

REPUBLIC OF KENYA



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REPORT

DATE: 12 FEB 2026 *Thursday*

OF	<i>Hon George Munyoo, MP</i>
BY:	<i>Deputy Com.</i>
CLERK-AT THE-TABLE:	<i>Kanaka T.</i>

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - KABUCHAI
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KABUCHAI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kabuchai 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	Joyce N. Wanjala
2.	National Sub-County Accountant	George Khisa Efumbi
3.	Chairman NGCDFC	Charles Sirengo
5.	Member NG CDFC	Janet Wanambuko – Deposit A/c

(c) Fiduciary Oversight Arrangements

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

NG CDFC Offices, next to Musese shopping centre
Chwele
Kanduyi Musese road.

(e) NGCDF Kabuchai Constituency Contacts

P.O. Box 120 chwele
Telephone: (254) 722245551
E-mail: cdfkabuchai.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kabuchai Constituency Bankers

1. Operations Account
The Cooperative Bank,
Bungoma Branch,
01141536140900.
P.O. 1964-50200
2. Deposit Account
The cooperative Bank,
Chwele Branch
(01105361409001).
P.O. Box 120 Chwele,
3. Bank C. (PMC Accounts)
The Cooperative Bank
Bungoma Branch,
P.O. 1964-50200, Bungoma
The cooperative Bank,
Chwele Branch
P.O. Box 120 Chwele,






(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

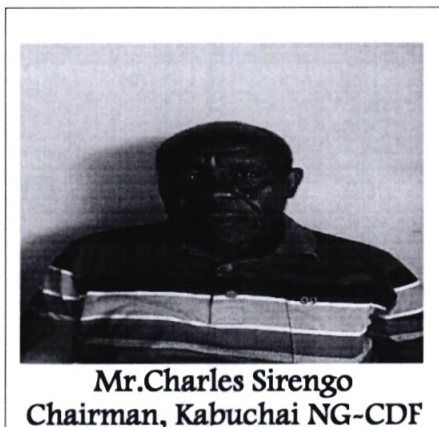
3. NGCDF Committee

Name	Details
 <p>Charles Sirengo – Chairman Representing Male Adult</p>	<p>Date of birth: 16th August 1948 Academic qualifications: Bed degree Professional qualification: professional teacher, senior principal Work experience: retired as a teacher in public service. Currently NGCDFC chair for 17 years</p>
 <p>Anthony Monari DCC</p>	<p>Date of birth: 10th December 1963 Academic qualifications: B.A.M.A, Professional qualification: administration DCC. work experience: worked as field administrator for more than 20 years, currently dcc Bungoma central and ngcdf member for 3 years</p>
 <p>Douglas munyasia Constituency nominee</p>	<p>Date of birth: 4th November 1984 Academic qualifications: diploma in health records and information technology Professional qualification: health record officer in the ministry of health work experience: clerk Kenya airport authority for 2 years, currently secretary NGCDF Kabuchai committee for 4 years</p>
 <p>Janet Wanambuko Representing PLWD</p>	<p>Date of birth: 1st January 1977 Academic qualifications: form 4 Professional qualification: diploma in scouting Work experience: board member chenjeni secondary and teremi primary, mentor mother and cleaner at sikulu health centre. Currently NGCDFC committee member for 4 years</p>
	<p>Date of birth: 2nd June 1962 Academic qualifications: form 4 Professional qualification: farming</p>

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<p>Maximilla wanyonyi Representing Female Adult</p>	<p>work experience: NGCDF Committee member for 13 years as female adult</p>
 <p>Felix makasi NG CDFB Coopted member</p>	<p>Date of birth: 21ST December 1953 Academic qualifications: Form 4 Professional qualification: chief 1983-2009 work experience: chief 25 years and CDFC member for 13 years as coopted member</p>
 <p>John wetunde Representing Male youth</p>	<p>Date of birth: 14th February 1988 Academic qualifications: form 4 Professional qualification: farming work experience: NG CDF Committee member for 4 years as male youth</p>
 <p>Rose barasa Representing Female youth</p>	<p>Date of birth: 25th November 1994 Academic qualifications: diploma in human resource management Professional qualification work experience: currently committee member for 4 years as a female youth</p>
 <p>Florence wabuke Constituency nominee</p>	<p>Date of birth: 22nd January 1988 Academic qualifications: form 2 Professional qualification: farming work experience: currently ngcdf committee member for 4 years as constituency nominee</p>
 <p>Joyce Wanjala FAM-Ex Official Member</p>	<p>Date of birth: 05/11/1984 Academic qualifications: MBA Professional qualification: Accountant work experience: 12 years' experience as a Fund Account Manager</p>

4. NG-CDFC Chairman's Report

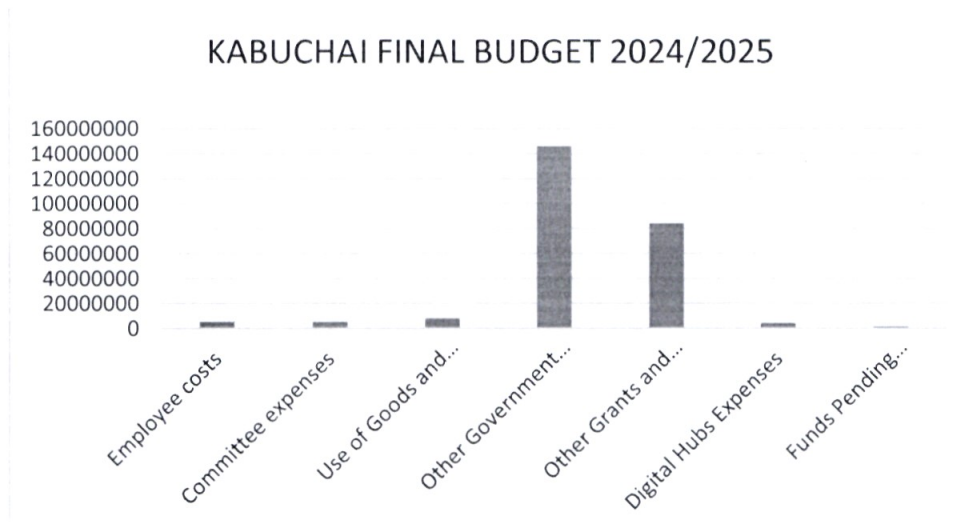


I feel privileged to have this opportunity of submitting our financial statement for the Financial Year 2024/2025 in line with the requirement of the NG-CDF Act 2015.

In the financial year 2024/2025, the constituency had an original budget of ksh.170,469,857 (One hundred and seventy million, four hundred and sixty nine thousand eight hundred and fifty seven), balance brought forward of Ksh 20,030,763 (twenty million, thirty thousand, seven hundred and sixty three), AIA Ksh 116,631 (one hundred and sixteen thousand, six hundred and thirty one), the previous year outstanding disbursements were Ksh 65,022,253 (sixty five million, twenty two thousand, two hundred and fifty three), leading to a final budget of Ksh. 255,639,504 (two hundred and fifty five million, six hundred and thirty nine thousand five hundred and four) as represented in the table below;

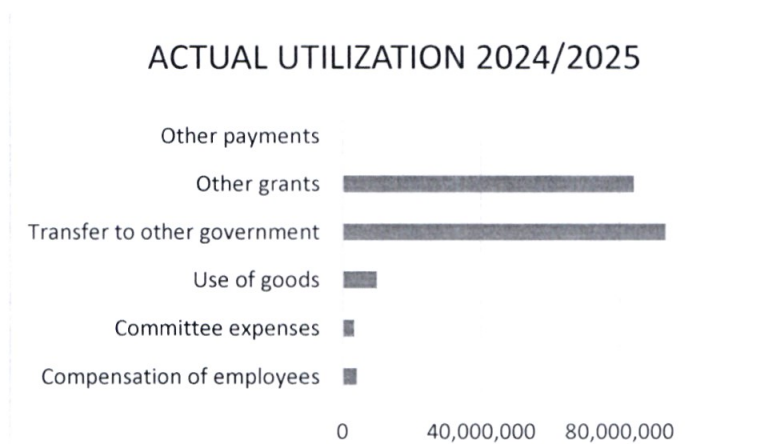
Compensation of employees	5,715,918
Committee expenses	5,422,886
Use of goods	8,382,105
Transfer to other government	145,960,634
Other grants	84,105,780
Other payments	4,415,481
unallocated	1,636,702
Total	255,639,504

