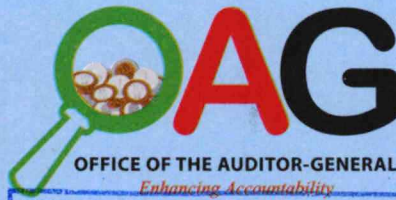


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 13 NOV 2025

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REPORT

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Karemba, MP
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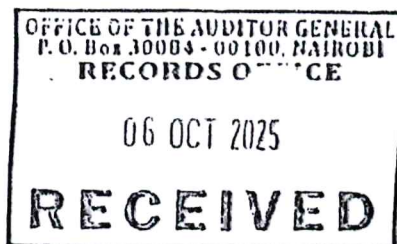
OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – THIKA TOWN
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

THIKA TOWN CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- 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 Thika Town 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	Jane Kariuki
2.	National Sub-County Accountant	Joseph Kisavi
3.	Chairman NGCDFC	Ephraim Njihi
4.	Member NGCDFC	Lydia Gituru
5.	Member NG CDFC	1. Godfrey Mugera 2. Nancy Makena

(c) Fiduciary Oversight Arrangements

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

Section 9- Thika Town
P.O Box 461-01000
Thika
KENYA.

(e) NGCDF Thika Town Constituency Contacts

P.O. Box 461-01000
Telephone: (254) 722270378
E-mail: cdftthikatown@ngcdf.go.ke
Website: www.thikatownngcdf.go.ke

(f) NGCDF Thika Town Constituency Bankers

1. Bank A. (Operations Account).

Family Bank
005000081444
Thika Branch

2. Bank B. (Deposit account).

Family Bank
005000088590
Thika Branch

3. Bank C. (PMC Accounts)

Equity Bank- Thika Branch
P.O Box 253

Equity Bank- Thika Kenyatta Highway
P.O Box 212

Equity bank- Makongeni branch
P.O Box 75104

Family bank – Thika Branch
P.O Box 354- 01000

KCB- Thika branch
P.O Box 271-01000

(g) Independent Auditor

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

(h) Principal Legal Adviser

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

National Government Constituencies Development Fund (NGCDF)
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3. NGCDF Committee

Name	Details
	<i>Name: Ephraim Njihi Macharia</i> Kenyan male, born on 1st January 1974. He holds KCSE certificate and has significant experience as a businessman.
	<i>Name: Lydia Njeri Gituru</i> A Kenyan female born in 1977, She holds KCSE certificate and she is a business lady
	<i>Name: Pamela Jahenda Mwingisi</i> A Kenyan female born on 25th June 1970, She holds KCSE certificate and she is a business lady
	<i>Name: Simon Wanjohi Kariuki</i> A Kenyan male born on 9th September 1982. He holds a diploma in Business Management from Mount Kenya University and has a KCSE Certificate. He works as a businessman

	<i>Name: Nancy Makena Kimathi</i> A Kenyan female born in 1993, She has a degree of Bachelor of Science in Community Development from Egerton University.
	<i>Name: Stephen Ngige Nduta</i> A Kenyan male born in 1992 and holds a KCSE certificate
	<i>Name: Naomi Muthoni Kamau</i> A Kenyan female born on 19th July 1982, She holds KCPE certificate
	<i>Name: Godfrey Mugera Ndungu</i> A Kenyan male born in 1959 and holds a KCE certificate. He is currently working as a farmer

There are no members who exited during the financial year

4. NG-CDFC Chairman's Report



Ephraim Njihi Macharia

Dear stakeholders, on behalf of Thika Town NG-CDF, I am pleased to present the unaudited financial statements for the Constituency for the financial year ended 30th June 2025.

Annual allocation

The constituency was allocated a total of **Kshs. 179,578,954.47**. This amount is inclusive of AIA of **Kshs. 137,000** realized from the sale of tender documents. The NG-CDFC, in pursuant to the provisions of the NG- CDF Act 2015, as amended in 2023, allocated the funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. These projects and programmes includes, but not limited to, construction of schools, security projects, climate change activities and disbursement of bursaries. As at 30th June 2025, Kshs 128,137,000 had been disbursed to the constituency account, and the undisbursed amount was Kshs. 51,441,954.

Budgetary appropriation

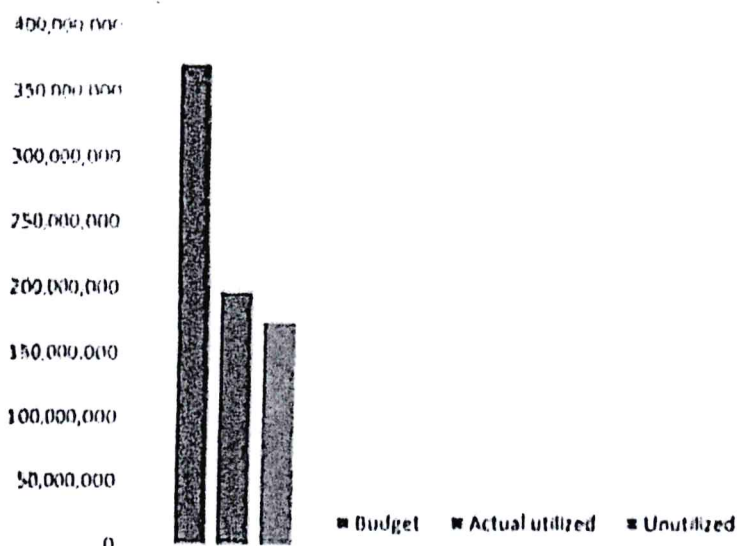
The total budget for the FY 2024/2025 was Ksh. 372,584,854. This amount comprised of the financial year allocation of Kshs. 179,578,954, brought forward from previous year amounting to Kshs. 193,000,899 and AIA from sale of tender within the year of Kshs. 5,000. The actual amount utilized as at 30th June 2025 was Kshs. 197,856,816, equivalent to 53% thus the budget utilization difference was Kshs. 174,728,038.

Figure 1.0

Total budget for the year	Actual budget utilization	Budget utilization difference
Kshs. 372,584,854	Kshs. 197,856,816	Kshs. 174,728,038

Figure 1.1

Budgetary Appropriation



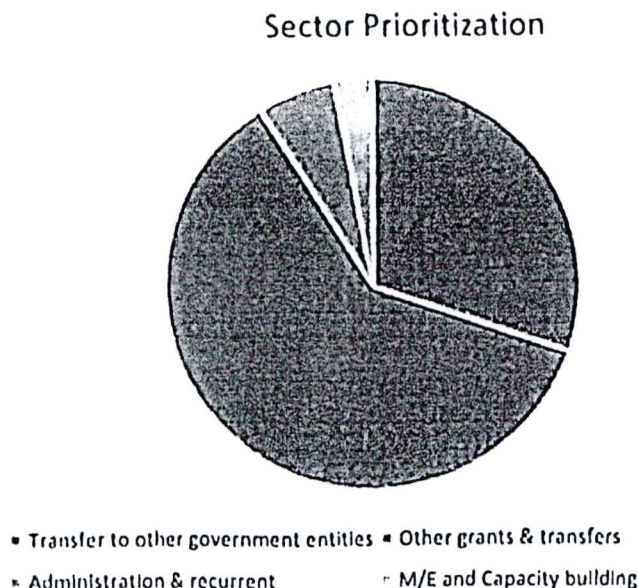
Sector Prioritization

During the year the committee allocated Kshs. 54,485,000 as transfers to other government entities. This comprised of an allocation of Kshs. 28,716,000 being transfer to primary school projects, Kshs. 25,769,000 being transfers to secondary school projects. An amount of Kshs. 108,950,507 was allocated as other grants and transfers. This comprised of security, bursary, emergency projects and climate change activities. Administration and recurrent expenses was allocated Kshs. 10,774,737 and Monitoring and evaluation and capacity building was allocated Kshs. 5,368,710.

