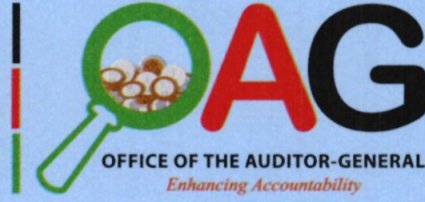


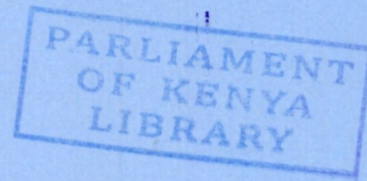
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED

**THE NATIONAL ASSEMBLY PAPERS LAID
30 JUNE, 2025**

DATE: 17 FEB 2026

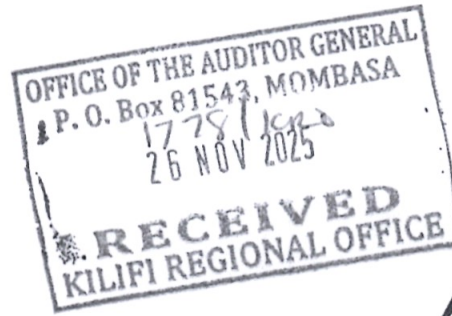
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BY:

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MAJORITY LEADER

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KALOLENI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year
KSH	Kenya Shilling
ICPAK	Institute Of Certified Public Accountants-Kenya
PSASB	Public Sector Accounting Standards Board
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
ICT	Information and Communications Technology
OSHA	Occupational Safety and Health Act
M&E	Monitoring and Evaluation

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 Kaloleni 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	Mr. Elisha Ade
2.	National Sub-County Accountant	CPA. Brigitor Ngina Wambua
3.	NGCDFC- Chairman	Mr. Lennoxeny Kaviha Mtengo
4.	NGCDFC- Secretary	Ms. Aisha Baya Nyanje
5.	NG CDFC- Member	Ms. Victoria Achieng Omollo

(c) Fiduciary Oversight Arrangements

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

NG CDF Kaloleni Building.
Kaloleni Town, Kilifi County.
Kaloleni, Kenya.

(e) NGCDF Kaloleni Constituency Contacts

P.O. Box 222-80105- KALOLENI
E-mail: cdfkaloleni@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kaloleni Constituency Bankers

1. Co-operative bank.
Mariakani Branch.
Operation Account No.01141253838300
P.O. Box 435-80113.
Mariakani.
2. Co-operative bank.
Mariakani Branch.
Deposit Account No. 0110131056001
P.O. Box 435-80113.
Mariakani.
3. Co-operative bank.
Mariakani Branch.
Cooperative bank. Mariakani Branch (Various)
PMC Accounts (List Attached)
P.O. Box 435-80113.
Mariakani

(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 40112-00200
Nairobi, Kenya

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

3. Kaloleni NGCDF Committee Members

Name	Details	Name	Details
<p>Lennoxeny K. Mtengo NG CDFC chairman</p> 	<p>Date of birth:01.01.1963 KCSE certificate Primary teachers certificate/Bachelor of education Profession: Teacher.</p>	<p>Aisha Baya Nyanje. NG CDFC secretary</p> 	<p>Date of birth:16.04.1995 KCSE certificate Diploma in community development Profession: Social worker.</p>
<p>Paddyson Kasena Changawa Member</p> 	<p>Date of birth:1958 East African Advanced Certificate of education. Profession: Social worker.</p>	<p>Philip Nzovu Katana Member</p> 	<p>Date of birth:20.10.1991 KCSE certificate ECD certificate Profession: PTA/BOM Teacher.</p>
<p>Said Mohamed Member</p> 	<p>Date of birth:13.03.1989 KCSE certificate Certificate in Islamic education Profession: Islamic/Arabic teacher.</p>	<p>Easter Kahathi Juma Member</p> 	<p>Date of birth:01.01.1987 KCSE certificate Certificate of early children education Profession: ECD Teacher</p>
<p>Victoria Achieng Omollo</p> 	<p>Date of birth:16.04.1995 KCSE certificate Profession: Businesswoman.</p>	<p>William Kahindi Metu</p> 	<p>Date of birth:14.07.1973 KCSE certificate Diploma in Bible studies. Profession: Pastor.</p>
<p>Elisha M Ade Fund Account Manager</p> 	<p>Date of birth: 19 Masters of Business Administration-CPA Profession: Fund Account Manager</p>		

4. NG-CDFC Chairman's Report



***Lenoxeny K. Mtengo
NGCDFC Chairman***

It is my pleasure to present to the constituents of Kaloleni and general public the financial statements and its accompanying notes for Kaloleni NGCDF covering the financial year 2024-2025. On behalf of the entire Kaloleni NGCDF Committee members and on myself I would like to extend special gratitude to the people of Kaloleni for giving us another term to lead you in matters NGCDF project implementation and other decision making. We assure you total accountability of your funds, total commitment to serve you better and total focus to make Kaloleni Constituency the place to be.

In this financial year 2024-2025 NGCDF Kaloleni had a total budget allocation amounting to Ksh. 170,469,857 with which with other unutilised funds brought forward we manage to undertake various projects as highlighted here below.

By closure of the financial year under review a total of Ksh. 36, 469,857 was yet to be received from the board. This caused unwarranted delays in project implementation. Going forward we urge the board to be realising the funds to us in a timely manner to enable timely implementation of projects. This will ensure Kaloleni peoples gets their services and value for their money at required time.

We would also like to thank Hon. Paul Katana (our MP) for creating enabling environment and close monitoring of the fund to ensure Kaloleni people gets standard and timely developments.

In the year under review we changed our financial statement preparation and reporting from IPSAS cash to Accrual basis of accounting that's why in most statements we don't have comparative figures given that it's the first year of transition.

The NGCDFC utilised the available funds to fund key developments in our schools and community at large which range from construction of classrooms, administration blocks, award of bursaries, learners desks, and climate change programs among others.

The available budget for utilization was absorbed to a tune of 64.10% as follows:

