/25
	Kshs
Utilities, supplies and services	710,000
Communication, supplies and services	560,195
Domestic travel and subsistence	347,200
Printing, advertising and information supplies & services	790,250
Office Rent	-
Training expenses	170,000
Hospitality supplies and services	280,000
Insurance costs	-
Specialized materials and services	397,120
Office and general supplies and services	665,410
Fuel, oil & lubricants	790,000
Bank charges	110,178
Routine maintenance – vehicles and other transport equipment	127,050
Routine maintenance – other assets	100,200
Strategic plan expenses	-
Other operating expenses	1,018,360
Total	6,065,963

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11. Other Government Units Actual expenditure

Description	FY 2024/2025
	Kshs
Primary Schools Actual expenditure	56,813,900
Secondary Schools Actual expenditure	15,339,963
Tertiary Institutions Actual expenditure	-
Total	72,153,863

11A. Other Government Units Actual expenditure

Description	FY 2024/2025
	Kshs
Primary Schools Actual expenditure	55,101,622
Secondary Schools Actual expenditure	14,036,476
Tertiary Institutions Actual expenditure	-
Total	69,138,098

12. Other Grants and transfers Actual expenditure

	FY 2024/2025
	Kshs
Bursary – secondary schools	45,999,500
Bursary – tertiary institutions	13,266,800
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	
Security projects Actual expenditure	10,041,386
Climate change mitigation projects	1,040,000
Emergency projects Actual expenditure	7,361,707
Roads projects Actual expenditure	-
Others specify	-
Total	77,709,393

12A. Other Grants and transfers Actual expenditure

	<i>FY 2024/2025</i>
	Kshs
Bursary – secondary schools	45,999,500
Bursary – tertiary institutions	13,266,800
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	
Security projects Actual expenditure	9,865,836
Climate change mitigation projects	1,040,000
Emergency projects Actual expenditure	7,361,707
Roads projects Actual expenditure	-
Others specify	-
Total	77,533,843

13. Depreciation and Amortization Expenses

Description	<i>FY 2024/2025</i>
	Kshs
Property Plant and Equipment	2,112,358
Intangible Assets	-
Total	2,112,358

14. Digital Hubs Expenses

Description	<i>FY 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>)	-
Total	-

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15. Cash and Cash Equivalents

Name Of Bank and Account No.	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>KCB Bank. MATAYOS NATIONAL GOVERNMENT CONSTITUENCY Account No. (1323688986)</i>	31,875,303	36,397,362
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>EQUITY Bank, MATAYOS NGCDF DEPOS account No. 078285347185</i>	1,203,644	300,911
<i>Name of Bank, account No. (PMC accounts)</i>	21,654,649	-
Total	54,733,596	36,698,273
Cash Balances		
Location 1 PMC Bank Balances	-	5,951,435
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	5,951,435

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16. Receivables from Non-Exchange Transactions

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	53,885,906		55,362,127	
Outstanding imprest	-		-	
Total	53,885,906		55,362,127	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	53,885,906	100%	55,362,127	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

17. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	8,449,432	-	-	-	-	8,449,432
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	8,449,432	-	-	-	-	8,449,432
Depreciation And Impairment								
Opening Depreciation		-	-	-	-	-		-
Depreciation	-	-	2,112,358	-	-	-	-	2,112,358
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025		-	2,112,358	-	-	-	-	2,112,358
Net Book Values								
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	6,337,074	-	-	-	-	6,337,074

Valuation

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

17 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	8,449,432	2,112,358	6,337,074
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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

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18. Third-Party deposits

	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	6,908,798	-
Retention paid during the Year (C)	3,717,483	-
Closing Retention as at 30th June D= A+B-C	3,191,315	-

Retentions aging analysis.