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In the financial year under review, the constituency received Ksh. 204,022,253 (Two hundred and four million, twenty two thousand, two hundred and fifty three) from the Board, in addition to the constituency and PMC bank balances, AIA collection of Kshs 116,631 (one hundred and sixteen thousand, six hundred and thirty one) leading to a total of Ksh 227,614,624 (two hundred and twenty seven million, six hundred and fourteen thousand, six hundred and twenty four). However, the constituency was able to utilize Ksh. 194,896,201 (one hundred and ninety four million, eight hundred and ninety six thousand two hundred and one) as represented in the table and graph below;

Compensation of employees	4,184,442
Committee expenses	3,333,450
Use of goods	9,898,316
Transfer to other government	93,405,324
Other grants	84,074,669
Other payments	-
Total	194,896,201



National Government Constituencies Development Fund (NGCDF)

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Over the years, the Kabuchai NG-CDF has promptly disbursed funds to the Project Management Committee's (PMC's) for implementation of various projects. We have consequently recorded tremendous progress in various sectors as follows: -

1. Many need and vulnerable children have accessed education through the bursary schemes,
2. Construction of classrooms, laboratories, dormitories, and libraries and computer rooms has enhanced provision of quality education.
3. Promotion of environmental conservation, Aids awareness, sensitization on drug and substance abuse as well as promotion of Youth Sports,
4. The funds have also been used to provide security facilities.

The following are some of our successful projects;



Challenges

The implementation of NG CDF projects has not gone without challenges;

1. Lack of sufficient funds as needs is limitless.
2. The problem of bit funding has slowed the period of completion of projects.
3. Lack of partners for co-funding has also been a challenge.

Way forward

1. Improve fund disbursement timeliness by working with treasury to ensure timely release of funds and prioritize projects based on urgency and available resources
2. Strengthen the transparency and Accountability by implementing strict monitoring and evaluation mechanisms.
3. Enhance capacity building by training NG CDF Committee members on project management, procurement, and financial reporting.

Emerging issues

1. The introduction of Electronic Government procurement (e-GP) system in public procurement.
2. Automation of procurement processes and supplier registration through e-GP.
3. Transition from the cash-based to accrual-based accounting.

The entity is striving to prioritize projects and implement as stipulated in the strategic plan to ensure priority projects are funded and implemented to completion.

Finally we appreciate the role NG-CDF is playing in our development and it is my hope that it will be retained to continue serving as a vehicle for economic development of our country.

Introduction of e procurement process



.....
Charles Sirengo
Chairman NGCDF Committee

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

Introduction

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

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

1. Ensure a conducive environment for learning to curb poverty and reduction crimes
2. Environment protection and conservation
3. To address socio-economic development of the people to enhance regional equity
4. Support provision of security for an enabling business environment
5. Youth and women empowerment including PWDS

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 24/25 - we constructed 30 classroom in primary schools, and 5 in secondary schools. - Bursary beneficiaries in secondary were 11,234 students, and tertiary institutions beneficiaries were 3,335 students
Security	Equip, facilitate and enhance capacity of provincial administration and other	Develop and enhance provincial administration and other security organs	Number of usable physical infrastructure built in locations, sub locations and police stations	In the FY 24/25 we completed the construction of pit latrines in bungoma central headquarters, sikusi and luuya chief's offices

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	security organs in order to improve service delivery	infrastructure to enhance service delivery		
Environment	Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Enhanced conservation and restoration of forest and environment	In the financial year 2023/2024, Kabuchai constituency on the climate change and mitigation program planted 3,250 trees and installed 10,000 litres water tanks across the in ten schools
Emergency	Enhance the disaster management programme	Enhanced disaster management exercise	Number of fire extinguishers, and exit doors and windows	In the FY 24/25, the NG CDFC installed one lightening arrester to cab for the lightening, constructed pit latrines in Khatiri primary, Chemwa primary, Renovation works in Chebukwa secondary, and latrines at the Bungoma central AP Camp.

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

NG CDFC Process of appointment

Section 43(1), (2), (3), and (4) of the National Government Constituencies Development Fund (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;

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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 gazettment by the board.

The current NG-CDFC members were gazetted in Kenya via the gazette notice Vol.CXXIV-No.266 of 9th December, 2022 and the first meeting was held on 13/12/2022 at the NG CDF Boardroom.

The persons appointed are drawn from different groupings as follows:

- Male Adult- Charles Sirengo -Chairman
- Male youth – John Wetunde - Member
- Female adult—Maximillah Wanyonyi - Member
- Female youth—Roselyne Barasa - Member
- PWD REP—Janet Wanambuko - Member
- Co-opted Member—Felix Makasi - Member
- Nominee of constituency Office—Douglas Munyasia - Secretary
- Nominee of constituency Office—Florence - Member

The term of the listed members has since come to an end but will expire upon the gazettment of the new NG CDFC members.

a) NG CDFC Tenure

Members of the NG CDF, except ex-officio members, hold office for a term of two years but are eligible for reappointment for one further term.

The maximum number of terms a member can serve is two consecutive terms, meaning a total of four years.

The role of the Constituency Committee are;

- I. Build the capacity of project management committees and Committee.
- II. Sensitize the Community on the operations of the Fund;
- III. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- IV. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016 ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a

declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

V. Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;

VI. Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;

VII. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;

VIII. Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

IX. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

X. Ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

XI. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;

XII. 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;

b) Removal of a member

A member may be removed from the committee in accordance in accordance to the provisions of section 43 (13) and (14) of the Act upon receipt of a complaint against a member.

A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be

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attached to the notice issued. Duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office

c) NG CDFC Induction and training

The current NG CDF Committee members' term of service came to an end in December 2024. The process of appointing a new NG CDFC team was concluded in May 2025. The Induction and training for the new NG CDF Committee members will be done after gazettelement.

d) Number of meetings

NG-CDF Act Section 43 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Kabuchai Constituency, the NG-CDF Committee conducted 12 Meetings and 5 sub-committee meetings.

	Name of committee member	Meetings held											
		3/7/24	23/7/24	7/8/24	5/10/24	20/2/25	23/1/25	22/2/25	26/3/25	21/4/25	9/5/25	3/6/25	19/6/25
1	Charles Sirengo	√	√	√	√	√	√	√	√	√	√	√	√
2	John Wetunde	√	√	√	√	√	√	√	√	√	√	√	√
3	Maximillah Wanyonyi	√	√	√	√	√	√	√	√	√	√	√	√
4	Roselyne Barasa	√	√	√	√	√	√	√	√	√	√	√	√
5	Janet Wanambuko	√	√	√	√	√	√	√	√	√	√	√	√
6	Douglas Munyasia	√	√	√	√	√	√	√	√	√	√	√	√
7	Florence Wabuke	√	√	√	√	√	√	√	√	√	√	√	√
8	Felix Makasi	√	√	√	√	√	√	√	√	√	√	√	√
9	FAM	√	√	√	√	√	√	√	√	√	√	√	√
10	DCC	√	√	√	√	√	√	√	√	√	√	√	√

e) Remuneration Rates

The members of the NG CDFC are not salaried but are entitled to allowances for attending committee meetings. The chairperson is entitled to **Ksh 7,000** and all other members **Ksh 5,000** per sitting.

f) Disclose the policy on Conflict of interest.

The members are required to declare any conflict of interest during the meetings, which whenever declared would be recorded in the minutes and the register.

g) 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 members.

h) Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

i) 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

- Proper utilization of funds
- Project identification and prioritization
- Monitoring and evaluation
- Compliance with legal and financial regulations
- Stakeholder engagement
- Reporting and transparency

7. Management Discussion and Analysis

Kabuchai NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

a) Key Projects

Kabuchai NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Kabuchai. For instance the construction of storey academic blocks in Chebukaka boys primary school and Luuya primary school. The infrastructures have led to conducive learning and teaching environment.

The improvement of Bungoma central AP Camp and Kabuchai police station sanitation has tremendously improved security service to the residents of Kabuchai.

The Fund has been able to construct additional classrooms in the various primary and secondary schools. The storey buildings have been able to decongest the learning space for the students and provide conducive working area for the teachers and administrators of the schools. They have also reduced the pressure on additional land for the institutions which has been a great challenge.