Figure 2.0

Allocation	Amount (Kshs)
Transfer to other government entities	54,485,000
Other grants & transfers	108,950,507
Administration and recurrent expenses	10,774,737
Monitoring & evaluation and capacity building	5,368,710
Total financial year allocation	179,578,954

Figure 2.1



Achievements

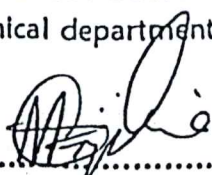
During the year, the Committee disbursed a total of Kshs 66,737,918 as bursary to needy students in secondary, special and tertiary institutions. There was also construction of physical facilities in primary schools. The NG-CDF committee was also able to implement the ongoing projects to completion which are considered a priority during allocation of funds to legible projects by the NG-CDF Board.

Challenges

- i) Delays in funds' disbursement affects project implementation and completion.
- ii) Land for putting up public facilities and amenities is not readily available.
- iii) Limited funding against many competing needs.
- iv) High Number of vulnerable populations.

Recommendations

- i) NG-CDF Board to ensure timely disbursement of the allocated funds for projects to be completed in time;
- ii) The NG-CDF Board should ensure increased funding of bursary and social protection.
- iii) Technical departments to offer assistance promptly upon request.



Ephraim Njili Macharia
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 Thika Town Constituency 2024-2025* plan are to:

- Improve access to quality education for school going children in public primary and secondary schools and tertiary colleges in Thika Town Constituency
- Enhance the state of security within the jurisdiction of the Thika Constituency
- Enhance the conservation of the environment and mitigate against climate change
- Digital transformation

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	An amount of Kshs. 66,737,918 was issued as bursary to students at different levels. In addition to completing the ongoing projects, the committee also disbursed funds to public schools for improvement of school physical structures. There was allocation for construction of laboratory at

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				Ngoliba Pry, construction of classes at Karibaribi Pry, Salvation Army Joytown Special Pry school, Jamuhuri Sec school, construction of kitchen at Mbagathi Pry School among others.
Security	To improve the security in Thika Town Constituency	Improved security in the constituency	To allocate funds to administrative offices within the constituency, either by construction of new offices or improving the facilities in place.	In FY 2024/2025 Thika Town NG-CDF allocated ksh 26,325,194 for construction of various police stations, police post and chiefs office. This will ensure improved security within the targeted areas.
Climate change mitigation activities	To improve environmental conservation in the constituency	Improved health	Water storage and planting of trees within the constituency	In FY 2024/2025 Thika Town NG-CDF allocated kshs.1,350,000 for installation of water storage tanks and planting of trees in various institutions within the constituency
Emergency	To cater for any unforeseen occurrence within the constituency	Management of emergencies and disasters	0 % utilization of the emergency vote. Risks were identified and mitigated in advance.	100% of the 2024/2025 emergency vote earmarked for reallocation.

6. Governance Statement

National Government Constituency Development Fund Committee

(1) There is established a National Government Constituency Development Fund Committee for every constituency.

(2) Each Constituency Committee shall comprise of—

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) One member co-opted by the Board in accordance with Regulations made by the Board.

(3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

(4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board.

(5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

(6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.

(7) The quorum of the Constituency Committee shall be one half of the total membership.

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

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

(12) A member of the NG-CDF 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.

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

(14) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

The functions of a Constituency NG-CDF Committee shall be to –

- a) Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) 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;
- f) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;

- h) 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;
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) Ensure that all projects receive adequate funding and are completed within three years;
- k) 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;
- l) (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) Ensure that project reports are prepared and submitted to the Board;
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- p) 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;
- q) 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;
- r) 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;
- s) Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- t) Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain-

i) A list of all the new projects commenced during the financial year and their completion

status; and

ii) A list of all projects approved, funded and commenced during previous financial years, and their completion status;

- u) Enter into performance contracting with the Board on an annual basis;
- v) In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- w) Receive returns from project management committees in accordance with regulation 15;

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

- x) Maintain a database of project management committees and reports from the respective committees;
- y) Ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented;
- z) Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;
- aa) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- bb) Ensure that the committee does not enter into commitments for which funding has not been allocated;
- cc) Ensure projects are labelled in accordance with the guidelines issued by the Board; and
- dd) Perform any other function assigned to it by the Board.

Process of Appointment

The appointment of the current Thika Town Constituency National Government Constituencies Development Fund Committee (NGCDFC) members was carried out in strict compliance with the NG-CDF Act and related regulations.

The process commenced with the advertisement of vacant positions on 10th December 2024 through public notices displayed at all Chiefs' offices within the constituency. Interested applicants were required to submit applications by 18th December 2024.

On 19th December 2024, the Selection Panel convened to shortlist candidates. A total of 10 applications were received, all from former committee members. The panel resolved to appoint the incumbents without interviews. Nominations for the Persons with Disability (PWD) representative and one co-opted member were also approved in line with the regulations.

Tenure of Members

Members of the NGCDFC are appointed for a term of two (2) years, renewable once, subject to satisfactory performance.

NG-CDFC Members and their date of gazette/ coopted

SN	Name	Category	Date of gazette/ Coopted
1	Simon Wanjohi Kariuki	Male Adult Representative	21st May 2025
2	Epharaim Njihi Macharia	Male Adult Representative	21st May 2025
3	Stephen Ngige Nduta	Male Youth Representative	21st May 2025
4	Lydia Njeri Gituru	Female Adult Representative	21st May 2025

5	Pamela Jahenda Mwingisi	Female Adult Representative	21st May 2025
6	Nancy Makena Kimathi	Female Youth Representative	21st May 2025
7	Naomi Muthoni Kamau	Representative of Persons Living with Disability	21st May 2025
8	Godfrey Mugeru Ndungu	Co-opted Member	9th June 2025

Induction and Training of Members

Following Gazettement, all members underwent an induction workshop organized by the NGCDF Board as from 29th June to 4th July 2025.

Meetings Held in the Financial Year

	31 st JULY 2024	2 ND SEP 2024	30 TH OCT. 2024	5 TH DEC. 2024	15 TH JAN. 2025	25 TH FEB. 2025	30 TH APRIL 2025	25 TH JUNE 2025
EPHRAIM MACHARIA	✓	✓	✓	✓	✓	✓	✓	✓
JANE KARIUKI	✓	✓	✓	✓	✓	✓	✓	✓
NANCY MAKENA	✓	✓		✓	✓	✓		
PAMELA JAHENDA	✓	✓	✓	✓	✓	✓	✓	✓
SIMON WANJOHI	✓	✓	✓	✓	✓	✓	✓	
LYDIA GITURU	✓	✓	✓	✓	✓	✓	✓	✓
STEPHEN NGIGE	✓	✓	✓	✓	✓	✓	✓	✓
NAOMI M KAMAU	✓	✓		✓	✓	✓	✓	✓
GODFREY MUGERA	✓	✓		✓	✓	✓	✓	✓
JAMES WANYOIKE	✓		✓	✓	✓	✓		✓

Policy on Conflict of Interest

The Thika Town NGCDFC maintains a strict Conflict of Interest Policy requiring members to:

- Declare any personal or financial interest in matters before the committee.
- Excuse themselves from deliberations where such interests exist.
- Failure to declare interest constitutes misconduct and may result in removal from office.