	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	3,191,315	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

19. Gratuity Provision

Description	FY 2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July	300,911
Gratuity held during the year	902,733
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	1,203,644

20. Cash Generated from Operations

	FY 2024/2025
	Kshs
Surplus/Deficit for the year	12,850,694
Adjusted for:	
Depreciation	2,112,358
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	1,476,221
Increase/decrease in payables	4,094,048
Net cash flow from operating activities	20,533,321

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

21. 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:

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due. 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.

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk 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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (Current FY: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (Current FY – Kshs)

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:

22. Related Party Disclosures

	<i>FY 2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,929,400	1,296,204
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	180,918,175	234,939,098
Total	180,918,175	234,939,098

23. Segment Information

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

24. Events after the Reporting Period

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

25. Ultimate and Holding Entity

The NGCDF-Matayos 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.

26. Currency

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

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19. 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	1,200,000			1,200,000
Buildings and structures	25,271,030			25,271,030
Transport equipment	4,826,384	8,449,432		13,275,816
Office equipment, furniture, and fittings	3,537,225			3,537,225
ICT Equipment and Other ICT Assets	1,789,004			1,789,004
Other Machinery and Equipment	230,000			230,000
Intangible assets				
Total	36,853,643	8,449,432		45,303,075

*** In the financial 2024/2025 Matayos NG-CDF purchased Motor Vehicle a Toyota Double Cab**

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

PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023-2024
Khuduru Primary School	KCB Bank	1201412129	2,624	3,815
Lwanya Primary School	KCB Bank	1146746466	3,707	3,707
		1146745567		
St. Joseph Girls Primary School	KCB Bank	1280238860	-	3
Mayenje Primary School	KCB Bank	1331628636	1,419	-
Busidibu Primary School	KCB Bank	1330989570	276	-
Mother Teresa Bugengi M.H Special-Classroom	KCB Bank	1331121159	322	-
Mother Teresa Bugengi M.H Special-Water Tank	KCB Bank	1331052815	-	-
St. John's Buringala Primary School	KCB Bank	1331334047	1,234	-
Busendebala Primary School	KCB Bank	1331170419	209,764	-
Mundika Boys Primary School	KCB Bank	1335192697	10,847,054	-
St. Theresa's Girls Primary School	KCB BANK	1340257084	1,575	-
St. Peters Budokomi Pri Sch	Equity Bank	780285578398	1,471	-
Munongo Primary School-classroom PMC	Equity Bank	780279211346	-	-
Burumba Primary School	Equity Bank	780285565345	2,502	-
Mundika Special-Renovation	Equity Bank	780285578447	4,477	-
Mundika Special-Water Tank	Equity Bank	780285578469	3,600	-

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023-2024
Nambere RC Primary School	Equity Bank	780270362773	27	27
Nasewa Primary School	Equity Bank	780279718812	-	1,244
Khuduru Primary School	Equity Bank	780279223002	440	27,440
Khuduru Primary School	Equity Bank	780285565353	40,873	-
Bugengi Primary School	Equity Bank	780284481959	1,136	33,933
Bukalama Primary School	Equity Bank	780284481901	1,166	1,166
Lwanya Primary School	Equity Bank	780284479694	206	43,206
Mundika Girls Primary School	Equity Bank	780284505001	816	12,794
Busidibu Primary School	Equity Bank	780279812496	4,076	4,076
Buyende Primary School	Equity Bank	780284897626	2,235	8,035
Esikulu Primary School	Equity Bank	780284980214	11,068	11,068
Esirisia Primary School	Equity Bank	780286410726	746,571	
Esirisia Primary School	Family Bank	79000025408	514	514
Buyende Primary School	Family Bank	79000025488	73	1,023,531
Luliba Primary School Classroom	Family Bank	79000047823	105,390	-
Nangoma Primary School	Family Bank	79000027123	4,189	4,189
Luliba Primary School Renovation	Family Bank	79000047824	879	-
Buderie Primary School	Family Bank	70000478125	530	-
Buderie Primary School	National Bank	1242038202200	620	620