ICT Hubs have been critical in the changing the livelihoods of Kabuchai residents. The projects are located in Chwele/Kabuchai Ward and West Nalondo ward. The Constituency is in the process of establishing a digital hub in the constituency. The project which was initiated in the financial year 2024/2025 is still under construction.

A part from the key projects indicated above, Kabuchai NG-CDF has equally provided infrastructure to various institutions across the constituency including the recent matching fund arrangement with the Ministry of Education to construct Junior Secondary School classrooms.



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ONGOING CONSTRUCTION OF STOREY BUILDING AT BUSAKALA SECONDARY SCHOOL

b) Compliance with statutory requirements.

Kabuchai NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA 2015 and many other relevant laws and has been in full compliance of the same.

For instance schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Kabuchai been cited for non-compliance.

Kabuchai NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contractors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

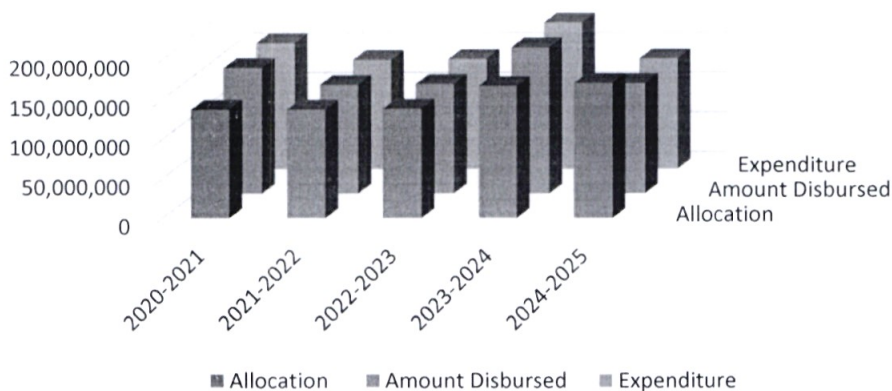
c) Sector Performance

Kabuchai NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security. The analysis is represented in the table and pie chart below:

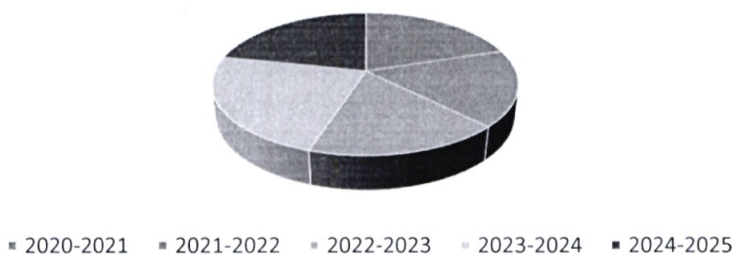
Financial Year	Allocation	Amount Disbursed	Expenditure	Percentage
2020-2021	137,088,879	137,088,879	137,088,879	100%
2021-2022	137,088,879	137,088,879	137,088,879	100%
2022-2023	138,215,033	138,215,033	138,215,033	100%
2023-2024	166,593,720	166,593,720	166,593,720	100%
2024-2025	170,469,857	139,000,000	139,000,000	79%
Total	749,456,368	717,986,511	717,986,511	

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

**ALLOCATIONS, DISBURSMENTS, & EXPENDITURE
 IN 5 FINANCIAL YEARS**



**Constituency allocation for the last 5
 financial years**

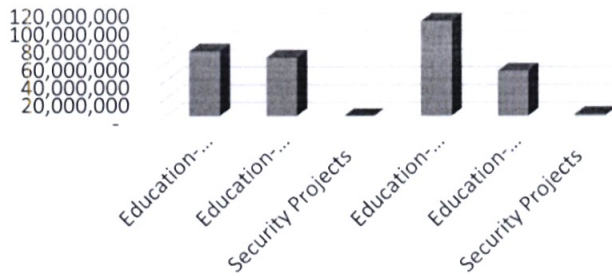


From the above data, Kabuchai NG-CDF has been able to receive a total of Ksh **717,986,511** as at 30.06.2025 for the last five financial years. The resources has been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

The below table further illustrates the expenditure performance of Kabuchai NG-CDF in the past two years;

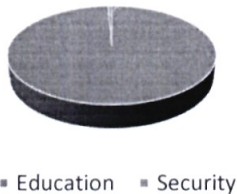
2024-2025	Education-Projects	73,105,472
	Education-Bursary	66,000,000
	Security Projects	0
2023-2024	Education-Projects	106,803,968
	Education-Bursary	51,268,713
	Security Projects	2,000,000
	Total	299,178,153

Education projects, Bursary & security
 2023/2024, 2024/2025



Sector	Sector Budget	Percentage
Education	297,178,153	99%
Security	2,000,000	1%
Total	299,178,153	

Education & Security



Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 99% of the entire allocation and secondly the security sector with average of 1%. This is an indicator that the Fund has put more efforts in improving the academic standards of Kabuchai constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objective. The management advocates for more resource allocation to further improve on its mandate.

d) Review of the Economy, Sector and Future Developments

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as

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

a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Kabuchai NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



.....
Joyce N Wanjala
Fund Account Manager



8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

The kabuchai NG CDF Committee allocates funds to different institutions for the environmental conservation. This includes installation of water tanks and planting of trees in schools.

3. The constituency has supported the development of police stations in the constituency.

4. Employee welfare

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

5. Marketplace practices-

Kabuchai 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 relationships with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly. NGCDF has put in efforts to ensure:

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

6. Community Engagements-

Kabuchai 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

Kabuchai 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.

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

.....
Joyce N Wanjala
Fund Account Manager.



9. Statement Of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF kabuchai 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- Kabuchai Constituency financial statements were approved and signed by the Accounting Officer on 29/10/ 2025.



.....
Charles Sirengo
Chairman – NGCDF Committee





.....
Joyce N Wanjala
Fund Account Manager

REPUBLIC OF KENYA

Phone: +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 - KABUCHAI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Kabuchai Constituency set out on

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

pages 1 to 58, which comprise of the statement of financial position as at 30 June, 2025 and the 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kabuchai Constituency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of financial performance reflects an amount of Kshs.84,074,669 in respect of other grants and transfers actual expenditure and as disclosed in Note 14 to the financial statements. The expenditure includes disbursement of bursaries to secondary schools and tertiary institutions amounting to Kshs.47,800,628 and Kshs.22,701,240 respectively, all totaling to Kshs.70,501,868. However, the acknowledgement letters from the beneficiary institutions in respect to bursary payments totaling Kshs.5,028,000 were not provided for audit review.

In the circumstances, the accuracy and completeness of the bursary expenditure amounting to Kshs.5,028,000 could not be confirmed.

2. Misclassification of the Net Assets Balance

The statement of financial position reflects revaluation reserve balance of Kshs.59,628,643. On the contrary, the statement of changes in net assets indicates total net assets balance of Kshs.59,628,643 which comprises revenue reserves of Kshs.83,944,677 and accumulated deficit of Kshs.83,944,677. Further, the Fund's assets had not been revalued and the total net assets balance of Kshs.59,628,643 should be attributed to accumulated surplus.

In the circumstances, the completeness and completeness of total net assets balance of Kshs.59,628,643 could not be confirmed.

3. Unconfirmed Opening Balance

The statement of financial position and Note 19 to the financial statements reflects cash and cash equivalents opening balance of Kshs.20,030,763 as at 1 July, 2024 which, as disclosed in Note 19 to the financial statements includes Project Management Committee (PMC) accounts balance of Kshs.18,365,229. However, the previous year audited financial statements for the year ended 30 June, 2024 reflects PMC accounts balance of Kshs.11,189,473 resulting to unexplained variance of Kshs.7,175,756.

In the circumstances, the accuracy and completeness of the opening PMC accounts balance of Kshs.18,365,229 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 – Kabuchai 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 revenue budget and actual amounts on comparable basis of Kshs.255,639,504 and Kshs.224,169,647 respectively, resulting in an under-funding of Kshs.31,469,857 or 12% of the approved budget. Further, the Fund expended an amount of Kshs.192,563,233 against the budget of Kshs.255,639,504 resulting in under-expenditure of Kshs.63,076,271 or 24% 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 report for the previous year, issues were raised under Report on the Financial Statements, Emphasis of Matter and the Report on Lawfulness and Effectiveness in the

Use of Public Resources as detailed in **Appendix I**. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.