Members' Remuneration Rates

In line with NG-CDF guidelines, members are entitled to:

- Sitting allowance: Kshs 5,000 per meeting and Kshs. 7,000 for Chairperson.

Succession Plan

The NGCDFC has adopted a succession plan to ensure operational continuity. In the event of a vacancy, the position will be re-advertised within 30 days, and a replacement appointed following the standard selection process.

Ethics and Conduct

Members are bound by the Public Officer Ethics Act, 2003, and the NG-CDF Code of Conduct. They must uphold integrity, transparency, accountability, and impartiality in all committee activities.

Risk Management

The NGCDFC recognizes the following key risks and mitigation measures:

Risk	Mitigation Measure
Misappropriation of funds	regular internal and external audits
Delays in project implementation	Strict adherence to project timelines and monitoring
Political interference	Compliance with NG-CDF Acts and regulations
Non-compliance with procurement laws	Continuous capacity building on Procurement processes

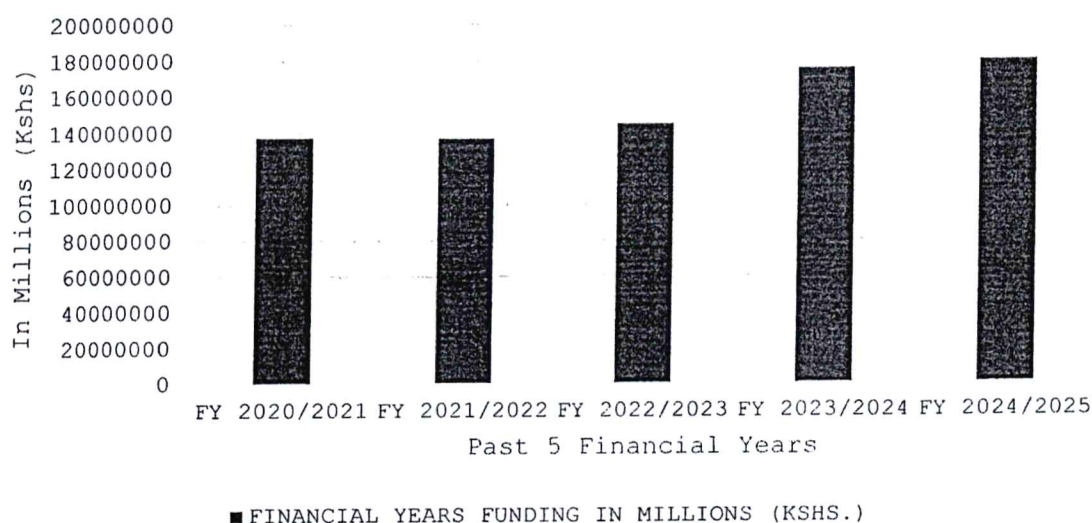
7. Management Discussion and Analysis

Overview

The NG-CDF Thika Town Constituency has steadily enhanced access to quality education, strengthened security infrastructure and expanded critical public services over the past five years through targeted and equitable resource allocation. The total allocation over the five years (FY 2020/21-2024/25) stood at approximately Kshs. 775 million, distributed as follows:

Financial Year	Total Allocation (KES)
2020/2021	137,691,879
2021/2022	137,088,879
2022/2023	145,087,603
2023/2024	175,361,810
2024/2025	179,578,954
Total	774,809,125

THIKA TOWN NG-CDF FUNDING FOR THE PAST 5 FINANCIAL YEARS



Key Projects Implemented

The key projects implemented in various sectors is as follows;

Secondary Schools

1. Construction of Chania Boys Administration Block
2. Construction of dining hall and kitchen in Kenyatta Secondary School
3. Construction of dormitory at Thika High School for the Blind
4. Construction of laboratory block at Munyu Secondary school
5. Underpinning of 3no. classrooms at Jamhuri Secondary School
6. Construction of laboratory block at Queen of Rosary Secondary School

Primary schools

1. Construction of 4 no. classrooms at Powerline Primary school
2. Construction of laboratory at Umoja Primary School
3. Construction of laboratory block at Kenyatta Primary school
4. Construction of laboratory block at Magogoni Primary school
5. Construction of laboratory block at Gatwanyaga Primary schhol

Security Sectors

1. Construction of Biashara chiefs Office
2. Construction of Ngoingwa Police Station

Environment activities

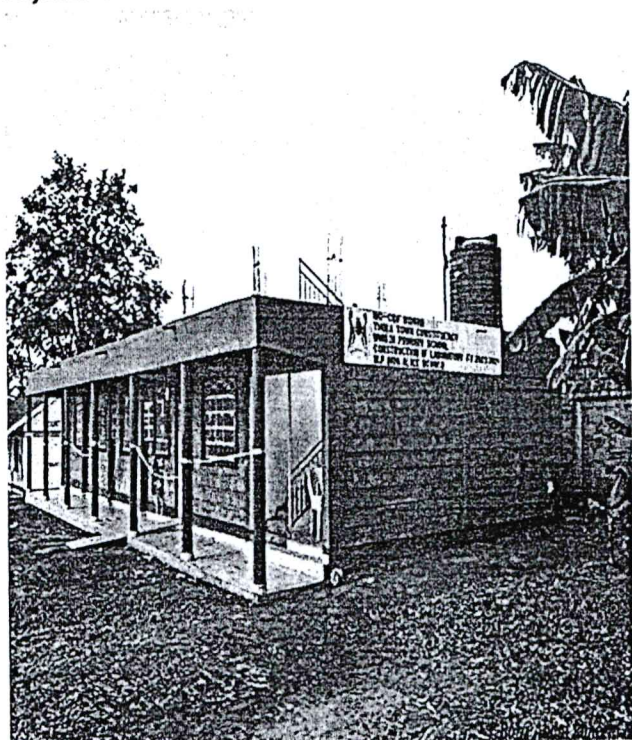
Distribution of storage water tanks to various schools within the constituency

Bursary Awards

Thika Town NG-CDF has consistently disbursed bursaries to needy students across both secondary and tertiary levels. Bursary issuance remains a key pillar annually, supporting:

- Orphans and vulnerable students.
- Students from low-income households.
- Learners with special needs.