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023-2024
Bulanda Primary School	National Bank	1242037194300	369	62,729
Buringala Primary School	National Bank	1022037199400	358	358
Mayenje Primary School	National Bank	1022036903800	10,858	10,858
Muyafwa Primary School	National Bank	1022036903800	1,005	1,005
Siwongo Primary School	National Bank	1047018009800	1,103	1,103
St. Teresa's Girls Primary School	National Bank	7717176076	45,837	
Budokomi Primary School	Co-operative Bank	13923593570	2,280	2,280
Busidibu Special Sch Classroom	Sidian Bank	1032710004814	77,160	-
Murende Pri Sch-Classroom PMC	Sidian Bank	1032710004854	634	-
Mabunge Primary Sch. Classroom	DTB	243585006	559	-
Mabunge Secondary School	KCB Bank	1209076608	2,238	2,239
Mayenje Secondary School	KCB Bank	1176735683	-	3,034
Our Lady Of Mercy Secondary	KCB Bank	1264226020	177	95,482
Bulanda Secondary School	KCB Bank	1332375642	93,535	
Mabunge Secondary School-Hall	Equity Bank	78023487532	79,753	459,624
Lwanya Girls Secondary School	Family Bank	7300006743	3,507,740	54,455
St. Peters Budokomi Secondary	KCB Bank	1174535342	92	91,327
Mundika Sec Phase II Hall	Equity Bank	780284473602	2,830	93,405
St. Marys Mundika High School	Equity Bank	780282417469	4,481,960	163,025

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023-2024
Mundika Secondary School Administration Block	Equity Bank	780284473647	206	74
Mundika Secondary School	National Bank	1242037199300	24,331	24,331
Esirisia Secondary School	National Bank	1242037613800	1,071	1,071
St. Mathias Secondary School	National Bank	1242037200600	259,064	260,125
Lunga Secondary School	National Bank	1242037680601	1,087	1,087
St. Augustine Nasira Secondary School	National Bank	1021036760200	3080	3,080
St. Mathias Secondary School CDF	National Bank	7716470264	429,767	429,767
St. Peters Budokomi Secondary School	National Bank	124037125201	92	181,027
Burumba Secondary School	Sidian Bank	1032030000135	10,139	10,139
Budokomi Secondary School	Sidian Bank	1032030000095	338	137,453
Alungori Secondary School	Sidian Bank	10323000085	316	316
Dr. Daniel Wako Murende TVC	Equity Bank	0780284523984	3,860	3,960
Burumba Police post	Equity Bank	0780285565347	39,649	
Alungoli Toilet	KCB Bank	1331586526	27,072	
Alungoli Renovation	KCB	1331465974	59,401	
Bukhayo West Chiefs Office	Equity	0780284922591	229	15,829
Nangoma Chiefs Office	Equity	0780284484877	9,925	9,925
Mabunge Assistant Chiefs Office	National Bank	01021230745900	(6,406)	3,595
Matayos ASS. Commissioner Office-Pmc Fance	DTB Bank	0243585004	5,704	

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance Comparative FY 2023-2024
Matayos ASS. Commissioner Office-Pmc Gate	DTB Bank	0243585003	9	448,106
Matayos ASS. Commissioner Office-Pmc Renovation	DTB Bank	0243585001	619	1,785,268
Matayos ASS. Commissioner Office-Pmc Toilet	DTB Bank	0243585005	-	414,022
Murende Assistant Chiefs Office-PMC	Co-operative Bank	01101950348001	473,826	
Total			21,654,649	5,951,435