Other Information

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and 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. Non-Compliance with Transition from Cash to Accrual Accounting Framework

Review of the implementation of cash basis to accrual basis of accounting roadmap at the Fund, revealed that the accounting officer of the Fund did not establish a cash to accrual transition committee at the entity level, and did not appoint a project manager to oversee the transition. Further, a detailed roadmap outlining the key milestones at the entity level had not been developed as required by The National Treasury and Economic planning circular Ref. Treasury circular No.3/2025 of 14 April, 2025.

Further, the statement of financial position indicates balances for both the current and previous financial year 2023/2024. However, being the first year of adoption of IPSAS Accrual accounting framework by the Fund, the statement of financial position should indicate the current balances as at 30 June, 2025 and the opening statement as at 1 July, 2024 which was not the case.

In the circumstances, Management was in breach of The National Treasury Circular.

2. Unreported Payments of Emergency Projects

The statement of financial performance and Note 14 to the financial statements reflect other grants and transfers expenditure of Kshs.84,074,669. The amount includes Kshs.8,642,581 in respect of emergency projects expenditure, which relates to construction of pit latrines, installation of lightening arrestors and renovation of a classroom. However, there was no evidence that Management reported the emergency expenditure to the Board as mandated by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

3. Projects Implementation Status

The projects implementation status report provided for audit indicates that during the year under review, the Fund had planned to implement a total of seventeen (17) projects with a budget of Kshs.60,200,000, resulting in a total of Kshs.29,607,112 disbursements to the projects PMCs. However, eight (8) projects with a budget of Kshs.16,200,000 and total disbursements of Kshs.15,390,000 were complete, while nine (9) projects with a budget of Kshs.44,000,000 and total disbursements of Kshs.14,217,112 were ongoing. Further, ten (10) projects with a budget of Kshs.28,500,000 and disbursement of Kshs.26,092,112 were verified on October, 2025 and five (5) project were found to be complete and five (5) ongoing.

In the circumstances, the public did not realize value for money in respect of incomplete projects.

4. Outstanding Tax Arrears Owed to Kenya Revenue Authority

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.2,314,442 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL
Nairobi

08 December, 2025

Appendix 1: Unresolved Prior Year Matters

Reference No. of Auditor-General's Report	Audit Issue
	Report on the Financial Statements
1	Unsupported Bursary Disbursements
2	Project Management Committee Bank Balance
	Emphasis of Matter
	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Stalled Project of a Stored Classrooms Block at Busakala FYM Primary school

National Government Constituencies Development Fund (NGCDF)

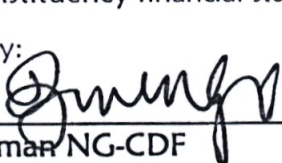
Kabuchai Constituency


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


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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	110,310
Total revenue		170,580,167
Expenses		
Employee costs	10	4,184,442
Committee expenses	11	3,333,450
Use of Goods and Services	12	9,898,316
Other Government Units Actual expenditure	13	93,405,324
Other Grants and Transfers Actual expenditure	14	84,074,669
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		194,896,201
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(24,316,034)

The Constituency financial statements were approved by the NGCDFC on 29/10/ 2025 and signed by:


Chairman NG-CDF
Committee
Charles Sirengo


National Sub-County
Accountant
George Khisa Efumbi
ICPAK M/No:


Fund Account Manager
Joyce N Wanjala

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND BOARD

National Government Constituencies Development Fund (NGCDF)

Kabuchai Constituency

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

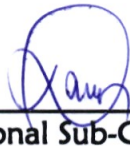
12. Statement Of Financial Position As At 30th June, 2025

	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	31,606,414	20,030,763
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	31,469,857	65,022,253
Prepayments	22	-	-
Total Current Assets		63,076,271	85,053,016
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		63,076,271	85,053,016
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,665,649	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,781,979	1,108,339
Total Current Liabilities		3,447,628	1,108,339
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,447,628	1,108,339
Net Assets (A-B)		59,628,643	83,944,677
Represented by:			
Revaluation Reserves		59,628,643	83,944,677
Accumulated Surplus			
Total Net Assets		59,628,643	83,944,677

The Constituency financial statements set out on pages 1 to 6 approved by NG CDFC on 29/10/2025 and signed by:



Chairman NG-CDF
Committee
Charles Sirengo



National Sub-County
Accountant
George Khisa Efumbi
ICPAK M/No:



Fund Account Manager
Joyce N Wanjala



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

Description	Revenue Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
As at 30th June 2024 (cash basis)	1,610,054		1,610,054
Adjustments: (to recognize assets and liabilities)			
Add Assets	83,442,962		83,442,962
Less Liabilities	1,108,339		1,108,339
As at July 1, 2024	83,944,677		83,944,677
Surplus/(Deficit) For the Period	-	(24,316,034)	(24,316,034)
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	83,944,677	(24,316,034)	59,628,643

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

	Notes	2024/2025
		Kshs
		june
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		204,022,253
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		110,310
Total Receipts		204,132,563
Payments		
Employee costs		3,510,802
Committee expenses		3,333,450
Use of Goods and Services		9,898,316
Other Government Units Certified Works		91,834,675
Other Grants and Transfers		83,979,669
Digital Hubs Expenses		-
Total Payments		192,556,912
Net Cash Flows from/ (used in) Operating Activities	30	11,575,651
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		11,575,651
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		11,575,651
Cash and cash equivalents at Period Start	19	20,030,763
Cash and cash equivalents at Period End	19	31,606,414

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


	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	20,030,763	65,022,253	255,522,873	224,053,016	31,469,857	88%
Transfers from domestic and foreign partners	-		-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	116,631	-	116,631	116,631	-	100%
Totals	170,469,857	20,147,394	65,022,253	255,639,504	224,169,647	31,469,857	88%
Expenses							0%
Employee costs	5,030,749	685,168	-	5,715,917	3,510,802	2,205,115	61%
Committee expenses	4,498,000	924,886	-	5,422,886	3,333,450	2,089,436	61%
Use of Goods and Services	5,813,538	-	2,568,565	8,382,103	9,898,316	(1,516,213)	118%
Other Government Units Certified Works	73,105,472	16,051,649	56,803,513	145,960,634	91,834,675	54,125,959	63%
Other Grants and Transfers	77,772,098	2,313,579	4,020,103	84,105,780	83,985,990	119,791	100%
Digital Hubs Expenses	4,250,000	55,480	110,001	4,415,481	-	4,415,481	0%
Funds Pending Approval**	-	116,631	1,520,071	1,636,702	-	1,636,702	0%
Total Expenditure	170,469,857	20,147,394	65,022,253	255,639,504	192,563,233	63,076,271	75%
Surplus for the period							

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Funds pending approval include sums that were not yet approved at the closure of the previous financial Ksh 1,020,000 which was since approved and utilized, and the AIA.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	63,076,271
Less undisbursed funds receivable from the Board as at 30 th June 2025	31,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	31,606,414

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 29/10/ 2025 and signed by:



Fund Account Manager
Joyce N Wanjala





National Sub-County Accountant
George Khisa Efumbi
ICPAK M/No:



Chairman NG-CDF Committee
Charles Sirengo

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,030,749	685,168		5,715,917	3,510,802	2,205,115
1.2 Committee allowances	2,528,000			2,528,000	1,916,000	612,000
1.3 Use of goods and services	2,669,442		1,153,781	3,823,223	4,102,558	(279,335)
Sub-total	10,228,191	685,168	1,153,781	12,067,141	9,529,360	2,537,780
2.0 Monitoring and evaluation						
2.1 Capacity building	1,327,696		1,414,784	2,742,480	3,123,490	(381,010)
2.2 Committee allowances	1,970,000	924,886		2,894,886	1,417,450	1,477,436
2.3 Use of goods and services	1,816,400			1,816,400	2,672,268	(855,868)
Sub-total	5,114,096	924,886	1,414,784	7,453,766	7,213,208	240,558
4.0 Emergency						
unutilized	152,098		1,099,886	1,251,984		1,251,984
MIKAYU PRIMARY SCHOOL	400,000	20	-	400,020	398,500	1,520
KHATIRI PRIMARY SCHOOL	1,200,000	875	-	1,200,875	1,152,780	48,095
CHEMWA PRIMARY SCHOOL	420,000	219		420,219	401,801	18,418
Chepsitati primary school	3,500,000	-		3,500,000	3,391,497	108,503
Chebukwa secondary school	1,500,000	3,465		1,503,465	1,500,000	3,465
BUNGOMA CENTRAL	1,800,000	120		1,800,120	1,798,003	2,117
Sub-total	8,972,098	4,699	1,099,886	10,076,683	8,642,581	1,434,102
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	30,460,792		-	30,460,792	47,800,628	(17,339,836)
5.3 Tertiary Institutions	33,539,208			33,539,208	22,701,240	10,837,968
5.4 special needs	2,000,000		1,139,663	3,139,663		3,139,663
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	66,000,000	-	1,139,663	67,139,663	70,501,868	(3,362,205)