Projects Photos



Umoja Primary School Laboratory- Complete



3no. classrooms at Jamhuri Secondary School through underpinning foundation (complete)



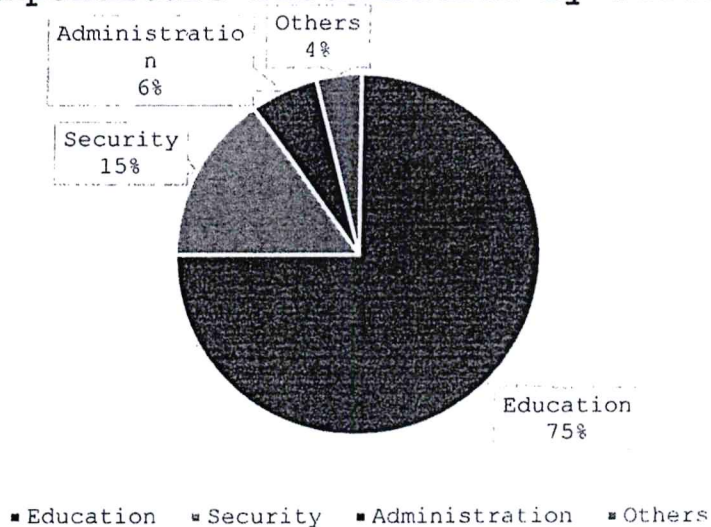
Ngoing'wa Police Station Phase 1 complete, phase 2 ongoing

Financial Performance Summary

The expenditure Distribution by Sector (%) is approximately as shown below:

- Education -75%
- Security -15%
- Administration - 6%
- Others (Environment, sports, SP etc) - 4%

Expenditure Distribution by Sector



Statutory Compliance and Governance

The Fund remains compliant with the National Government Constituencies Development Fund Act, Public Finance Management Act, and relevant procurement laws. All projects were implemented in adherence to PPRA regulations, environmental standards, and inclusive community participation.

Thika Town NG-CDF has complied with all key statutory obligations, including:

- Annual audits by the Auditor General - All projects have undergone an audit by the Auditor General.
- Adherence to procurement laws and public participation – Thika Town NG-CDF complies with the PPRA Act and involves the relevant technical officers in implementation of the projects.
- Timely bursary and project disbursement reports – Adherence to the bursary policy.
- Environmental assessments where applicable (e.g., for construction projects) -.
- Inclusivity - Buildings built with PWD-accessible features.

Material Arrears in Obligations

Thika Town NG-CDF has not experienced any significant material arrears or statutory obligations during the review period. All allocations were absorbed effectively

Major Risks

Risk	Mitigation Measure
Misappropriation of funds	regular internal and external audits
Delays in project implementation	Strict adherence to project timelines and monitoring
Political interference	Compliance with NG-CDF Acts and regulations
Non-compliance with procurement laws	Continuous capacity building on Procurement processes

Review of Economy and Sector

Thika Town NG-CDF aligned with:

- Vision 2030 (Social Pillar) – by expanding access to quality basic education.
- Presidential Big Four Agenda – through support for technical education through issuance of bursary and ICT access through partnering with Ministry of Information, Communication and Technology for provision of internet access and associated services for Constituency Innovation Hub.

The education sector is undergoing transformational changes due to the CBE transition, leading to increased demand for science labs, modern kitchens, sanitary infrastructure, ICT and digital access.

Thika Town NG-CDF has aligned with National priorities by investing in:

- Junior Secondary infrastructure (labs, classrooms)
- TVET development by allocation of 10 million towards construction of Thika Town Constituency (Makongeni) TVC facility through co-funding with State Department for Technical Vocational Education and Training (TVET)

Future Outlook

The Fund's 2025 targets include:

- Complete 100% of ongoing FY 2024/25 projects in the FY 2025/2026.
- Fully operationalize the Ngoingwa Police Station.
- Support more Primary schools especially with Laboratory construction for JSS

Conclusion

Thika Town NG-CDF has effectively managed resources over the past five years, delivering impactful infrastructure and community projects. The success of these projects is as a result of proper planning where the NG-CDF ensures involvement of diverse stakeholders, including local communities, government officials, NGOs, and private sector representatives in the entire phase of project cycle. This involvement does not only contribute to effective management of the resources but also enhances projects ownership and ensures that the projects aligns with the actual needs of the constituency. While implementation of projects for FY 2024/2025 is still at an early stage, the planning and implementation structures are in place to ensure their timely completion. Thika Town NG-CDF remains focused on its Mission Statement of excelling in the provision, promotion, regulation and coordination of services and activities geared towards the reduction of poverty in the constituency through prudent management, effective and efficient utilization of NG-CDF and other funds allocated to the Constituency.

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Jane Kariuki

Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

The Constituency acknowledges that all its operation has an impact on environment. Thika Town NG-CDF undertakes various environmental projects such as tree planting projects and incorporating rain water harvesting in the projects undertaken within the funded institutions so as to ensure the projects are sustainable and have a positive impact in future.

Thika Town NG-CDF ensures sensitization of youth/community on the impact of drugs and reduction of crime rates in the constituency by construction of police stations and police posts supported by Thika Town NG-CDF

3. Employee welfare

We invest in providing the best working environment for our employees. Thika Town 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. Thika Town 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-

Thika Town Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Thika Town 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.

6. Public Participation In Project Identification, Implementation, and Monitoring

Thika Town 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.

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


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

The Accounting Officer in charge of the NGCDF Thika Town 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.

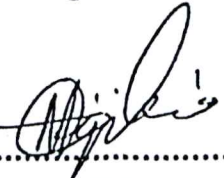
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the

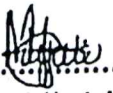
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Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Thika Town Constituency financial statements were approved and signed by the Accounting Officer on 6th October 2025.


.....
Ephraim Njili
Chairman – NGCDF Committee


.....
Jane Karuki
Fund Account Manager

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - THIKA TOWN 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 financial statements of National Government Constituencies Development Fund – Thika Town Constituency set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2025 and the Report of the Auditor-General on National Government Constituencies Development Fund - Thika Town Constituency for the year ended 30 June, 2025

statement of financial performance, statement of changes in net assets, statement of cash flows, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Thika Town Constituency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015, (Amended 2023).

Basis for Qualified Opinion

Unsupported and Unspent Balances in PMC Accounts

Annex 2 to the financial statements reflects Project Management Committee (PMC) accounts totalling Kshs.96,110,373 that remained unspent across various project categories as at 30 June, 2025. The balances were attributed to incomplete or delayed implementation of certified works, retention amounts not yet settled, and project funds not yet absorbed. Further, accounts with balances totalling Ksh.59,977,403 out of the Kshs.96,110,373 were not supported by certificate of bank balances, bank reconciliations statements and Board of survey report.

In the circumstances, the accuracy and completeness of Project Management Committee (PMC) accounts totalling Kshs.96,110,373 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Thika Town 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.372,584,854 and Kshs.321,137,899 respectively, resulting to an underfunding of Kshs.51,446,955 or 14% of the budget. Similarly, the Fund spent Kshs.197,856,816 against actual receipts of Kshs.321,137,899 resulting to an under expenditure of Kshs.123,281,083 or 38% of actual receipts. Management has also not provided any explanatory notes for material deviation between

the final budget and actual on comparable basis in the statement of comparison of budget and actual amounts as required under International Public Sector Accounting Standards (IPSAS) 24.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance respectively. Review of the status during audit of the National Government Constituencies Development Fund – Thika Town Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Cash and Cash Equivalents – Unpresented Cheques
2	2023/2024	Unconfirmed Project Management Committee (PMC) Account Balances
3	2023/2024	Under Allocation of Bursary Funds
4	2023/2024	Failure to Constitute a Bursary Committee
5	2023/2024	Irregular Branding of Projects
6	2023-2024	Irregular Procurement of Consultancy Services
7	2023-2024	Delay in Implementation of Projects
8	2023-2024	Lack of Disaster Recovery Plan

Other Information

The Management is responsible for the other information set out on pages ii to xxxvi which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting, 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 National Government Constituencies Development Fund – Thika Town Constituency financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

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. Irregularities in Project Implementation - Construction of Ablution Block at Gatuanyaga Primary School

The construction of ablution block was awarded to a local contractor at a contract sum of Kshs.1,712,320. Review of project documents revealed that, the project was completed and handed over on 16 May, 2025. However, physical inspection of the project in the month of September, 2025 revealed that the project had not been installed with a water tank as per the bill of quantities and the taps by the washing basin had been vandalized. Further, the toilets had not been in use since they had not been connected to the sewer system. In addition, documentation reviewed did not provide evidence that the project was identified and prioritized through ward-level public participation reports as required.