Compensation to employees Kshs. 2,910,862

Grants to Primary and Secondary Schools Kshs. 112,680,814

Bursaries to various institutions Kshs. 41,253,000,

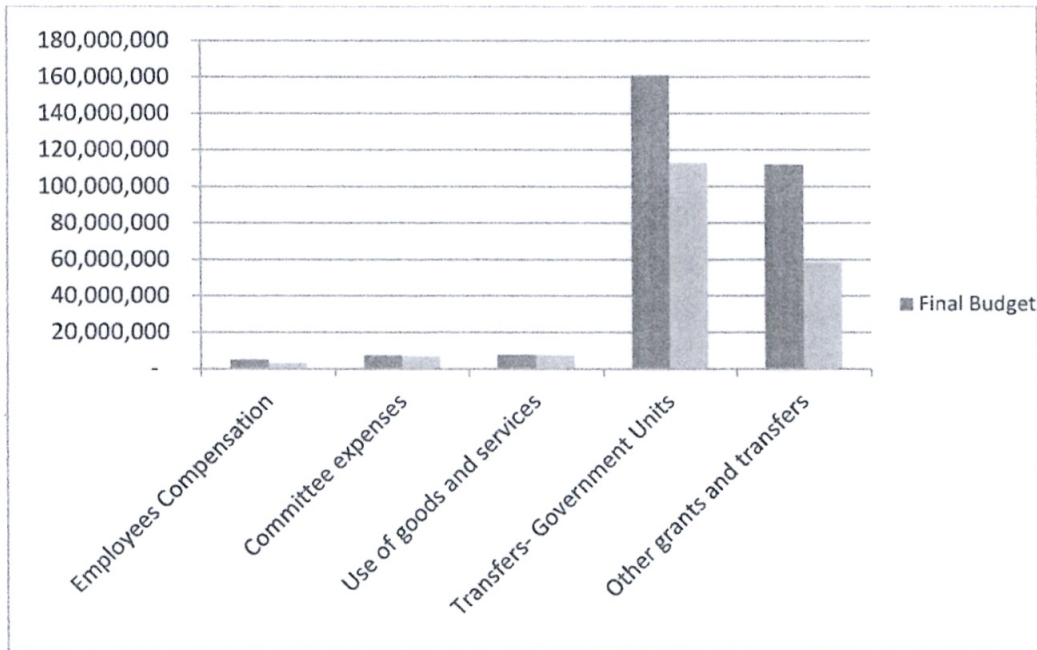
Climate Change (environment) Improvement Kshs. 6,873,224

Security Projects Kshs. 4,852,979 and

Emergency of Kshs. 4,802,076.

A Graph showing final Budget available for use versus actual utilisation per vote item

**National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
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Key achievements

Education sector: Education is the pillar of development to all the communities of the world. NG-CDF Kaloleni made great deliberate efforts to making sure we transform the education Agenda in total by constructing and renovation of modern classrooms, administration blocks, toilet blocks, to increase our learner’s integration and provision of desks to learning institution.

90% of these projects are complete and in use and few others are in advanced stages of completion. Through this initiative has positively impacted to our communities and society at large. Our learner’s population has been increasing in those schools and improved the schools performances.

NGCDF Kaloleni bursaries: NG-CDF in this financial year under review, we were able to distribute bursaries to the secondary, colleges and university learners. Thousands of needy and deserving students benefited from our bursary kit. The total amount we disbursed was totalled to Kshs 41,253,000 These bursaries led to increase in the retention rate of learners in schools hence contributing highly to positive performance of our learners.

Environmental: In Kaloleni most parts are very dry and receive very little rainfall, geographically, it is only ¼ of its lands which receives average convectional rainfall. So we supplied most of the schools with tree seedlings to increase the plants vegetation to attract rainfall. From the past experience this initiative has contributed to positive climate change and created conducive learning environment to our School going children’s. The NGCDF used Kshs 6,873,224 to purchase and plant more than 27,900 seedlings to 65 schools for planting.

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

Challenges experienced.

However as much as I applaud the fund, on behalf of NG-CDFC and the community at large, there are challenges that need quick interventions from the NGCDF Board to improve on service delivery. i.e.

- i. Timely disbursement of funds
- ii. Timely approval of reallocation requests.
- iii. Timely approval of code lists



Madzimbani Secondary School: Construction to completion of an Administration block and 4 no classroom and 80 students capacity Laboratory.

.....
Mr. Lennoxeny K. Mtengo
Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY2024-2025

Introduction

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

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

- a) Develop a clear and long-term vision for the constituency's development.
- b) Tackle key obstacles and challenges that hinder progress within the constituency.
- c) Establish priorities and goals that will serve as a roadmap for development initiatives.
- d) Efficiently allocate and mobilize resources to support the implementation of development projects.
- e) Promote stakeholder engagement and participation in the planning and decision-making processes.

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	Tackle key obstacles and challenges that hinder progress within the constituency. This is by Improving the level of literacy in the constituency through	Improve number of students transitioning from primary to secondary and to tertiary	-To build 24 classrooms per year. -To construct 7 administration blocks per year. -To build 7 libraries in school per year. -To construct one laboratory per year.	In the FY 2024/25-we increased number of classrooms by 36 classes, 1 no. dormitories Renovation at St Johns Girls Sec School, 3no.toilet. -Constructed 7No. School Administration Blocks - The NGCDF allocated and distributed Bursary to deserving 15,000 learners in both in Secondary Schools and Tertiary Institution. Total bursary issued is Kshs. 41,253,000

*National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
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	construction of School infrastructure , provision of bursaries to needy and deserving students		-Construct one dormitory -To construct 2 ablution blocks per year -Provision of 800 desks to various schools per year. -To provide bursaries to 8,000 learners per year.	-Supported the education by provision of 1,000 desks to different schools within the constituency. -Purchased full office furniture for FOUR different schools (4No. executive chair, 4No. table for head teacher's office, 4No. reception counter table and 4No. Reception chairs, 12No. Set of four-way work station, 36No. Chairs for staffroom. The total allocation to purchase of these assorted furniture amounted to ksh.9,100,843
Security	To enhance security within its borders	Improve security in the constituency	To construct and equip two security installations every year	In the financial year under review we have improved security by constructing a storey administration block for Mariakani Assistant County Commissioners office to a tune of Ksh.4,772,531
Environment	To Conserve the Environment	Preservation of nature and natural resources	-Improve and increase vegetation cover within the constituency by planting 11,600 trees	- In the year, the NGCDF-Kaloleni planted 29,600 trees across 65 different schools within the constituency i.e. The total allocation for these environment improvement activities was Kshs. 6,873,224.
Strategic Plan	Develop a clear and long-term vision for the constituency's development	Develop a strategic plan which will map out the road to a developed constituency.	Develop one Strategic plan every 5years -Review the strategic plan once in five years -Do ward public participation every 2 years	Developed one strategic plan for NGCDF Kaloleni covering 2023-2027 period -Conducted public participation exercise to identify development projects covering FY 2024-2026, The public participation covered all 4 wards (Mariakani, kayafungo, Kaloleni and Mwanamwinga

6. Governance Statement

Establishment of the Fund

Section 4 (1) of the National Government Constituencies Development Fund (NG-CDF) Act state that: - There is established a fund to be known as the National Government Constituencies Development Fund which shall:-

- (a) be a national government fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;
- (b) Comprise of any monies accruing to or received by the Board from any other source; and
- (c) Be administered by the Board

Mandate of the NGCDF Committee

Section II, (1) of the regulations to NGCDF Act 2016 outlines functions of the NGCDF Committee as follows:

- Build the capacity of project management committees and Committee.
- sensitize the Community on the operations of the Fund;
- consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- 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;
- 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;
- 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;
- rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- 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;
- ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board;
- monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- ensure that project reports are prepared and submitted to the Board;
- ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;

- submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
- enter into performance contracting with the Board on an annual basis;
- in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- receive returns from project management committees in accordance with regulation 15;
- maintain a database of project management committees and reports from the respective committees;
- receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- ensure that the committee does not enter into commitments for which funding has not been allocated;
- ensure projects are labeled in accordance with the guidelines issued by the Board

Appointment of NGCDFC Members

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

There is established a National Government Constituencies Development fund committee for every constituency.

Each constituency committee shall comprise of

- a) The national government official responsible for co-ordination of national government functions.
- b) Two men each nominated in accordance with subsection (3) 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)

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

- e) Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act:
- f) The officer of the Board seconded to the constituency committee by the board who shall be an ex officio member without a vote.
- g) One member co-opted by the board in accordance with regulations made by the board.