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.0 Environment						
Wabukhonyi primary school	280,000			280,000	274,052	5,948
sikulu secondary school	280,000			280,000	274,052	5,948
namaondo primary school	280,000			280,000	274,052	5,948
lukhuna primary school	280,000			280,000	274,052	5,948
sikulu primary school	280,000			280,000	274,052	5,948
baraki primary school	280,000			280,000	274,052	5,948
sango primary school	280,000			280,000	274,052	5,948
mikayu primary school	280,000			280,000	274,052	5,948
nalondo rc primary school	280,000			280,000	274,052	5,948
luuya primary school	280,000			280,000	274,052	5,948
Constituency environment		50,055		50,055		50,055
Sub-total	2,800,000	50,055	-	2,850,055	2,740,522	109,533
8.0 Primary Schools Projects						
BUSAKALA PRIMARY SCHOOL	1,500,000	3,066,140	9,000,000	13,566,140	10,862,468	2,703,672
CHEBUKAKA BOYS PRIMARY SCH	4,000,000	3,058,976	-	7,058,976	3,057,715	4,001,261
CHEBUKAKA GIRLS PRIMARY	-	11,030	-	11,030	-	11,030
CHEBUNYINYI PRIMARY SCHOOL	-	18,135	-	18,135	-	18,135
CHEKWANDA PRIMARY SCHOOL	-	231,977	-	231,977	230,882	1,095
CHENJENI PRIMARY SCHOOL	1,500,000	2,191	1,000,000	2,502,191	2,499,000	3,191
CHEPSITATI PRIMARY SCHOOL	-	147	1,549,074	1,549,221	1,030,556	518,665
KHACHONGE PRIMARY SCHOOL	-	4,146	-	4,146	480	3,666
KHALABA PRIMARY SCHOOL	-	5,346	-	5,346	-	5,346
LUBEMBE PRIMARY SCHOOL	-	545	-	545	-	545
SIRARE RC PRIMARY SCHOOL	-	190	1,000,000	1,000,190	180	1,000,010
lufutu primary school	-	2,000,495	500,000	2,500,495	2,499,586	909
LUKHOME PRIMARY SCHOOL	-	748	1,145,905	1,146,653	1,141,607	5,046
lukhuna primary school	-	20,203	1,116,724	1,136,927	877,667	259,260
LURENDE PRIMARY SCHOOL	-	3,608	1,000,000	1,003,608	956,532	47,076

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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			
LUUCHO PRIMARY SCHOOL	-	159,851	1,000,000	1,159,851	480	1,159,371
LUUYA PRIMARY SCHOOL	4,000,000	1,534,175		5,534,175	1,400,096	4,134,079
MAKHONGE FYM PRIMARY	-	1,384	3,000,000	3,001,384	3,000,370	1,014
MAKHONGE SA PRIMARY SCHOOL	-	873	1,145,905	1,146,778	736,991	409,787
MATIBO PRIMARY SCHOOL	-	18,313	-	18,313	-	18,313
MISIRI PRIMARY SCHOOL	-	1,758	-	1,758	480	1,278
MUKHWEYA PRIMARY SCHOOL	-	2,091	-	2,091	-	2,091
NAIRUMBI PRIMARY SCHOOL	-	8,273	1,000,000	1,008,273	1,006,494	1,779
NAKITUMBA PRIMARY SCHOOL	2,000,000	101,970		2,101,970	-	2,101,970
NALONDO RC PRIMARY SCHOOL	-	1,213	1,000,000	1,001,213	958,242	42,971
NAMAKHELE RC PRIMARY	-	6,572	-	6,572	1,025	5,547
NAMAONDO PRIMARY SCHOOL	-	5,638	-	5,638	3,840	1,798
NAMIKELO DEB PRIMARY	-	1,747,252	2,000,000	3,747,252	1,746,879	2,000,373
NAMOSI PRIMARY SCHOOL	-	1,244	-	1,244	480	764
NAMUSIMBI PRMARY SCHOOL	-	98,975	400,000	498,975	475,383	23,592
NANGILI PRIMARY SCHOOL	-	1,239	1,000,000	1,001,239	884,442	116,797
NANGUBO PRIMARY SCHOOL	-	13,328	1,000,000	1,013,328	480	1,012,848
NANGWE PRIMARY SCHOOL	-	14,368	1,000,000	1,014,368	1,499,000	(484,632)
NGALASIA PRIMARY SCHOOL	-	193	1,000,000	1,000,193	956,544	43,649
SAMITA PRIMARY SCHOOL	-	10,314	1,545,905	1,556,219	1,495,233	60,986
SANANDIKI FYM PRIMARY SCHOOL	-	12,922	1,000,000	1,012,922	1,011,578	1,344
SANANDIKI SA PRIMARY SCHOOL	-	2,541	-	2,541	403,410	(400,869)
SAWALI PRIMARY SCHOOL	-	3,679	1,000,000	1,003,679	1,002,228	1,451
SICHEI FYM PRIMARY SCHOOL	-	2,840	2,000,000	2,002,840	1,470,582	532,258
SICHEI RC PRIMARY SCHOOL	-	77,589	-	77,589	480	77,109
SIKULU FYM PRIMARY		2,021	-	2,021	871,534	(869,514)
SIKUSI PRIMARY SCHOOL	-	2,960	-	2,960	-	2,960
KABUCHAI SA PRIMARY	-	258	-	258	-	258
SIRWA PRIMARY SCHOOL	-	1,445	-	1,445	-	1,445

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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
SITILA PRIMARY SCHOOL	-	1,460	-	1,460	-	1,460
WALUKAYA PRIMARY SCHOOL	-	226	1,000,000	1,000,226	-	1,000,226
NALONDO CBM	-	1,613	-	1,613	-	1,613
Chebukwa primary school	10,000,000	2,475	-	10,002,475	9,685,000	317,475
Sango PCU primary school		2,284	-	2,284	865,002	(862,719)
Sango primary school	3,000,000	2,323	-	3,002,323	1,438,078	1,564,245
St Walumoli primary school		1,222	-	1,222	532,895	(531,673)
Mikayu primary school			-	-	848,932	(848,932)
chekulo FYM Primary	-	102,797	-	102,797	94,606	8,191
kasosi primary school	-	5,063	-	5,063	-	5,063
Baraki primary school	-	2,393	1,000,000	1,002,393	-	1,002,393
Wabukhonyi sa primary	-	63	-	63	-	63
Marobo primary school	2,000,000			2,000,000	-	2,000,000
Matunda primary school	3,000,000			3,000,000	-	3,000,000
Chekulo baptist primary			1,000,000	1,000,000	-	1,000,000
Namilama primary			1,000,000	1,000,000	-	1,000,000
Sub-total	31,000,000	12,381,062	39,403,513	82,784,575	55,547,457	27,237,119
9.0 Secondary Schools Projects						
BUSAKALA SECONDARY SCH		1,925	-	1,925	-	1,925
CARDINAL OTUNGA SICHEI		11,962	-	11,962	-	11,962
CHEBUKAKA GIRLS SEC SCH	7,000,000	359,739	-	7,359,739	270,778	7,088,961
CHEBUNYINYI SEC SCHOOL		2,573	-	2,573	-	2,573
CHEKULO BAPTIST SEC SCH		70	-	70	-	70
CHEKULO FRIENDS SEC SCHOOL		55,620	-	55,620	-	55,620
CHEMWA SEC SCHOOL	-	219	-	219	-	219
CHENJENI SECONDARY SCH		36,072	-	36,072	-	36,072
KABUCHAI NGCDF OFFICE		1,545	-	1,545	-	1,545
KASOSI SECONDARY SCH		4,053	-	4,053	-	4,053
KIBICHORI SEC SCHOOL		1,116	-	1,116	-	1,116