In the circumstances, there was no value for money of Kshs.1,712,320 invested in the construction of the ablution block.

2. Irregular Use of Low Value Procurement

Examination of payment vouchers amounting to Kshs.511,208 for payment of hire of public address system, chairs, tents and roll-up banners purchase revealed that the cost of the items exceeded the threshold of Kshs.50,000 of low value of procurement method as analysed below;

Payment Voucher	Date	Description	Amount (Kshs)
161	30 January, 2025	Purchase of banners and dummy expenses during issuance of bursary forms	53,500
176	17 February, 2025	Expenses incurred during consultative meeting with NGCDFC, Parents and the B.O.M at Jamhuri Secondary	57,500

Payment Voucher	Date	Description	Amount (Kshs)
114	5 December, 2024	Tents, Seats and PA System Expenses	37,000
229	30 April, 2025	Expenses during issuance of bursaries	135,500
261	5 June, 2024	Tents, banner and P.A address system	147,540
62	27 September, 2024	Amount spent during various projects handover	81,168

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

21 October, 2025

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

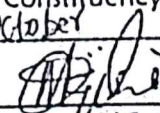
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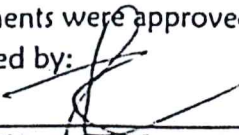
National Government Constituencies Development Fund (NGCDF)
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance Income	8	-
Miscellaneous Income	9	5,000
Total revenue		179,446,954
Expenses		
Employee costs	10	4,001,657
Committee expenses	11	4,465,058
Use of Goods and Services	12	7,013,554
Other Government Units Actual expenditure	13	95,919,583
Other Grants and Transfers Actual expenditure	14	87,714,518
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		199,114,370
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(19,667,416)

The Constituency financial statements were approved by the NGCDFC on 6th
October 2025 and signed by:


Chairman NG-CDF
Committee
Ephraim Njili


National Sub-County
Accountant
Joseph Kisavi
ICPAK M/No: 33264


Fund Account Manager
Jane Kariuki

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

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	123,286,085	135,846,207
Receivables from Exchange Transactions	20		
Receivables from Non-Exchange Transactions	21	51,441,955	57,291,693
Prepayments	22	17,733	
Total Current Assets		174,745,773	193,137,900
Non-Current Assets			
Property, Plant and Equipment	23		
Intangible Assets	24		
Right-of-use assets	25		
Total Non- Current Assets			
Total Assets (A)		174,745,773	193,137,900
Liabilities			
Current Liabilities			
Trade and Other Payables	26		
Third-Party Deposits	27	8,400,243	6,553,537
Lease Liabilities	28		
Gratuity provision	29	212,438	783,855
Total Current Liabilities		8,612,681	7,337,392
Non-Current Liabilities			
Lease Liabilities	28		
Total Liabilities (B)		8,612,681	7,337,392
Net Assets (A-B)		166,133,092	185,800,508
Represented by:			

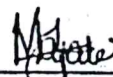
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Accumulated surplus			
Revaluation reserve		166,133,092	185,800,508
Total Net Assets		166,133,092	185,800,508

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC
on 6th October 2025 and signed by:


Chairman NG-CDF
Committee
Ephraim Njiri


National Sub-County
Accountant
Joseph Kisavi
ICPAK M/No: 33264


Fund Account Manager
Jane Kariuki

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	39,376,306	-	39,376,306
Adjustments: (to recognize assets and liabilities)			
Add Assets	152,977,739		152,977,739
Less Liabilities	6,553,537		6,553,537
As at July 1, 2024	185,800,508		185,800,508
Surplus/(Deficit) For the Period	(19,667,416)		(19,667,416)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	166,133,092		166,133,092

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

	Notes	<i>Period ended 30th June 2025</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		185,291,693
Grants/donations from other entities		-
Finance income		-
Miscellaneous income	9	5,000
Total Receipts		185,296,693
Payments		
Employee costs	10	4,573,074
Committee expenses	11	4,465,058
Use of Goods and Services	12	7,031,288
Other Government Units Certified Works	13	95,129,145
Other Grants and Transfers	14	86,658,251
Digital Hubs Expenses		-
Total Payments		197,856,816
Net Cash Flows from/ (used in) Operating Activities	31	(12,560,123)
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		(12,560,123)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		(12,560,123)
Cash and cash equivalents at Period Start	19	135,846,207
Cash and cash equivalents at Period End	19	123,286,084

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	135,709,206	57,291,693	372,442,854	321,000,899	51,441,954	86
Grants/donations from other entities	-	-	-	-	-	-	
Finance income							
Miscellaneous income	137,000	5,000	-	142,000	137,000	5,000	96
Totals	179,578,954	135,714,206	57,291,693	372,584,854	321,137,899	51,446,954	86
Expenses							
Employee costs	4,120,720	2,994,776	-	7,115,496	4,573,074	2,542,422	64
Committee expenses	4,700,000	733,601	1,100,000	6,533,601	4,465,058	2,068,543	68
Use of Goods and Services	7,322,727	8,378,471	3,069,764	18,770,962	7,031,288	11,739,674	37
Other Government Units Certified Works	31,486,000	92,082,132	38,530,100	162,098,232	95,129,145	66,969,087	59
Other Grants and Transfers	108,950,507	30,912,227	14,591,829	154,454,563	86,658,251	67,796,312	56
Digital Hubs Expenses	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Oversight Committee expense	-	474,000	-	474,000	-	474,000	0
Funds Pending Approval	22,999,000	139,000	-	23,138,000	-	23,138,000	0

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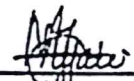
Total Expenditure	179,578,954	135,714,206	57,291,693	372,584,854	197,856,816	174,728,038	53
Surplus for the period	-	-	-	-	-	-	-

***Funds pending approval are sums not yet approved by the board for utilization and AIA not yet allocated for specific projects.*
Explanatory Notes.