The seven persons referred to in sub-section (2) (b), (c), (d) and (e) shall be selected in such a manner and shall have such qualifications as the board may, by regulation, prescribe.

The names of the persons selected under sub- section (3) shall be submitted by the board to the national assembly for approval before appointment and gazettelement by the board.

The Fund account managers are required initiate the process of appointment of the members of the national government constituencies development fund committees (NG-CDFCs) In their respective constituencies by first constituting selection panel pursuant to the provisions of the regulations 5(4) of the regulations to the act. The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The following are the lawfully appointed members of NGCDF Committee Kaloleni which were gazetted on vol. CXXVII–No. 98 dated 21st May, 2025.

NO.	NAME	CATEGORY	WARD
1.	Lennoxeny Kaviha Mtengo	Male(Adult)	Kaloleni ward
2.	Philip Nzovu Katana	Male(Youth)	Kayafungo ward
3.	Victoria Achieng Omollo	Female(Adult)	Mariakani ward
4.	Aisha Nyanje Baya	Female(Youth)	Mwanamwinga ward
5.	Paddyson K. Changawa	Person with disability	Kaloleni ward
6.	Said Mohamed	Co-opted member	Kayafungo ward
7.	Esther Jume Kahathi	Parliamentary Nominee	Kayafungo ward
8.	William Kahindi Metu	Parliamentary Nominee	Mariakani ward

The Members were inducted into their new duties as NGCDF committee members for Kaloleni Constituency from 24th June, 2025 to 29th June, 2025 at Sairock Hotel Mombasa which well facilitated by the technical staffs from the board

Removal of NGCDFC Member

Section 43(8) provides that, the term of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee in the manner provided for in the act, or as may be approved by the board.

In addition, regulations 5(2) (a) of the regulations to the act states that, a vacancy shall occur in constituency committee upon - commencement of a new parliamentary term.

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

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

Member Eligibility Criteria for appointment

Regulations 5 and 6 of the NG-CDF regulations 2016 provide for the eligibility criteria and procedures for nomination of five members of the NG-CDF committee as outlined in section 43(2) paragraphs (b) (c) and (d) of the principal Act through a selection panel(regulations 5(4) composed of:

- i. One person nominated by the national government official in charge of sub-county , or a designated representative who shall chair the panel.
- ii. The officer of board seconded to the constituency who shall be the secretary to the selection panel and.
- iii. Two persons, one of either gender, nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further, regulation 6 requires that for one to serve as a member of the NG-CDF Committee, he or she must be:

- a. A citizen of Kenya
- b. Ordinarily resident and a voter in the constituency
- c. Able to read and write, and to communicate in English and Kiswahili.
- d. Meet the requirement of chapter six of the constitution of Kenya
- e. Is available to participate in activities of a constituency committee

Conflict and dispute Resolution

Section 31 of the regulation states that: A Constituency Committee shall establish and maintain a Complaint and complaints register in respect of all complaints received with regard to dispute resolution. The operations of the Fund in the Constituency, and shall forward a status report of the complaints to the Board at the end of each quarter in a financial year. A Constituency Committee shall address all complaints made to it before forwarding the complaints to the Board. A complainant shall, in forwarding a dispute to the Board for consideration, demonstrate efforts made to have the matter resolved at the Constituency level. A Constituency Committee shall, as much as possible, ensure and demonstrate the effort made towards resolving a complaint at the Constituency level. A Constituency Committee shall maintain a clearly marked and secured complaints submission box in accordance with guidelines issued by the Board. The Board shall issue guidelines to a Constituency Committee on mechanisms and procedures for handling complaints and litigation. NGCDF Kaloleni observed and put into practice all the above guidelines.

Number of meetings

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

In Kaloleni Constituency, the NG-CDF Committee conducted 14 meetings and the attendance is as tabulated below.

Kaloleni NGCDF Committee Members meeting attendance check list

No	NAME OF THE COMMITTEE MEMBER	MEETING HELD														
		03.07.24	31.07.24	09.08.24	10.09.24	25.10.24	20.11.24	18.12.24	28.01.25	20.03.25	13.05.25	26.05.25	30.05.25	16.06.25	23.06.25	
1	Lennoxeny K. Mtengo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Aisha Baya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mugo Gichiri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Paddyson Changawa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	William Kahindi Metu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Esther Kahathi Juma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Philip Nzovu Katana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Said Mohamed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Victoria A. Omollo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

NCDFC member's remuneration

Section 33 of the regulations states: - The Cabinet Secretary shall, with the approval of the National Assembly Select Committee on National Government Constituencies Development Fund, issue guidelines on allowances payable to members of a constituency committee and other government officers involved in the management of the Fund. Currently the Chairperson to the NGCDFC earns a sitting allowance of Ksh. 7,000 while a committee member is paid Ksh. 5,000.

Conduct and Ethics of a committee member

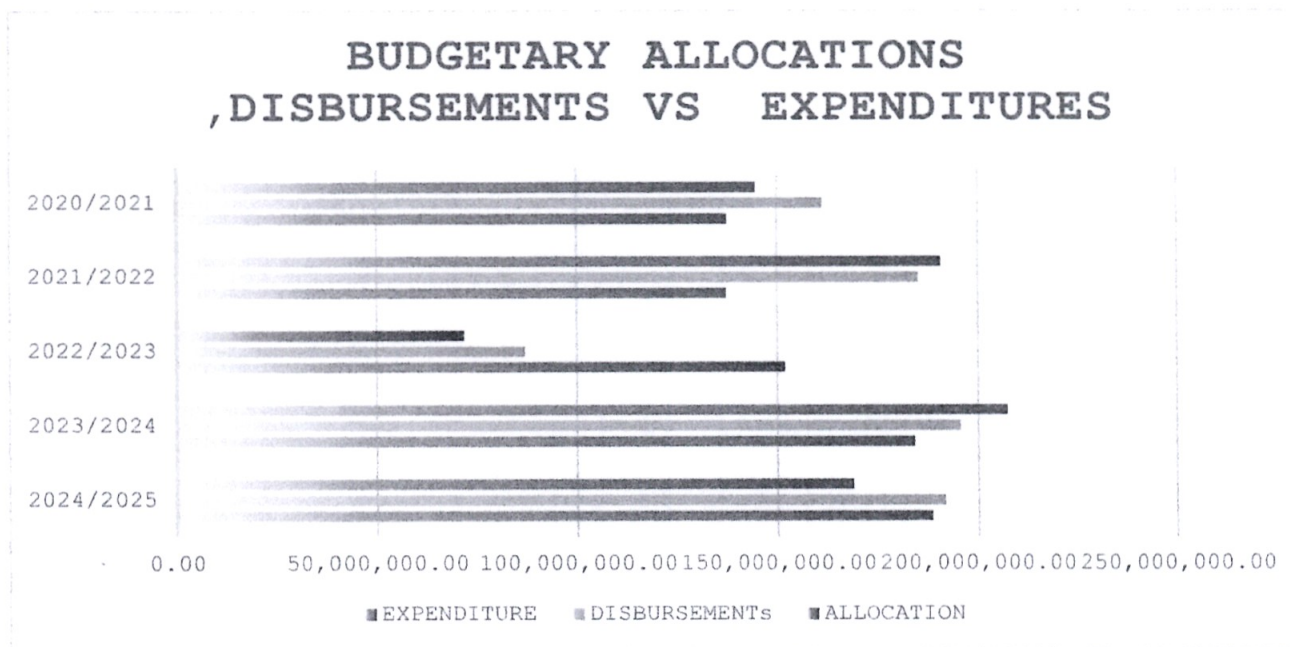
The chapter six of the Constitution on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being objective and impartial in ensuring that decisions are not influenced by nepotism, favoritism, corruption or other improper motives. NGCDF Kaloleni regularly trains its Committee members on commitment to abide to this chapter six of the Constitution