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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	Kshs
KIBOOCHI SEC SCHOOL		3,963	4,000,000	4,003,963	3,580,538	423,425
LURENDE SEC SCHOOL	-	360,880	-	360,880	-	360,880
KIMALEWA SECONDARY SC		6,875	-	6,875	-	6,875
KUYWA SPECIAL		32,405	-	32,405	-	32,405
KHACHONGE GIRLS SEC SCHOOL		495	-	495	-	495
LUKHOME SEC SCHOOL		378	-	378	-	378
LUKHUNA SECONDARY SCHOOL		-	3,000,000	3,000,000	-	3,000,000
LUUYA GIRLS SEC		58,073	-	58,073	3,840	54,233
MAKHONGE SEC SCH		55,633	-	55,633	-	55,633
MADISI SECONDARY SCHOOL		3,941	-	3,941	120	3,821
MAROBO GIRLS SEC SCHOOL		193	-	193	-	193
MAROBO SEC SCHOOL		12,955	4,500,000	4,512,955	4,231,772	281,183
NANGWE GIRLS SEC		5,296	2,400,000	2,405,296	480	2,404,816
PONGOLA SECONDARY SCH		1,565	-	1,565	-	1,565
SANANDIKI FRIENDS SEC SCHOOL		45,798	-	45,798	-	45,798
SA WABUKHONYI SEC SCH		63	-	63	-	63
ST CHARLES LWANGA - BWAKE SE		13,423	-	13,423	-	13,423
SICHEI SECONDARY SCHOOL		32,868	1,500,000	1,532,868	1,283,244	249,624
SIKATA SECONDARY SCHOOL		259,717	1,000,000	1,259,717	1,102,670	157,047
SIKULU SECONDARY SCHOOL		1,950,233	1,000,000	2,950,233	1,948,108	1,002,125
SIKUSI SECONDARY SCHOOL		106,032	-	106,032	480	105,552
SIRARE SECONDARY SCHOOL		1,918	-	1,918	-	1,918
ST.KIZITO MUKHWEYA SEC SC		109,360	-	109,360	-	109,360
TEREMI HIGH SCHOOL		4,985	-	4,985	4,985	-
FRIENDS SEC SCHOOL MUSOKHO		115,939	-	115,939	95,000	20,939
KUYWA GIRLS SEC SCHOOL	10,000,000	-	-	10,000,000	6,127,995	3,872,006
KUYWA GIRLS SEC SCHOOL		9,044	-	9,044	-	9,044
NASAKA SECONDARY SCHOOL	13,623,472	3,665	-	13,627,137	5,500,575	8,126,562
NALONDO GIRLS SEC SCHOOL	11,482,000	3	-	11,482,003	12,136,634	(654,632)

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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	42,105,472	3,670,587	17,400,000	63,176,059	36,287,219	26,888,841
11. security projects						
NORTH BUKUSU ASST CHIEF		6,391	-	6,391	-	6,391
CHWELE CHIEF OFFICE		263	-	263	-	263
ACC NALONDO		177,158	-	177,158	175,750	1,408
ACC KABUCHAI		101,097	-	101,097	-	101,097
KUYWA CHIEFS OFFICE		350	-	350	-	350
NGALASIA AP CAMP		225	-	225	225	-
BGM CENTRAL COMMUNITY LIBRARY		4,809	-	4,809	4,809	-
FIRE & SAFETY		1,287	-	1,287	1,287	-
CHWELE POLICE STATION		1,856,533	(219,446)	1,637,087	-	1,637,087
KABUCHAI ACC OFFICE		8,725	-	8,725	-	8,725
ASSISTANT CHIEF SIKUSI		365	-	365	-	365
ASSISTANT CHIEF KABUCHAI		67,055	-	67,055	-	67,055
KASOSI ASSISTANT CHIEF		5,063	-	5,063	-	5,063
SIKUSI CHIEFS OFFICE	-	-	1,000,000	1,000,000	988,999	11,001
LUUYA CHIEFS OFFICE	-	-	1,000,000	1,000,000	903,709	96,291
MUKUYUNI ACC		252	-	252	-	252
Madisi AP Headquarter		26,463	-	26,463	26,240	223
West nalondo assistant chief		2,793	-	2,793	-	2,793
Sub-total	-	2,258,825	1,780,554	4,039,379	2,101,019	1,938,361
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-	-	-
13.0 Others						
DIGITAL HUBS	2,250,000	-	110,001	2,360,001		2,360,001

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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
BALANCE B/F deposit a/c		55,480	-	55,480		55,480
NG CDF OFFICE	2,000,000		-	2,000,000		2,000,000
Sub-total	4,250,000	55,480	110,001	4,415,481	-	4,415,481
Funds pending approval**				-		-
unapproved projects			1,420,593	1,420,593		1,420,593
AiA	-	110,310	99,478	209,788		209,788
3.0 pmc savings		6,321		6,321		6,321
Sub-total	-	116,631	1,520,071	1,636,702	-	1,636,702
Total	170,469,857	20,147,394	65,022,253	255,639,504	192,563,233	63,076,271

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kabuchai Constituency principal activity is infrastructural development.

2. Statement of Compliance and Basis of Preparation

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

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

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

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

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

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

3. Adoption of New and Revised Standards

- 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. Not applicable
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. Not applicable
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 recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles</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><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not applicable</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not applicable</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 1 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 comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

Foreign currency transactions

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

m) Related parties

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

n) Cash and Cash Equivalents

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

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

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7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	110,310
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	110,310

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,273,078
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	673,640
Employer Contributions Compulsory national social security schemes	193,282
Employer Contributions Compulsory Housing levy	44,443
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,184,442

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,916,000
Other Committee expenses	1,417,450
Total	3,333,450

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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	294,990
Communication, supplies and services	244,650
Domestic travel and subsistence	865,600
Printing, advertising and information supplies & services	633,220
Office Rent	-
Training expenses	1,718,250
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	2,039,048
Fuel, oil & lubricants	900,000
Bank charges	84,098
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	323,000
Strategic plan expenses	-
Other operating expenses	2,795,460
Total	9,898,316

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	56,791,183
Secondary Schools Actual expenditure	36,614,141
Tertiary Institutions Actual expenditure	-
Total	93,405,324

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	47,800,628
Bursary – tertiary institutions	22,701,240
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	2,189,698
Climate change mitigation projects	2,740,522
Emergency projects Actual expenditure	8,642,581
Roads projects Actual expenditure	-
Others specify	-
Total	84,074,669

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	2023/2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>The cooperative bank, Branch, A/C No. 01141536140900. (Operations account)</i>	122,214	1,610,054
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>The cooperative bank, Chwele Branch, A/C No. 01105361409001 (Deposit account)</i>	3,444,978	55,480
<i>Name of Bank, account No. (PMC accounts)</i>	28,039,223	18,365,229
Total	31,606,414	20,030,763
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

20. Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Total receivables	-	-
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. **Ageing Analysis for Receivables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Transfers from NGCDFB	31,469,857		65,022,253	
Outstanding imprest	-		-	
Total	31,469,857		65,022,253	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	31,469,857	100%	65,022,253	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	31,469,857	100%	65,022,253	100%

22. Prepayments

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		-	

23. 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 1 st July 20xx	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 20	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-

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Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on August 2025.

22 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024				
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025				
Accumulated Depreciation	-	-	-	-
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025				
Charge for the period				
As At 30 June 2025	-	-	-	-
Carrying Amount	-	-	-	-
As At 30 June 2025	-	-	-	-
As At 30 June 2025	-	-	-	-

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26. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables		-		-
Employee payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Aging analysis: (Trade and other payables)	2024/2025	% of the Total	1st July	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

27. Third-Party deposits

	<i>2024/2025</i>	<i>2023/2024</i>
	KShs	
Retention as at 1 st July 2024 (A)	-	-
Retention held during the year (B)	5,635,634	-
Retention paid during the Year (C)	3,969,986	-
Closing Retention as at 30th June D= A+B-C	1,665,649	-

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	1,665,649	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,665,649	100%	-	

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>2024/2025</i>	<i>2023/2024</i>
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July 2024	1,108,339	-
Gratuity held during the year	673,640	1,108,339
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June 2025 (A+B-C)	1,781,979	1,108,339

30. Cash Generated from Operations

	<i>2024/2025</i>
	Kshs
Surplus for the period before tax	(24,316,034)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	33,552,396
Changes in deferred income	-
Changes in Third party deposits	1,665,649
Changes in gratuity provision	673,640
Changes in payments received in advance	-
Net cash flow from operating activities	11,575,651

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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 from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025	N/A		
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis
2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025	-	-	-
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/2025	N/A	-	-
Euro	10%	-	-
USD	10%	-	-
2023/2024		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025	N/A			
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June 2024	-	-	-	-
Financial Assets	-	-	-	-
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	59,628,643	83,944,677
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	31,606,414	20,030,763
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	2024/2025	2023/2024
	Kshs	Kshs
Committee Members Remuneration	-	-
Sitting allowance of committee Members during the year	1,916,000	1,017,560
Transaction with the NGCDF Board	-	-
Transfers from the NGCDF Board during the year	204,022,253	185,670,851
Total	206,938,253	186,688,411

33. Segment Information

The Kabuchai NG CDF operates as a single segment, undertaking activities under one functional and geographical area. All revenues, expenses, assets, and liabilities are attributable to this single segment, and therefore, no separate segment reporting is required.