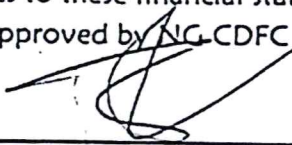
- *The underutilization of employee costs, committee expenses, use of goods and services, other government units and other grants and transfer was due to the underfunding as Kshs. 51,441,954 which was not yet received by the end of the financial year. Also there was late disbursement of funds with AIEs totaling to Kshs.82,000,000 being received in the month of May and June 2025. This amount however will be fully absorbed in the FY 2025/2026*
- *There is no utilization of oversight committee expenses since the said committee was disbanded through the amendment of the NG-CDF Act, and this amount shall be reallocated*
- *There is no expenditure on the unapproved projects as the constituency spends only what has been approved by the Board. The constituency has provided the additional information needed to aid the Board make an informed decision.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	174,728,038
Less undisbursed funds receivable from the Board as at period 30th. June 2025	51,441,954
	123,286,084

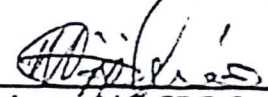
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG-CDFC on 6th October 2025 and signed by:


Fund Account Manager

Jane Kariuki


National Sub-County Accountant

Joseph Kisavi
ICPAK M/No:33264


Chairman NG-CDF Committee

Ephraim Njihi

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16. Budget Execution by Sectors and Projects for the Year Ended 30th June 2025

Programme/Sub-programme	Original Budget			Final Budget	Actual on	
					comparable basis	Budget utilization
		Adjustments				difference
		Opening Balance (C/Bk) and AIA	Previous			
			Years'			
			Outstanding			
			Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,120,720	2,994,776		7,115,496	4,573,074	2,542,422
1.2 Committee allowances	2,700,000	16,131		2,716,131	1,569,660	1,146,471
1.3 Use of goods and services	3,954,017	4,018,165	1,059,764	9,031,946	6,388,404	2,643,543
Sub-total	10,774,737	7,029,072	1,059,764	18,863,573	12,531,138	6,332,436
2.0 Monitoring and evaluation						
2.1 Capacity building	2,450,000	2,056,597	1,500,000	6,006,597	133,320	5,873,277
2.2 Committee allowances	2,000,000	717,470	1,100,000	3,817,470	2,895,398	922,072
2.3 Use of goods and services	918,710	2,303,708	510,000	3,732,418	509,564	3,222,854
Sub-total	5,368,710	5,077,775	3,110,000	13,556,485	3,538,282	10,018,203
4.0 Emergency						
THIKA PRIMARY SCHOOL		2,146,100		2,146,100	2,014,771	131,329
Magogoni pri school-ablution		310,487	1,769,329	2,079,816		2,079,816

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Athena pri school-ablution		2,040,995		2,040,995		2,040,995
Kilimambogo pri school-ablution		3,174,200		3,174,200		3,174,200
unutilized	9,444,313	1,437,361		10,881,674	-	10,881,674
Sub-total	9,444,313	9,109,143	1,769,329	20,322,785	2,014,771	18,308,014
5.0 Bursary and Social Security						
5.1 Primary Schools	-			-	-	-
5.2 Secondary Schools	54,831,000	833,000		55,664,000	49,475,918	6,188,082
5.3 Tertiary Institutions	15,000,000	4,231,400		19,231,400	15,502,000	3,729,400
5.4 special needs	2,000,000	1,818,465		3,818,465	1,760,000	2,058,465
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	71,831,000	6,882,865	-	78,713,865	66,737,918	11,975,947
7.0 Environment						
Githima Primary school	540,000			540,000	-	540,000
General Kago Primary School	540,000			540,000	-	540,000
Ngoliba Chiefs office	270,000			270,000	-	270,000
				-		
Sub-total	1,350,000	-	-	1,350,000	-	1,350,000

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8.0 Primary Schools Projects						
Karibaribi Primary school	3,250,000			3,250,000		3,250,000
Ngoliba Primary School	8,426,000			8,426,000		8,426,000
Gatuanyaga primary School	1,340,000			1,340,000	-	1,340,000
Mugumoini Primary School	1,340,000			1,340,000	-	1,340,000
Salvation Army Joytown Special Primary School	3,250,000			3,250,000		3,250,000
Salvation Army Joytown Special Primary School	335,000			335,000	-	335,000
Matathia Primary School	1,900,000			1,900,000		1,900,000
Kiganjo Primary school		4,100,000		4,100,000		4,100,000
Kimuchu Pry School			1,339,400	1,339,400		1,339,400
Athena Primary School		6,632		6,632		6,632
Gatuanyaga Primary School		108,837		108,837	-	108,837
Gatuanyaga Primary School Ablution Block		1,800,000		1,800,000	1,323,229	476,772
Gatumaini Primary School-NG-CDF		5,313		5,313	5,313	-
Githima Primary School		87,821		87,821		87,821
Jamhuri Primary School		5,049		5,049		5,049
Jamhuri Primary School		301,207		301,207		301,207

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Joytown Primary School		247,847		247,847	145,356	102,491
Kenyatta Primary Cabro		8,447,435		8,447,435	8,005,985	441,450
Kenyatta Primary Lab		5,964,941		5,964,941	5,571,281	393,660
Kianjahi Primary School		3,540,000.00		3,540,000	3,242,436	297,565
Kianjau Primary School		17,802		17,802		17,802
Kiganjo Primary School		159,108		159,108		159,108
Kimuchu Primary School		117,083		117,083		117,083
Kimuchu Primary School Ng-Cdf Account		38,392		38,392		38,392
Kisiwa Primary Cabro		4,000,000		4,000,000	3,728,415	271,585
Magogoni Primary School-Ng-CDF Account		76,353		76,353		76,353
Matathia Primary School		161,203		161,203		161,203
Mountain View Primary School		110,621		110,621		110,621
Mugumoini Primary School-CDF Account		1,186		1,186		1,186
Munyu Primary School		224,474		224,474		224,474
Ngoliba Primary School		10,021		10,021		10,021
Powerline Primary School		4,624		4,624		4,624
Powerline Primary School		7,623,150		7,623,150	7,623,150	-

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St Patricks Primary School Ng-Cdf A/C		287		287		287
St Patricks Primary School(Cdf A/C)		1,761		1,761		1,761
Thika Primary School Cdf Project				-		-
Umoja Primary School		184,723		184,723		184,723
Gatuanyaga pry school - lab		8,426,000		8,426,000	7,789,915	636,086
Umoja Primary School		8,426,000		8,426,000	7,986,898	439,102
Magogoni primary - lab		5,964,942		5,964,942	5,408,125	556,817
Gatumaini primary school		5,000,000		5,000,000	4,666,984	333,016
Queen of rosary pri sch		5,000,000		5,000,000	4,655,200	344,800
Sub-total	19,841,000	70,162,812	1,339,400	91,343,212	60,152,286	31,190,927
9.0 Secondary Schools Projects						
Jamhuri Sec School	5,800,000			5,800,000		5,800,000
Jamhuri Sec School	1,005,000			1,005,000		1,005,000
Mbagathi Secondary School	3,280,000	1,000,000		4,280,000		4,280,000
St Paul Gatuanyaga Secondary School	1,560,000			1,560,000		1,560,000
Kenyatta Sec School			3,599,700	3,599,700	3,255,945	343,755
Salvation Army Thika High School for the Blind			12,805,000	12,805,000	6,316,316	6,488,684

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Chania Girls High School			10,786,000	10,786,000	10,008,936	777,064
Broadway High School		5,502,154		5,502,154	2,514,710	2,987,444
Chania Girls Secondary School		49,964		49,964		49,964
Chania High School		3,991,362		3,991,362	3,416,457	574,905
Gatuanyaga Mixed Day Secondary School		94		94		94
Jamhuri Secondary School		246,728		246,728	224,808	21,920
Jamhuri Secondary School		2,221,203		2,221,203	2,171,152	50,051
Jamhuri Secondary School		284,480		284,480	269,835	14,645
Karibaribi Secondary School		6,225		6,225		6,225
Kenyatta Girls Secondary School		10,527		10,527		10,527
Kimuchu Secondary School		446,353		446,353		446,353
Magogoni Community Secondary School		157,847		157,847		157,847
Munyu Mixed Secondary School		452,366		452,366	334,086	118,280
Ndula Secondary School CDF Account		62,120		62,120		62,120
Ndula Secondary School Ng- CDF Account		19,685		19,685		19,685
Ngoliba Secondary School		16,746		16,746		16,746
Queen Of Rosary Secondary School		65,728		65,728		65,728