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)
	<p>Basis for Qualified Opinion 1. unsupported Project Management Committee Bank Balances Note 19.4 to the financial statement and annex 5 to the financial statements reflects project management Committee (PMC) bank balances amounting to Kshs. 5,951,435 as at 30th June 2024 in respect ton (50) bank accounts. However, the bank reconciliation statements, bank statements, cashbooks and bank confirmation certificates were not provided for audit review.</p>	<p>Management was able to provide bank statements, cashbook balances and confirmation certificates for audit review</p>	<p>Resolved</p>	
	<p>20.Unsupported bursary disbursements</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 statement of receipts and payments reflect other grants and transfers of Kshs 85,194,979 as disclosed in Note 8 to the financial statements. The balance includes Kshs 40,078,000, Kshs 17,157,584 and Kshs 1,500,000 in respect to bursary payments to secondary Schools, Tertiary institutions and special Schools respectively. However, bursary payments amounting to Kshs. 5,048,200 in relation to secondary schools were not supported by acknowledgment receipt</p>	<p>Management provided acknowledgment receipts for some of bursary disbursements made and put in place mechanisms to improve on intuitions remitting receipts and acknowledgments</p>	<p>Resolved</p>	
	<p>3.Stale cheques and unsupported bank balance The statement of Assets and liabilities and Note 11A reflects cash and cash equivalents of balance of Kshs. 36,689,273 as disclosed</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>in Note11A to the financial statements. This balance comprises of two local bank accounts in relations to operations and deposit accounts of Kshs. 36,397,362 and Kshs. 300,911 respectively. However cheques totaling Kshs. 57,483 for operations account had become stalled as at 30th June 2024. Further a balance of Kshs. 300,909 had been disclosed in relation to deposit account but the supporting bank reconciliation statements, cashbook extractions and bank confirmation certificates were not provided for audit review</p>	<p>The cheques that had stalled during or before the stated period were reversed</p>	<p>Resolved</p>	
	<p>Delay in project implementation During the year under review the fund had planned to implement 42 projects at a total cost of Kshs. 101,499,613. However,</p>	<p>Through the Project Management Committee management requested for variation and was</p>	<p>Not Resolved</p>	<p>In two months' time the building will be completed.</p>



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>review of the record revealed that 26 or 58% of the projects costing Kshs 42,919,613 had not started while 4 or 9% of the projects costing Kshs. 40,090,919 were ongoing and only 15 or 33% of the projects costing Kshs. 18,488,839 had been completed.</p>	<p>approved and funds added for completion of works. The contractor is on site</p>		
	<p>Delayed implementation of the projects 2.1 Delayed completion of administration block at St. Stephen's Lwanya Girls Secondary School During the year under review, management awarded a local contractor a contract for construction of administration block at St Stephen's Lwanya girls Secondary School at a contract sum of Kshs. 38,284,255 and was to be completed within 52 weeks from contract signing date of</p>	<p>Through the Project Management Committee management requested for variation and was approved and funds added for completion of works. The contractor is on site</p>	<p>Not Resolved</p>	<p>In two months' time the building will be completed.</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>25th November, 2021. However records reviewed revealed that the contractor had already been paid the entire contract sum of Kshs 38,284,255 or 100% while the project was estimated to be only at 60% complete. Field inspection done on 26/11/2024 revealed that the project had stalled and the contractor was not on the site. Additionally the administration block did not have doors and window frame and glasses had not been fixed</p>			
	<p>2.1 Delayed completion of multi-purpose hall at St. Mary's Mundika High School During the year under review, review of the records revealed that management awarded a local contractor a contract for the construction to completion of a multi-purpose hall/ administration</p>	<p>Through the Project Management Committee management requested for variation and was approved and funds added for completion of works. The</p>	<p>Not Resolved</p>	<p>In two months' time the building will be completed.</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)
	block at St. Marys's Mundika High School at a contract sum of Kshs 46,833,216 to be completed within 52 weeks from contract signing date of 24/11/2021. However field inspection done on 26/11/2024 revealed that the project had stalled and the contractor was not on site.	contractor is on site		



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Kevin O. Mcakech
Fund Account Manager.

MATAYOS NG - CDF
 P. O. Box 1055 - 50400
 BUSIA (K)