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Assets	N/A	
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities	N/A-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorized for	N/A -	-
Authorized and Contracted for	-	-
Total	-	-

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	800,000	-	-	800,000
Buildings and structures	23,500,000	-	-	23,500,000
Transport equipment	6,158,843	-	-	6,158,843
Office equipment, furniture, and fittings	5,762,000	-	-	5,762,000
ICT Equipment and Other ICT Assets	758,000	-	-	758,000
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	36,978,843	-	-	36,978,843

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
BUSAKALA PRIMARY SCHOOL	COOPERATIVE	1141668569300	5,332	3,066,140
CHEBUKAKA BOYS PRIMARY SCHOOL	COOPERATIVE	1141049275900	1,261	3,058,976
CHEBUKAKA GIRLS PRIMARY	COOPERATIVE	1141011500400	11,030	11,030
CHEBUNYINYI PRIMARY SCHOOL	COOPERATIVE	1141668569300	18,135	18,135
CHEKWANDA PRIMARY SCHOOL	COOPERATIVE	1141668569300	1,095	231,977
CHENJENI PRIMARY SCHOOL	COOPERATIVE	1141049968500	3,191	2,191
CHEPSITATI PRIMARY SCHOOL	COOPERATIVE	01141049256000	77,783	147
KHACHONGE PRIMARY SCHOOL	COOPERATIVE	1141049275900	3,666	4,146
KHALABA PRIMARY SCHOOL	COOPERATIVE	01141049358600	1,005,346	5,346
LUBEMBE PRIMARY SCHOOL	COOPERATIVE	01141669899400	545	545
SIRARE RC PRIMARY SCHOOL	COOPERATIVE	01141049449301	10	190
lufutu primary school	COOPERATIVE	01141536315500	909	2,000,495
LUKHOME PRIMARY SCHOOL	COOPERATIVE	01141011502900	5,046	748
lukhuna primary school	COOPERATIVE	01139049857601	170,045	20,203
LURENDE PRIMARY SCHOOL	COOPERATIVE	01141049007000	47,076	3,608
LUUCHO PRIMARY SCHOOL	COOPERATIVE	1141668569300	159,371	159,851
LUUYA PRIMARY SCHOOL	COOPERATIVE	1141049921800	4,000,000	1,534,175
MAKHONGE FYM PRIMARY	COOPERATIVE	1141049275900	1,014	1,384
MAKHONGE SA PRIMARY SCHOOL	COOPERATIVE	1141049275900	368,702	873
MATIBO PRIMARY SCHOOL	COOPERATIVE	1141049275900	18,313	18,313
MISIRI PRIMARY SCHOOL	COOPERATIVE	1141668569300	1,278	1,758
MUKHWEYA PRIMARY SCHOOL	COOPERATIVE	1141668569300	2,091	2,091
NAIRUMBI PRIMARY SCHOOL	COOPERATIVE	01141050138300	1,779	8,273
NAKITUMBA PRIMARY SCHOOL	COOPERATIVE	01141011501301	2,101,970	101,970
NALONDO RC PRIMARY SCHOOL	COOPERATIVE	1141668569300	42,971	1,213
NAMAKHELE RC PRIMARY	COOPERATIVE	01141049310100	1,005,547	6,572
NAMAONDO PRIMARY SCHOOL	COOPERATIVE	1141049275900	1,798	5,638
NAMIKELO DEB PRIMARY	COOPERATIVE	01141536921700	373	1,747,252
NAMOSI PRIMARY SCHOOL	COOPERATIVE	1141668569300	764	1,244
NAMUSIMBI PRMARY SCHOOL	COOPERATIVE	01100880518001	23,592	98,975

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
NANGILI PRIMARY SCHOOL	COOPERATIVE	1141668569300	21,797	1,239
NANGUBO PRIMARY SCHOOL	COOPERATIVE	1141668569300	12,848	13,328
NANGWE PRIMARY SCHOOL	COOPERATIVE	01141049429100	15,368	14,368
NGALASIA PRIMARY SCHOOL	COOPERATIVE	01141049420100	43,649	193
SAMITA PRIMARY SCHOOL	COOPERATIVE	1141049275900	60,986	10,314
SANANDIKI FYM PRIMARY SCHOOL	COOPERATIVE	01141049710800	1,344	12,922
SANANDIKI SA PRIMARY SCHOOL	COOPERATIVE	1141668569300	599,131	2,541
SAWALI PRIMARY SCHOOL	COOPERATIVE	1141049275900	1,451	3,679
SICHEI FYM PRIMARY SCHOOL	COOPERATIVE	01141049255800	438,058	2,840
SICHEI RC PRIMARY SCHOOL	COOPERATIVE	1141049275900	77,109	77,589
SIKULU FYM PRIMARY	COOPERATIVE	01141049310500	130,487	2,021
SIKUSI PRIMARY SCHOOL	COOPERATIVE	1141049275900	2,960	2,960
KABUCHAI SA PRIMARY	COOPERATIVE	01141049881600	258	258
SIRWA PRIMARY SCHOOL	COOPERATIVE	1141668569300	1,445	1,445
SITILA PRIMARY SCHOOL	COOPERATIVE	1141049275900	1,460	1,460
WALUKAYA PRIMARY SCHOOL	COOPERATIVE	1141049275900	226	226
NALONDO CBM	COOPERATIVE	01141049313500	1,613	1,613
Chebukwa primary school	COOPERATIVE	01141049694300	317,475	2,475
Sango PCU primary school	COOPERATIVE	01141669498800	137,282	2,284
Sango primary school	COOPERATIVE	01139050212300	64,245	2,323
St Walumoli primary school	COOPERATIVE	01141425757300	468,327	1,222
Mikayu primary school	COOPERATIVE	1141049275900	151,068	
chekulo FYM Primary	COOPERATIVE	01141011497600	8,191	102,797
kasosi primary school	COOPERATIVE	01141049673300	5,063	5,063
Baraki primary school	COOPERATIVE	01141049008600	2,393	2,393
Wabukhonyi sa primary	KCB	01141049582100	63	63
BUSAKALA SECONDARY SCH	KCB	1141049275900	1,925	1,925
CARDINAL OTUNGA SICHEI	COOPERATIVE	01141536989600	11,962	11,962
CHEBUKAKA GIRLS SEC SCH	COOPERATIVE	1141668569300	88,961	359,739
CHEBUNYINYI SEC SCHOOL	COOPERATIVE	01141669201600	2,573	2,573
CHEKULO BAPTIST SEC SCH	COOPERATIVE	1141668569300	70	70
CHEKULO FRIENDS SEC SCHOOL	COOPERATIVE	01141049932200	55,620	55,620
CHEMWA SEC SCHOOL	COOPERATIVE	1141049275900	219	219
CHENJENI SECONDARY SCH	COOPERATIVE	1141668569300	36,072	36,072