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Queen Of Rosary Secondary School		4,576,009		4,576,009	4,545,628	30,381
St Pauls Gatwanyaga Secondary School		74,676		74,676		74,676
Ng-Cdf Account						
Thika Garrison Mixed Sec School		116,656		116,656		116,656
Thika Girls Karibaribi Secondary School		2,372,919		2,372,919	1,918,986	453,933
Sub-total	11,645,000	21,673,842	27,190,700	60,509,542	34,976,859	25,532,683
10.0 Tertiary institutions Projects (List all the Projects)						
Thika TVC			10,000,000	10,000,000		10,000,000
St John's Teachers Training College		245,478		245,478		245,478
Sub-total	-	245,478	10,000,000	10,245,478		10,245,478
11.0 Security Projects					-	
Ngoing'wa Police Station	13,160,000	3,000,000	12,822,500	28,982,500	17,905,562	11,076,938
Kiandutu Police Station	1,726,194			1,726,194		1,726,194
Muthaiga Police Post	6,769,000			6,769,000		6,769,000
Karibaribi Chiefs Office	3,500,000			3,500,000		3,500,000
Karibaribi Chiefs Office	1,170,000			1,170,000		1,170,000
Gatwanyaga Police Post		3,000,000		3,000,000		3,000,000
DCC Thika East		48,658		48,658		48,658

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Gatunyaga Assistant Chief office		1,874		1,874		1,874
Magogoni Assistant Chief Office		11,873		11,873		11,873
Munyu Police		800,000		800,000		800,000
Ngurai Police		4,500,000		4,500,000		4,500,000
Athena Ap Post		176,773		176,773		176,773
Biashara Location Chiefs Office		86,652		86,652		86,652
Deo Thika East Ng-Cdf Account		44,418		44,418		44,418
Deputy Adm Police Commander Kiang'ombe		25,928		25,928		25,928
Deputy County Commissioner -Thika East Office Ng-CDF (Toilet Construction)		10,960		10,960		10,960
Kiandutu Police Station		1,800,000		1,800,000		1,800,000
Kianjau Sub Location (Kiandutu) Asst. Chiefs Office		787		787		787
Kimuchu Police Post		6,277		6,277		6,277
Ngoliba Chief		6,997		6,997		6,997
Ngoliba Police Division Cdf Account		1,140,255		1,140,255		1,140,255
Thika Police Hq		111,501		111,501		111,501
Sub-Total	26,325,194	14,772,953	12,822,500	53,920,647	17,905,562	36,015,085

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Others					-	
Thika Town Constituency Environment Committee CDF Account		147,208		147,208		147,208
Thika Town Constituency Sports Committee CDF Account		58		58		58
Sub-total	-	147,266	-	147,266		147,266
12.0 Acquisition of assets					-	
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-		-
13.0 Oversight Committee members					-	
Conferences, Domestic Travel and Subsistence & Other Transport Costs		198,000	-	198,000		198,000
Other committee expenses		151,000	-	151,000		151,000
Committee Allowances Expenses		125,000	-	125,000		125,000
Sub-total	-	474,000	-	474,000		474,000
Funds pending approval**				-		
unapproved projects		-		-		-
Kamenu Secondary School (New school)	14,124,000			14,124,000		14,124,000

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Kiliview Primary School (New school)	6,500,000			6,500,000	-	6,500,000
Kiliview Primary School (New school)	2,375,000			2,375,000	-	2,375,000
AIA	-	139,000		139,000		139,000
Sub-total	22,999,000	139,000	-	23,138,000	-	23,138,000
Total	179,578,954	135,714,206	57,291,693	372,584,854	197,856,815	174,728,039

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 Thika Town Constituency principal activity is the implementation of NG CDF funded projects.

2. Statement of Compliance and Basis of Preparation

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

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

The NG-CDF Thika Town has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions. The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and Impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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.
IPSAS 46:	<i>Applicable 1st January 2025</i>

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Measurement	The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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.
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 30th June 2024 for the period 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 Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An

estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for

the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates

could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	<i>Period ended June 2025</i>
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	179,441,954

7. Transfers from domestic and foreign partners

Description	<i>Period ended June 2025</i>
	Kshs
Grants	0
Total	0

8. Finance income

Description	<i>Period ended June 2025</i>
	Kshs
Interest Income on Bank Deposits	0
Total	0

9. Miscellaneous income

Description	<i>Period ended June 2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	5,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	5,000

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

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,279,755
Personal allowances paid as part of salary	-
House Allowance	476,760
Transport Allowance	324,000
Leave allowance	-
Gratuity to contractual employees- Provision	694,338
Employer Contributions Compulsory national social security schemes	176,296
Employer Contributions Compulsory Housing levy	46,209
Employer contributions to National Industrial Training Authority	4,300
Others	-
Total	4,001,657

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	2,069,866
Other Committee expenses	2,395,192
Total	4,465,058

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	869,437
Communication, supplies and services	106,920
Domestic travel and subsistence	658,240
Printing, advertising and information supplies & services	-
Office Rent	900,000
Training expenses	133,320
Hospitality supplies and services	446,449
Insurance costs	52,622
Specialized materials and services	-
Office and general supplies and services	3,325,150
Fuel, oil & lubricants	240,000
Bank Charges	139,213
Routine maintenance – vehicles and other transport equipment	99,190
Routine maintenance – other assets	43,014
Total	7,013,554

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	62,214,590
Secondary Schools Actual Expenditure	33,704,993
Tertiary Institutions Actual Expenditure	-
Total	95,919,583

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14. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	49,475,918
Bursary – tertiary institutions	15,502,000
Bursary – special schools	1,760,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	18,854,558
Climate change mitigation projects	-
Emergency projects Actual Expenditure	2,122,042
Roads projects	-
Others	-
Total	87,714,518

15. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others	-
Total	-

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17. Gain/loss on Sale of Assets

Description	<i>Period ended June 2025</i>
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	<i>Period ended June 2025</i>
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	<i>Period ended June 2025</i>	<i>Opening Statement</i>
		<i>1st July 2024</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Family Bank Thika Branch, A/C 005000081444 (Operations account)</i>	26,963,273	39,376,306
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Family Bank Thika Branch, A/C 005000088590 (Deposit account)</i>	212,438	783,855
<i>PMC account balances</i>	96,110,373	95,686,046
Total	123,286,085	135,846,207
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations	-	-
Total	-	-

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20. Receivables from Exchange Transactions

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Total receivables		
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. Ageing Analysis for Receivables

Description	<i>Period ended June 2025</i>		<i>Opening Statement 1st July 2024</i>	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

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21. Receivables from Non-Exchange Transactions

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Transfers from NGCDFB	51,441,955	57,291,693
Outstanding imprest	-	-
Total	51,441,955	57,291,693

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening Balance</i>	<i>% of the total</i>
Ageing Analysis- Receivables from non-exchange transactions				
Less than 1 year	51,441,955	100	57,291,693	100
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	51,441,955	100	57,291,693	100

22. Prepayments

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	17,733	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	17,733	-

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

Note: Depreciation to be provided in subsequent years

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Valuation

Land and buildings/ Equipment are not yet valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts are reported at cost amount.