7. Management Discussion and Analysis

Kaloleni NGCDF has received from the board for the past five years a cumulative total of Ksh. 766,497,637 inform of a code list to fund various project implementation ranging from, bursaries, construction of classrooms and administration blocks, supporting security sector, climate change mitigations among others. So far a total of Ksh. 789,576,895 has been prudently spent on various projects and bursaries. This has led to improved enrollment in both secondary schools and tertiary institutions, improvement of security, positive climate change through purchasing of tree seedlings and planting. This is illustrated in the below table

Budget Allocation, Disbursement and Expenditure table for the Past five years

S/No.	Financial year	Amount allocated	Disbursement	Expenditure
1.	2024/2025	170,555,393	170,375,937	169,375,155
2.	2023/2024	183,447,453	222,978,851	194,305,385
3.	2022/2023	138,215,033	106,217,516	81,556,844
4.	2021/2022	137,088,879	215,378,503	196,245,987
5.	2020/2021	137,190,879	161,367,724	148,093,524
	Total	766,497,637	876,318,531	789,576,895



Education Sector: Education has become a primary focus within the Kaloleni Constituency community. Extensive endeavors have been dedicated to improving the physical infrastructure of schools. These undertakings encompassed the construction and refurbishment of classrooms, dining areas, laboratories, dormitories, administrative structures, and restroom facilities. Additionally, the NG-CDF has offered assistance in acquiring desks and lockers. These investments have resulted in substantial enhancements in several education-related metrics, including increased enrollment, improved student retention, and more seamless transitions between educational levels. Consequently, there has been a significant alleviation of the financial burden associated with education for low-income families.

Disbursement of Bursary for Bright and Needy Students the Kaloleni NG-CDF has consistently allocated resources to provide bursaries for academically gifted yet financially disadvantaged students in the constituency. This initiative aims to remove financial obstacles that could hinder these students from pursuing their educational aspirations. The table below summarizes the disbursements made over the past five financial years, indicating allocated amounts and the number of beneficiaries for each academic year. This dedicated effort underscores the NG-CDF's commitment to empowering the educational journey of numerous students in the constituency. These bursaries have become especially crucial in the face of the rising cost of living, providing vital financial support for education. Consequently, they have contributed to increased enrollment, smoother transitions between educational levels, and a reduction in the financial burden on struggling families, ultimately enhancing the well-being of constituents. A summary of the disbursements is as shown below

Disbursement for bright and needy students

S/No.	Financial year	Amount allocated	Beneficiaries
1.	2024/2025	41,253,000	6,200 Students
2.	2023/2024	59,687,800	9,000 Students
3.	2022/2023	43,378,500	6,500 Students
4.	2021/2022	60,511,000	9,300 Students
5.	2020/2021	27,605,000	4,200 Students

For the past five years, NGCDF kaloleni has supported in improvement of various sectors of economy. The key beneficiary areas is Education, security and climate change mitigations among others.

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The Key sectors of our economy benefited as follows

Financial year /Sector	Education- Bursaries for Secondary, tertiary and special schools	Education- Infrastructure improvement in Primary School	Education- Infrastructure improvement in Secondary School	Security- Infrastructure improvement in security Sector	Climate Change-support Improvement of environment
2024/2025	41,253,000	102,595,288	10,385,771	4,852,979	6,873,224
2023/2024	59,687,800	98,888,129	13,671,545	1,500,000	-
2022/2023	43,378,500	-	11,996,500	-	2,764,300
2021/2022	60,511,000	39,802,677	55,000,000	-	2,741,717
2020/2021	27,605,000	-	-	-	2,741,778
Total	232,435,300	241,286,094	91,053,816	6,352,979	15,121,019

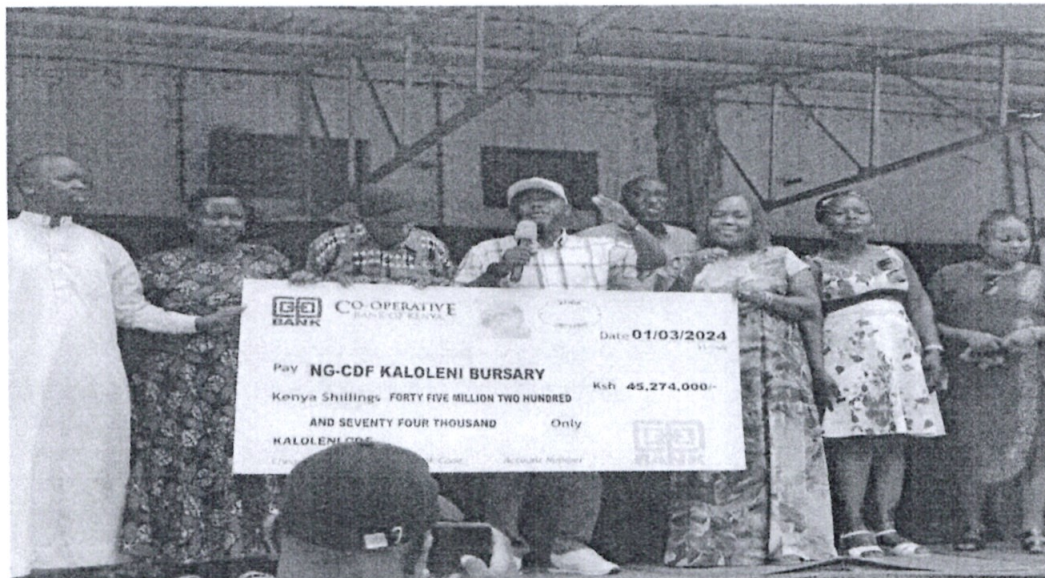
Pictorial Presentations of some of the Key projects undertaken



Constructed Administration block and 2No. Classrooms at Kadzandani Primary School



Constructed Administration block and 2No. Classrooms at Muungano Primary School



NGCDF Kaloleni Bursary Issuance function on 1st March, 2024

Mr. Elisha Ade
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

Sustainability strategy and profile -

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

- a. **Education and Training:** Kaloleni 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 intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

Environmental performance

- Tree planting initiatives have been an integral part of the Kaloleni Constituency's environmental conservation efforts. By actively engaging in tree planting activities, the constituency aims to mitigate deforestation, combat climate change, and enhance the overall environmental quality of the area. These tree planting endeavours not only contribute to the preservation of natural habitats and biodiversity but also serve as a

means to raise environmental awareness among the community. The NG-CDF remains dedicated to promoting and supporting tree planting campaigns to ensure a greener and more sustainable future for Kaloleni Constituency and its residents. The NGDF Kaloleni plans to plant trees in all Schools within Kaloleni Constituency. The NG-CDF is currently planting trees in each of the primary schools

- Each year, the Kaloleni NGCDF plans to plant 13,500 trees within the constituency. To ensure one hundred per centum survival rate of planted trees we partner with local Schools in this exercise. During the tree planting event the Schools and community around Schools are sensitized about drug abuse and its negative impact to society and education. This year, we had a budget allocation of Ksh. 6,874,549 to environment and climate mitigations exercises.