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KABUCHAI NGCDF OFFICE	COOPERATIVE	1141049275900	1,545	1,545
KASOSI SECONDARY SCH	COOPERATIVE	1141669497500	4,053	4,053
KIBICHORI SEC SCHOOL	COOPERATIVE	1141049275900	1,116	1,116
KIBOOCHI SEC SCHOOL	COOPERATIVE	1141668569300	191,388	3,963
LURENDE SEC SCHOOL	COOPERATIVE	01161669793100	360,880	360,880
KIMALEWA SECONDARY SC	COOPERATIVE	1141668569300	6,875	6,875
KUYWA SPECIAL	COOPERATIVE	01141782320100	32,405	32,405
KHACHONGE GIRLS SEC SCHOOL	COOPERATIVE	01141049935400	495	495
LUKHOME SEC SCHOOL	COOPERATIVE	1141668569300	378	378
LUKHUNA SECONDARY SCHOOL	COOPERATIVE		2,000,000	
LUUYA GIRLS SEC	COOPERATIVE	1141668569300	54,233	58,073
MAKHONGE SEC SCH	COOPERATIVE	1141049275900	55,633	55,633
MADISI SECONDARY SCHOOL	COOPERATIVE	01141049937100	3,821	3,941
MAROBO GIRLS SEC SCHOOL	COOPERATIVE	01141536387100	193	193
MAROBO SEC SCHOOL	COOPERATIVE	01141049953800	281,183	12,955
NANGWE GIRLS SEC	COOPERATIVE	1141049275900	4,816	5,296
PONGOLA SECONDARY SCH	COOPERATIVE	1141049275900	1,565	1,565
SANANDIKI FRIENDS SEC SCHOOL	COOPERATIVE	01141669227900	45,798	45,798
SA WABUKHONYI SEC SCH	COOPERATIVE	1141049275900	63	63
ST CHARLES LWANGA - BWAKE SE	COOPERATIVE	1285983238	13,423	13,423
SICHEI SECONDARY SCHOOL	COOPERATIVE	01139049937002	249,624	32,868
SIKATA SECONDARY SCHOOL	COOPERATIVE	1141668569300	62,162	259,717
SIKULU SECONDARY SCHOOL	COOPERATIVE	1141049275900	2,125	1,950,233
SIKUSI SECONDARY SCHOOL	COOPERATIVE	1141668569300	105,552	106,032
SIRARE SECONDARY SCHOOL	COOPERATIVE	01141669180300	1,918	1,918
ST.KIZITO MUKHWEYA SEC SC	COOPERATIVE	1141049275900	109,360	109,360
TEREMI HIGH SCHOOL	COOPERATIVE	1141049275900	-	4,985
FRIENDS SEC SCHOOL MUSOKHO	COOPERATIVE	01141049932600	20,939	115,939
KUYWA GIRLS SEC SCHOOL	COOPERATIVE	01100493136001	3,872,006	
KUYWA GIRLS SEC SCHOOL	COOPERATIVE		9,044	9,044
NASAKA SECONDARY SCHOOL	COOPERATIVE	01141669816700	5,985,090	3,665
NALONDO GIRLS SEC SCHOOL	COOPERATIVE	01139409229502	365,369	3
KABUCHAI CONST. ENV COMM	COOPERATIVE	1141049275900	109,533	50,055
NORTH BUKUSU ASST CHIEF	COOPERATIVE	1141668569300	6,391	6,391

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
CHWELE CHIEF OFFICE	COOPERATIVE	1141049275900	263	263
ACC NALONDO	COOPERATIVE	01141669956500	1,408	177,158
ACC KABUCHAI	COOPERATIVE	1263508340	101,097	101,097
KUYWA CHIEFS OFFICE	COOPERATIVE	1141049275900	350	350
NGALASIA AP CAMP	COOPERATIVE	01141669826600	-	225
BGM CENTRAL COMMUNITY LIBRARY	COOPERATIVE	01141668558100	-	4,809
FIRE & SAFETY	COOPERATIVE	1141783919500	-	1,287
CHWELE POLICE STATION	COOPERATIVE	01141536916400	1,856,533	1,856,533
KABUCHAI ACC OFFICE	COOPERATIVE	01141668558100	8,725	8,725
ASSISTANT CHIEF SIKUSI	COOPERATIVE	01141782320400	365	365
ASSISTANT CHIEF KABUCHAI	COOPERATIVE	01141782991600	67,055	67,055
KASOSI ASSISTANT CHIEF	COOPERATIVE	01141669237400	5,063	5,063
SIKUSI CHIEFS OFFICE	COOPERATIVE	01101071965001	11,001	
LUUYA CHIEFS OFFICE	COOPERATIVE	01100989281001	1,291	-
MUKUYUNI ACC	COOPERATIVE	01141669796400	252	252
Madisi AP Headquarter	COOPERATIVE	01141669272300	223	26,463
West nalondo assistant chief	COOPERATIVE	01141669447000	2,793	2,793
MIKAYU PRIMARY SCHOOL	COOPERATIVE	01141049275900	1,520	20
KHATIRI PRIMARY SCHOOL	COOPERATIVE	01141668569300	48,095	875
CHEMWA PRIMARY SCHOOL	COOPERATIVE	01141049275900	18,418	219
Chepsitati primary school	COOPERATIVE	01141049256000	108,503	
Chebukwa secondary school	COOPERATIVE	01141049936300	3,465	3,465
BUNGOMA CENTRAL	COOPERATIVE	01141535778700	2,117	120
TOTAL			28,039,223	18,365,229

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:
1.	<p>Unsupported Bursary Disbursements.</p> <p>The statement of receipts and payments reflects other grants and transfers of Kshs.68,362,751 as disclosed in Note 8 to the financial statements. The transfers amount Include payment of bursaries to Secondary Schools and Tertiary Institutions amounting to Kshs.37,672,254 and Kshs.17,608,600 respectively totaling Kshs.55,280,854. However, acknowledgement letters from the beneficiary institutions in respect to bursary payment totaling Kshs.7,186,000 were not provided for audit.</p> <p>In the circumstances, the accuracy and completeness of bursary payments of Kshs 7,186,000 could not be confirmed.</p>	<p>We experience delays in the receipt of acknowledgement letters from some of the beneficiary institutions. However, the acknowledgement letters are available for audit verification.</p>	<p>Not resolved</p>	<p>December 2024</p>
2.	<p>Project Management Committee Bank Balance</p> <p>Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.11,189,473 in respect to fifty-eight (58) bank accounts held in a local Commercial Bank. However, the confirmation certificates of bank balances as at 30 June,</p>	<p>The PMC bank balances indicated were supported by the PMC bank statements. The certificate of bank</p>	<p>Not resolved</p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	2024 for the bank accounts were not provided for audit review. In the circumstances, the accuracy and completeness of PMC bank balances of Ksh 11,189,473 could not be confirmed.	balances are available for audit verification.		
3.	<p>Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects final revenue budget and actual amounts on comparable basis of Kshs.252, 634,248 and Kshs.187,611,993 respectively, resulting to underfunding of Kshs.65, 022,255 or 26% of the budget. Similarly, the CDF spent Kshs.186, 001,939 against an approved budget of Kshs.252, 634,248 resulting to under expenditure of Kshs. 66,632,309 or 26% of the budget.</p> <p>In the circumstances, the underfunding 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.</p>	<p>The under budgeting is as a result of the delay by the exchequer to disburse funds to the constituency. However, the funds were received in the subsequent financial year and utilized accordingly. The AIEs, bank statements and PIS are available for audit verification.</p>	Not resolved	December 2025
4.	<p>Unresolved Prior year Matters</p> <p>In the report for the previous year, issues were raised under Report on the Financial statements, and Report on Lawfulness and effectiveness in use of Public Resources. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.</p>	The prior year issues were submitted for verification.	Not resolved	December 2025
5.	The statement of Receipts and Payments reflects transfers to other Government units amounting to Kshs. 97,524,655 as	The Busakala primary school project was	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>disclosed under note 7 to the financial statements. The amount includes transfers to primary schools of Kshs.45, 137,755. The transfers to primary schools further include a payment of Kshss. 10,000,000, to Busakala Primary School on 13 July 2023 for proposed erection and completion of a storey block containing 8No. classrooms at a contract sum of Ksh18,950,990. However, the physical verification of the project revealed that it had stalled at the first floor and the contractor not on site. No explanation was provided on why the contractor had abandoned the site. In the circumstances, value for money on the expenditure of Ksh 10,000,000 could not be confirmed.</p>	<p>being funded in two phases. The 1st phase was allocated Ksh 10,000,000 in the financial year 2022/2023. The funds had been disbursed to the project and implementation started. As at the time of audit, the project was awaiting the final disbursement which was still pending due to delays at the exchequer.</p>		



Joyce N Wanjala
 Fund Account Manager