3. Employee welfare

We invest in providing the best working environment for our employees. Kaloleni 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. The constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Kaloleni Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kaloleni 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

Kaloleni 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.

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



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

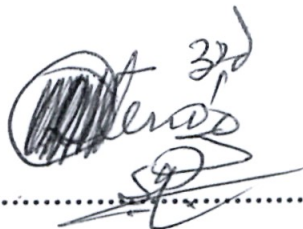
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The Accounting Officer in charge of the NGCDF Kaloleni Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds 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- Kaloleni Constituency financial statements were approved and signed by the Accounting Officer on 26th November, 2025.



.....
Mr. Lennoxeny Mtengo
Chairman – NGCDF Committee-Kaloleni

.....

Mr. Elisha Ade
Fund Account Manager-Kaloleni

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) - KALOLENI 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(NGCDF) - Kaloleni Constituency set

out on 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 - Kaloleni Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of changes in nets assets reflects recognition of assets amount of Kshs.94,388,957 whereas the statement of financial position reflects no property, plant and equipment resulting to unreconciled variance of Kshs.94,388,957.

2. Variance between Financial Statements and Supporting Schedules

The financial statements reflect amounts that differed with the supporting schedules as detailed below : -

Particulars	Note	Financial Statements Amount (Kshs)	Supporting Schedule Amount (Kshs)	Variances (Kshs)
Transfer from the NGCDF Board	6	170,555,393	170,375,937	179,456
Office & General supplies	12	534,926	535,126	200
Routine Maintenance-Other assets	12	253,189	253,370	181
Insurance costs	12	186,836	172,272	14,564
Climate change projects	14	6,873,224	6,874,274	1,050

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Bursary Payments

The statement of financial performance reflects other grants and transfers actual expenditure amount of Kshs.58,977,465 out of which Kshs.41,253,000 was incurred on bursary payments for students in various Secondary Schools, Tertiary Institutions and special schools during the year. However, the amount includes Kshs.1,974,000 that remained unremitted to the leaning institutions as at the time of audit.

In the circumstances, the accuracy, completeness and propriety of bursary payments of Kshs.1,974,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kaloleni Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.293,611,306 and Kshs.257,141,499 respectively resulting to an under-funding of Kshs.36,469,857 or 12 % of the budget. Similarly, the Fund spent a balance of Kshs.188,214,011 against actual receipts of Kshs.257,141,449 resulting to an under-utilization of Kshs.68,927,438 or 27% of the receipt.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. These include unsupported bursary payments, Budgetary Control and Performance and Project Implementation Status. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xxx which comprise of Key Constituency Information and Management, The National Government Constituency Development Fund 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 financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Submission of the Emergency Reserves Utilization Reports

The statement of financial performance reflects other grants and transfers actual expenditure amount of Kshs.58,977,465 of which Kshs.5,511,190 was incurred on emergency projects. However, Management did not provide evidence that emergency expenditures were reported to the Board within thirty (30) days of their occurrence. This is in breach of Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with

the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

National Government Constituencies Development Fund (NGCDF)
Kaloleni 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

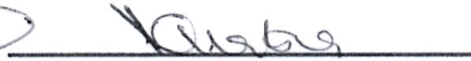
	Note	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,555,393
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	104,000
Total revenue		170,659,393
Expenses		
Employee costs	10	2,673,277
Committee expenses	11	6,782,300
Use of Goods and Services	12	7,414,093
Other Government Units Actual expenditure	13	114,245,602
Other Grants and Transfers Actual expenditure	14	58,977,465
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		190,092,738
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-

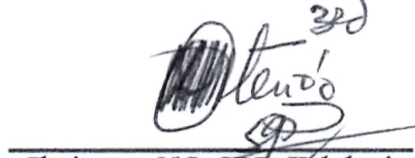
National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Surplus/(Deficit) for the year		(19,433,344)
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The Constituency financial statements were approved by the NGCDFC on 26th November, 2025 and signed by:


Fund Account Manager
Mr. Elisha Ade


National Sub-County Accountant
CPA. Brigitor N. Wambua
ICPAK M/No:16456


Chairman NG-CDF-Kaloleni
Mr. Lennoxeny Mtengo

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

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

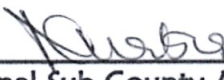
	Note	FY 2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	68,927,438	86,661,512
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	36,555,393	36,375,937
Prepayments	22	101,947	116,511
Total Current Assets		105,584,779	123,153,960
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		105,584,779	123,153,960
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	4,967,753	2,866,005
Lease Liabilities	28	-	-
Gratuity Provision	29	568,111	805,696
Total Current Liabilities		5,535,864	3,671,701
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		5,535,864	3,671,701
Net Assets (A-B)		100,048,915	119,482,259
Represented by:			

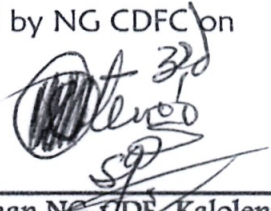
National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
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Revaluation Reserves		-	-
Accumulated Surplus		100,048,915	119,482,259
Total Net Assets		100,048,915	119,482,259

The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 26th November, 2025 and signed by:


 Fund Account Manager
 Mr. Elisha Ade


 National Sub-County Accountant
 CPA. Brigitor N. Wambua
 ICPAK M/No:16456


 Chairman NG-CDF - Kaloleni
 Mr. Lennoxeny Mtengo

National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	28,765,003	-	28,765,003
Adjustments			
Recognition of Assets	94,388,957	-	94,388,957
Recognition of Liabilities	(3,671,701)	(-)	(3,671,701)
As at July 1, 2024	119,482,259	-	119,482,259
Surplus/(Deficit) For the Period	(19,433,344)	-	(19,433,344)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	100,048,915	-	100,048,915

Note:

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

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14. Statement of Cash Flows for the Year Ended 30th June 2025


	Notes	FY 2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		170,375,937
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		104,000
Total Receipts		170,479,937
Payments		
Employee costs		2,910,862
Committee expenses		6,782,300
Use of Goods and Services		7,399,530
Other Government Units Certified Works		112,680,814
Other Grants and Transfers		58,440,505
Digital Hubs Expenses		-
Total Payments		188,214,011
Net Cash Flows from/ (used in) Operating Activities	30	(17,734,074)
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		(17,734,074)
Cash Flows from Financing Activities		
Lease Payment		(-)


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

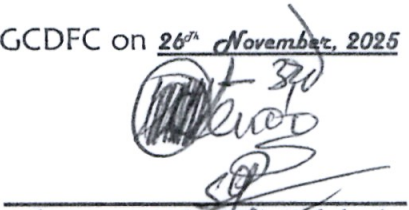
Net Cash Flows from Financing Activities		(17,734,074)
Cash and cash equivalents at 1 July, 2024	19	86,661,512
Cash and cash equivalents at 30 June, 2025	19	68,927,438

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

The Constituency financial statements were approved by the NGCDFC on 26th November, 2025 and signed by:


Fund Account Manager
 Mr. Elisha Ade


National Sub-County Accountant
 CPA. Brigitor N. Wambua
 ICPAK M/No:16456


Chairman NG-CDF- Kaloleni
 Mr. Lennoxeny Mtengo

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

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

	Original Budget	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
	<i>2024-2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024-2025</i>	<i>2024-2025</i>		
Revenue							
Transfers From the NGCDF Board	170,469,857	86,661,512	36,375,937	293,507,306	257,037,449	36,469,857	87.57%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	104,000	-	104,000	104,000	-	100%
Totals	170,469,857	86,765,512	36,375,937	293,611,306	257,141,449	36,469,857	87.58%
Expenses							
Employee costs	1,131,960	3,708,417	-	4,840,377	2,910,862	1,929,515	60.14
Committee expenses	7,386,819	18,131	-	7,404,950	6,782,300	622,650	91.59
Use of Goods and Services	6,831,206	818,670	-	7,649,876	7,399,530	250,346	96.73
Other Government Units Certified Works	72,373,922	57,814,186	30,645,477	160,833,585	112,680,814	48,152,771	70.06
Other Grants and Transfers	82,745,949	23,365,942	5,730,460	111,842,351	58,440,505	53,401,846	52.25
Digital Hubs Expenses	-	-	-	-	-	-	-

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>2024-2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024-2025</i>	<i>2024-2025</i>		
Funds Pending Approval-unallocated AiA	-	1,040,167	-	1,040,167	-	1,040,167	-
Total Expenditure	170,469,857	86,765,513	36,375,937	293,611,307	188,214,011	105,397,296	64%
Surplus for the period	-	-	-		-	-	

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

National Government Constituencies Development Fund (NGCDF)
Kaloleni Constituency
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Explanatory Notes.

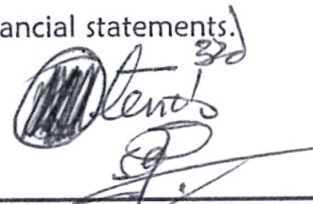
- Generally the underutilization of funds was caused by late disbursement of funds by the board to the constituency.
- By the end of the period under review Kaloleni NGCDF had not received Ksh. 36,469,857 from the board.
- The funds pending approval is the accumulated AIA and PMC savings in our accounts ,The total AIA and PMC savings at the end of Financial year 2024-2025 is Ksh 1,040,167

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	105,397,296
Less undisbursed funds receivable from the Board as at 30 th June 2025	36,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	68,927,439

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 26th November, 2025 and signed by:


 Fund Account Manager
 Mr. Elisha Ade


 National Sub-County Accountant
 CPA. Brigitor N. Wambua
 ICPAK M/No:16456


 Chairman NG-CDF- Kaloleni
 Mr. Lennoxeny Mtengo

National Government Constituencies Development Fund (NGCDF)

Kaloleni Constituency

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

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			
1.0 Administration and Recurrent						
1.1 Compensation Of Employees	1,131,960	3,708,417	-	4,840,377	2,910,862	1,929,515
1.2 Committee Allowances	3,420,888	18,131	-	3,439,019	3,438,300	719
1.3 Use Of Goods And Services	5,680,476	569,902	-	6,250,378	5,941,454	308,924
Sub-Total	10,233,324	4,296,450	-	14,529,774	12,290,616	2,239,158
2.0 Monitoring And Evaluation						
2.1 Capacity Building	865,792	8	-	865,800	865,800	-
2.2 Committee Allowances	2,300,000		-	2,300,000	2,297,660	2,340
2.3 Use Of Goods And Services	1,950,870	248,759	-	2,199,629	1,638,616	561,013
Sub-Total	5,116,662	248,767	-	5,365,429	4,802,076	563,353
3.0 Emergency						
3.1.Unutilized	8,972,098	10,135,110	-	19,107,208		19,107,208
3.2.Mariakani Police Station		1,016,190	-	1,016,190	967,730	48,460
3.3.Kavuka Primary School		1,600,000	-	1,600,000	1,600,000	-
3.4.Madzimbani Primary School		2,895,000	-	2,895,000	2,895,000	-
3.5.St Johns Girls Sec School		1,600	-	1,600	1,600	-
Sub-Total	8,972,098	15,647,900	-	24,619,998	5,464,330	19,155,668
4.0 Bursary And Social Security						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	49,615,604	-	-	49,615,604	38,228,000	11,387,604
4.3 Tertiary Institutions	8,192,198	4,930,093	-	13,122,291	2,611,000	10,511,291
4.4 Special Needs	414,463	193536.75	-	608,000	414,000	194,000
4.5 Education Support Programmes	-	-	-	-	-	-
4.6 Social Security	-	-	-	-	-	-
Sub-Total	58,222,265	5,123,630	-	63,345,895	41,253,000	22,092,895
5.0 Environment/Climate Change Mitigation						
5.1. Ngcdf Kaloleni Climate Change Mitigation Projects	3,542,400	275	3,331,874	6,874,549	6,873,224	1,325
Sub-Total	3,542,400	275	3,331,874	6,874,549	6,873,224	1,325
8.0 Primary Schools Projects						
8.1. Misufini Primary School		4,199,090	-	4,199,090	4,199,090	-
8.2. Kavuka Primary School		7,998,975	-	7,998,975	7,998,975	-
8.3. Kadzonzo Primary School		1,584,607	-	1,584,607	1,584,607	-
8.4. Mwambani Primary School	8,000,000	1,295,416	-	9,295,416	3,595,987	5,699,429
8.5. Chanagande Primary School		1,295,416	-	1,295,416	1,295,416	-
8.6. Mwanamwinga Primary Sch		1,295,416	-	1,295,416	1,295,416	-
8.7. Gogoraruhe Primary School		1,296,441	-	1,296,441	1,296,441	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.8. Kabatheni Primary School		1,295,416	-	1,295,416	1,295,416	-
8.9. Kibaokiche Primary School		1,295,416	-	1,295,416	1,295,416	-
8.10. Kinagoni Primary School		1,295,416	-	1,295,416	1,295,416	-
8.11. Mitsikitsini Primary School		1,295,416	-	1,295,416	1,295,416	-
8.12. Mnyenzi Primary School		1,295,416	-	1,295,416	1,295,416	-
8.13. Mwijo Primary School		1,295,416	-	1,295,416	1,295,416	-
8.14. St.Michaels Primary School		1,295,416	-	1,295,416	1,247,678	47,738
8.15. Viragoni Primary School		1,295,416	-	1,295,416	1,240,746	54,670
8.16. Migundini Primary School		1,295,416	-	1,295,416	1,295,416	-
8.17. Chilulu Primary School		7,998,975	-	7,998,975	7,998,975	-
8.18. Kakomani Primary School		7,997,950	-	7,997,950	7,997,950	-
8.19. Makululu Primary School		2,162,706	-	2,162,706	2,162,706	-
8.20. Nguluweni Primary School		2,268,826	-	2,268,826	2,268,826	-
8.21. Kadzandani Primary School		2,482,828	-	2,482,828	2,482,828	-
8.22. Mitsikitsini Primary School		2,309,752	-	2,309,752	2,309,752	-
8.23. Makomboani Primary School	9,896,523	-	30,645,477	40,542,000	35,450,115	5,091,885
8.24. Kaloleni Desk Project To Primary Schools	9,127,336	73	-	9,127,409	9,100,843	26,566
8.25. Gandini Primary School	20,919,863	-	-	20,919,863	1,025	20,918,838
8.26. Kambitsi Primary School	8,000,000	-	-	8,000,000	-	8,000,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.27. Maandani Primary School	8,000,000			8,000,000	-	8,000,000
Sub-Total	63,943,722	55,845,215	30,645,477	150,434,414	102,595,288	47,839,126
9.0 Secondary Schools Projects (List All The Projects)						
9.1. Kizurini Sec School		1,327,452	-	1,327,452	1,327,452	-
9.2. Paul Katana High School-Viragoni		356,597	-	356,597	356,597	-
9.3. Mwareni Secondary Schools	8,430,200	-	-	8,430,200	8,416,800	13,400
9.4. St Johns Girls Sec School		284,922		284,922	284,922	-
Sub-Total	8,430,200	1,968,971	-	10,399,171	10,385,771	13,400
10.0 Tertiary Institutions Projects (List All The Projects)						
				-		-
Sub-Total	-	-	-	-	-	-
11.0 Security Projects						
11.1. Assistant Chiefs Office Tsagwa	-	80,448.00	-	80,448	80,448	-
11.2. Mariakani Ward Acc Office Project	12,009,186	2,599,226	2,398,586	17,006,998	4,772,531	12,234,467
Sub-Total	12,009,186	2,679,674	2,398,586	17,087,446	4,852,979	12,234,467
12.0 Acquisition Of Assets						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.1 Motor Vehicles (Including Motorbikes)	-	-	-	-	-	-
12.2 Purchase Of Furniture And Fittings	-	-	-	-	-	-
12.2 Construction Of CDF Office	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
13.0 Others						
	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
14.0 Funds Pending Approval**				-		-
14.1. Unapproved Projects	-	-	-	-	-	-
14.2. AIA	-	954,630	-	954,630	-	954,630
Sub-Total	-	954,630	-	954,630	-	954,630
Total	170,469,857	86,765,512.	36,375,937	293,611,306	188,517,283	105,094,022

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kaloleni Constituency principal activity is to support key developments in education and security sector.

2. Statement of Compliance and Basis of Preparation

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

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

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

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

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

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

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

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

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

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

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

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

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *NGCDF Kaloleni*. 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 NGCDF Kaloleni 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 *NGCDF Kaloleni* classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 NGCDF Kaloleni recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The NGCDF Kaloleni 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 *NGCDF Kaloleni*.

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *NGCDF Kaloleni'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.

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6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY 2024-2025)	170,555,393
Total	170,555,393

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	-
Income from sale of tenders	104,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	104,000

National Government Constituencies Development Fund (NGCDF)
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10. Employees cost

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	1,405,875
Personal allowances paid as part of salary	-
House Allowance	241,200
Transport Allowance	177,600
Leave allowance	-
Gratuity to contractual employees	498,376
Employer Contributions Compulsory national social security schemes	235,632
Employer Contributions Compulsory Housing levy	45,594
Employer contributions to National Industrial Training Authority	7,800
Others-SHIF	61,200
Total	2,673,277

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	1,100,000
Other Committee expenses	5,682,300
Total	6,782,300

12. Use of Goods and services

	<i>2024-2025</i>
	Kshs
Utilities, supplies and services	406,904
Communication, supplies and services	275,354
Domestic travel and subsistence	520,300
Printing, advertising and information supplies & services	197,200
Office Rent	-
Training expenses	865,800
Hospitality supplies and services	498,678
Insurance costs	186,836
Specialized materials and services-Cleaning and sanitary services	323,000
Office and general supplies and services	534,926
Fuel, oil & lubricants	1,026,675
Bank charges	31,834
Routine maintenance – vehicles and other transport equipment	472,338
Routine maintenance – other assets	253,189
Strategic plan expenses	225,000
Other operating expenses-(hire of tents, chairs, PA System and transport)	1,596,060
Total	7,414,093

13. Other Government Units Actual expenditure

Description	<i>2024-2025</i>
	Kshs
Primary Schools Actual expenditure	104,341,596
Secondary Schools Actual expenditure	9,904,006
Tertiary Institutions Actual expenditure	-
Total	114,245,602

14. Other Grants and transfers Actual expenditure

	<i>2024-2025</i>
	Kshs
Bursary – secondary schools	39,788,000
Bursary – tertiary institutions	1,051,000
Bursary – special schools	414,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	5,340,051
Climate change mitigation projects	6,873,224
Emergency projects Actual expenditure	5,511,190
Roads projects Actual expenditure	-
Others specify	-
Total	58,977,465

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Kaloleni NGCDF A/c No.01141253838300. Cooperative bank (Operations account)</i>	30,173,057	28,765,003
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Kaloleni NGCDF Deposit A/C No. 01101310566001 Cooperative Bank.</i>	568,111	-
<i>PMC accounts as per annex no. 2</i>	38,186,270	57,896,509
Total	68,927,438	86,661,512
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

*National Government Constituencies Development Fund (NGCDF)
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A schedule of reconciled PMC bank balances annexed(annex 2)		
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20. Receivables from Exchange Transactions

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

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21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	36,555,393		36,375,937	
Outstanding imprest	-		-	
Total	36,555,393		36,375,937	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	36,555,393	100%	36,375,937	100%
Over 3 years	-	%	-	%
Total	36,555,393	100%	-	%

22. Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	101,947		116,511	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	101,947		116,511	

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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 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	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	-	-

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24. Intangible Assets

Description	2024-2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2024	-
NBV at June 30 th 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 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

26. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 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,2024	% 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>
	Kshs
Retention as at 1 st July 2024 (A)	2,866,005
Retention held during the year (B)	10,216,130
Retention paid during the Year (C)	8,114,382
Closing Retention as at 30th June, 2025 D= A+B-C	4,967,753

Retentions aging analysis.

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	4,967,753	100%	2,866,005	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	4,967,753		2,866,005	

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

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	-	-

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	2024-2025
	Kshs
Gratuity at the beginning of the year 1 st of July 2024	805,696
Gratuity held during the year	498,376
Gratuity paid during the year	(735,961)
Total Gratuity Provision 30th June, 2025 (A+B-C)	568,111

30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus/Deficit for the year	(19,433,344)
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(179,456)
Third party deposits	2,101,748
Increase/decrease in payables –insurance	14,564
Gratuity provision	(237,585)
Net cash flow from operating activities	(17,734,074)

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

31. Financial Risk Management

The NGCDF Kaloleni’s activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The NGCDF Kaloleni’s overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The NGCDF Kaloleni 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 NGCDF Kaloleni’s financial risk management objectives and policies are detailed below:

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i) Credit risk

The NGCDF Kaloleni has no 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 NGCDF Kaloleni'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 NGCDF Kaloleni'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	36,555,393	36,555,393	36,375,937	-
Bank balances	68,927,438	68,927,438	86,661,512	-
Total	105,482,831	105,482,831	123,037,449	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	36,375,937	36,375,937	-	-
Bank balances	86,661,512	86,661,512	-	-
Total	123,037,449	123,037,449	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the NGCDF Kaloleni has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The NGCDF Kaloleni has significant concentration of credit risk on amounts due from the board. The board of directors sets the NGCDF Kaloleni'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 NGCDF Kaloleni's directors, who have built an appropriate liquidity risk management framework for the management of the NGCDF Kaloleni's short, medium and long-term funding and liquidity management requirements. The NGCDF Kaloleni manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the NGCDF Kaloleni 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	-	-	4,967,753	4,967,753
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	568,111	568,111
Total	-	-	5,535,864	5,535,864
As at 30th June 2024	-	-	-	-
Trade payables	-	-	2,866,005	2,866,005
Current portion of borrowings	-	-	-	-
Provisions-Gratuity	-	-	805,696	805,696

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	3,671,701	3,671,701

iii) Market risk

The *NGCDF Kaloleni* has put in place an internal audit function to assist it in assessing the risk faced by the *NGCDF Kaloleni* 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 *NGCDF Kaloleni'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 *NGCDF Kaloleni'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 *NGCDF Kaloleni's* exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *NGCDF Kaloleni* 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 *NGCDF Kaloleni* 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 *NGCDF Kaloleni's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Current FY 2024-2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash(cash and cash equivalent)	68,927,438	-	-
Debtors	-	-	-
Total Financial Assets	68,927,438	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	4,967,753	-	-
Borrowings	-	-	-
Total Financial Liabilities	4,967,753	-	-
Net Foreign Currency Asset/(Liability)	63,959,685	-	-

Financial Risk Management

The following table demonstrates the effect on the NGCDF Kaloleni'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			
Euro	10%	-	-
USD	10%	-	-
2023-2024		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *NGCDF Kaloleni'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 *NGCDF Kaloleni* considers relevant and observable market prices in its valuations where possible.

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iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	119,482,259	119,482,259
Retained Earnings	(19,433,344)	-
Capital Reserve	-	-
Total Funds	100,048,915	-
Total Borrowings	-	-
Less: Cash and Bank Balances	68,927,438	-
Net Debt/(Excess Cash And Cash Equivalents)	11,688,133	-
Gearing	0%	0%

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,100,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	170,375,937	-
Total	170,375,937	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
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	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Kaloleni 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.

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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 30 th June 2025
Land	-	-	-	-
Buildings and structures	23,288,021	-	-	23,288,021
Transport equipment	11,121,132	-	-	11,129,132
Office equipment, furniture, and fittings	1,048,540	-	-	1,048,540
ICT Equipment and Other ICT Assets	924,424	-	-	924,424
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	36,390,117	-	-	36,390,117

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

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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
MISUFINI PRIMARY SCHOOL	Cooperative Bank	0110720996001	-	4,199,090
KAVUKA PRIMARY SCHOOL	Cooperative Bank	01100842295001	-	7,998,975
KADZONZO PRIMARY SCHOOL	Cooperative Bank	0110084460001	-	1,584,607
MWAMBANI PRIMARY SCHOOL	Cooperative Bank	01100931057001	5,699,429	1,295,416
CHANAGANDE PRIMARY SCHOOL	Cooperative Bank	0110093351001	-	1,295,416
MWANAMWINGA PRIMARY SCH	Cooperative Bank	01100931167001	-	1,295,416
GOGORARUHE PRIMARY SCHOOL	Cooperative Bank	01100806294001	-	1,296,441
KABATHENI PRIMARY SCHOOL	Cooperative Bank	01100931075001	-	1,295,416
KIBAOKICHE PRIMARY SCHOOL	Cooperative Bank	01100931040001	-	1,295,416
KINAGONI PRIMARY SCHOOL	Cooperative Bank	01100931233001	-	1,295,416
MITSIKITSINI PRIMARY SCHOOL	Cooperative Bank	01100932101001	-	1,295,416
MNYENZENI PRY SCHOOL	Cooperative Bank	01100928599001	-	1,295,416
MWIJO PRIMARY SCHOOL	Cooperative Bank	01100930824001	-	1,295,416
ST.MICHAELS PRIMARY SCHOOL	Cooperative Bank	011009311710001	47,738	1,295,416
VIRAGONI PRIMARY SCHOOL	Cooperative Bank	01100933493001	54,670	1,295,416
MIGUNDINI PRIMARY SCHOOL	Cooperative Bank	01100933338001	-	1,295,416
CHILULU PRIMARY SCHOOL	Cooperative Bank	01100810911001	-	7,998,975
KAKOMANI PRIMARY SCHOOL	Cooperative Bank	01100806453001	-	7,997,950
MAKULULU PRIMARY SCHOOL	Cooperative Bank	01100194561001	-	2,162,706

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
NGULUWENI PRIMARY SCHOOL	Cooperative Bank	01100180032001	-	2,268,826
KADZANDANI PRIMARY SCHOOL	Cooperative Bank	01100204895001	-	2,482,828
MITSIKITSINI PRIMARY SCHOOL	Cooperative Bank	01100211135002	-	2,309,752
MAKOMBOANI PRIMARY SCHOOL	Cooperative Bank	01101280794001	5,091,885	-
KALOLEN I DESK PROJECT TO PRIMARY SCHOOLS	Cooperative Bank	01100221308001	26,566	73
GANDINI PRIMARY SCHOOL	Cooperative Bank	01101973854001	11,102,452	-
KAMBITSI PRIMARY SCHOOL	Cooperative Bank	01101994796001	5,000,000	-
MAANDANI PRIMARY SCHOOL	Cooperative Bank	01101991062001	5,000,000	-
KIZURINI SECONDARY SCHOOL	Cooperative Bank	01100738387001	-	1,327,452
PAUL KATANA HIGH SCHOOL- VIRAGONI	Cooperative Bank	01141765479800	-	356,597
MWARENI SECONDARY SCHOOLS	Cooperative Bank	01101905654001	13,400	-
ST JOHNS GIRLS SEC SCHOOL	Cooperative Bank	01141765073300	-	284,922
ASSISTANT CHIEFS OFFICE TSAGWA	Cooperative Bank	01100214964001	-	80,448
mariakani ward acc office project	Cooperative Bank	01101709889001	6,100,345	-
ST JOHNS GIRLS SEC SCHOOL	Cooperative Bank	01100571121001	-	1,600
Mariakani Police Station	Cooperative Bank	01101064162001	48,460	-
Kaloleni NGCDF Environment project	Cooperative Bank	01141765613400	1,325	275
TOTAL			38,186,270	57,896,509

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Annex 3: Progress On Follow Up of Auditor Recommendations

The following is a summary of issues raised by the external auditor, management comments .

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MSA/OAG/NGCDF KALOLENI/2022/ 2023	i.)Unconfirmed project management committee account balances	The project management Committee account balances have been supported by certificate of balances (see the attached copies of the original certificate.	Not Resolved	
	ii.)Budgetary control and performance	The under performance / utilization of the budget was occasioned by delayed disbursement of funds by the NG CDF Board to fund our codelist (budget) on time. Most of the funds for FY 2022-2023 were received later in the following financial year 2023-2024	Resolved	
	iii.) Budget implementation status	Most of the project was on going at the time of audit because of late receipt of funds towards the year end. This forced the NGCDFC Kaloleni to transfer the same funds late to respective PMC late in the the financial year. All the project are actively going on and with three months from the date of this audit they will complete and in use.	Resolved	


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Mr. Elisha Ade
Fund Account Manager