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	<i>Period ended June 2025</i>
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 2024/2025	-
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 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 2023	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2023	-	-	-	-
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.	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
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26. Trade and Other Payables

Description	Period ended June 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)	Current FY	% of the Total	1 st July	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	6,553,537	-
Retention held during the period (B)	12,215,022	6,553,537
Retention paid during the period (C)	10,368,316	-
Closing Retention as at period D= A+B-C	8,400,243	6,553,537

Retentions aging analysis.

	<i>Period ended June 2025</i>	% of the total	<i>Period ended June 2024</i>	% of the total
Less than 1 year	8,400,243	100 %	6,553,537	100%
1-2 years	-	0 %	-	0 %
2-3 years	-	0 %	-	0 %
Over 3 years	-	0 %	-	0 %
Total	8,400,243	100 %	6,553,537	100%

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	783,855	-
Gratuity held during the period (B)	694,338	783,855
Gratuity paid during the period (C)	1,265,755	-
Total Gratuity provision D=(A+B-C)	212,438	783,855

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(19,667,416)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	5,849,739
Change in prepayment	(17,733)
Increase in deferred income	-
Increase in payables	-
changes in third party payments	1,846,706
changes in gratuity provisions	(571,417)
Increase in payments received in advance	-
Net cash flow from operating activities	(12,560,122)

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,441,955	51,441,955	-	-
Bank balances	123,286,085	123,286,085	-	-
Total	174,728,040	174,728,040	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	57,291,693	57,291,693	-	-
Bank balances	135,846,207	135,846,207	-	-
Total	193,137,900	193,137,900	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	212,438	212,438
Total	-	-	212,438	212,438
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one

percentage point as a decrease/increase of Kshs (Current FY: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (Current FY – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,069,866	1,864,230
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	185,291,693.00	187,087,603
Total	185,291,693.00	187,087,603

33. Segment Information

Thika Town NG-CDF does not operate in different geographical region

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others	-	-
Total	-	-

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Contingent Liabilities

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	2024/2025 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost b/f (Kshs) 2023-2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2024-2025
Land				
Buildings and structures				
Transport equipment	5,750,000.00	-	-	5,750,000.00
Office equipment, furniture and fittings	814,050.00	-	-	814,050.00
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	6,564,050.00			6,564,050.00

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

	PMC NAME	Bank	Account number	2024/2025	2023-2024
	PRIMARY SCHOOLS				
	ATHENA PRIMARY SCHOOL	EQUITY THIKA	90276546823	6,632.00	6,632
	GATUANYAGA PRIMARY SCHOOL	EQUITY THIKA	90265975444	108,837.00	108,837
	GATUANYAGA PRIMARY SCHOOL ABLUTION BLOCK	EQUITY THIKA	1710284757401	476,771.50	1,800,000
	GATUMAINI PRIMARY SCHOOL-NG CDF	KCB THIKA	1242863214	-	5,313
	GITHIMA PRIMARY SCHOOL	EQUITY MAKONGENI	1710279073897	87,821.00	87,821
	JAMHURI PRIMARY SCHOOL	EQUITY THIKA	90276504985	5,049.00	5,049
	JAMHURI PRIMARY SCHOOL	FAMILY THIKA	5000080895	301,207.00	301,207
	JOYTOWN PRIMARY SCHOOL	EQUITY THIKA	90265469850	102,491.19	247,847
	KENYATTA PRIMARY CABRO	EQUITY MAKONGENI	1710285482017	441,450.50	8,447,435
	KENYATTA PRIMARY LAB	EQUITY MAKONGENI	1710285481178	393,660.00	5,964,941
	KIANJAHU PRIMARY SCHOOL	EQUITY MAKONGENI	1710285479992	297,564.50	3,540,000.00
	KIANJAU PRIMARY SCHOOL	EQUITY THIKA	90262205207	17,802.00	17,802
	KIGANJO PRIMARY SCHOOL	EQUITY THIKA	90270583760	159,108.00	159,108
	KIMUCHU PRIMARY SCHOOL	EQUITY THIKA	90265966907	117,083.00	117,083
	KIMUCHU PRIMARY SCHOOL NG- CDF ACCOUNT	EQUITY THIKA	90279770488	38,392.00	38,392
	KISIWA PRIMARY CABRO	EQUITY KENYATTA HIGHWAY	340284719250	271,585.00	4,000,000

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	MAGOGONI PRIMARY SCHOOL-NG-CDF ACCOUNT	EQUITY MAKONGENI	1710279720085	76,353	76,353
	MATATHIA PRIMARY SCHOOL	EQUITY THIKA	90265960723	161,203	161,203
	MOUNTAIN VIEW PRIMARY SCHOOL	EQUITY THIKA	90265412963	110,621	110,621
	MUGUMOINI PRIMARY SCHOOL-CDF ACCOUNT	EQUITY THIKA	90270629252	1,186	1,186
	MUNYU PRIMARY SCHOOL	EQUITY THIKA	90277272511	224,474	224,474
	NGOLIBA PRIMARY SCHOOL	EQUITY THIKA	90276488035	10,021	10,021
	POWERLINE PRIMARY SCHOOL	EQUITY MAKONGENI	1710279051781	4,624	4,624
	POWERLINE PRIMARY SCHOOL	EQUITY	1710284929222	-	7,623,150
	ST PATRICKS PRIMARY SCHOOL NG-CDF A/C	EQUITY	90284969570	287	287
	ST PATRICKS PRIMARY SCHOOL(CDF A/C)	EQUITY THIKA	90277813316	1,761	1,761
	UMOJA PRIMARY SCHOOL	EQUITY THIKA	90277824620	184,723	184,723
	GATUMAINI PRIMARY SCHOOL	EQUITY THIKA	340285485925	333,016.00	5,000,000
	GATUANYAGA PRY SCHOOL - LAB	EQUITY THIKA	1710285491657	636,085.50	8,426,000
	UMOJA PRIMARY SCHOOL	EQUITY THIKA	1710285499079	439,102.00	8,426,000
	MAGOGONI PRIMARY - LAB	EQUITY THIKA	1710285491775	556,817.50	5,964,942
	QUEEN OF ROSARY PRI SCH	EQUITY THIKA	340285535671	344,800.00	5,000,000
	KIMUCHU PRIMARY SCHOOL-LOCKERS	EQUITY MAKONGENI	1710286295030	1,339,400.00	-
	KIGANJO PRIMARY SCHOOL-LOCKERS	EQUITY THIKA	90286455385	850,900.00	-
	KIGANJO PRIMARY SCHOOL-2 CLASSROOMS	EQUITY THIKA	90286455407	3,249,100.00	-
	MATATHIA PRIMARY SCHOOL-ABLUTION	EQUITY MAKONGENI	1710286437282	1,900,000.00	-
	S.A JOYTOWN PRIMARY SCHOOL-2CLASSROOMS	EQUITY THIKA	340286438158	3,250,000.00	-

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	KARIBARIBI PRIMARY SCHOOL	EQUITY THIKA	340286427202	3,250,000.00	-
	NGOLIBA PRIMARY SCHOOL-LAB	EQUITY MAKONGENI	340286441159	7,190,000.00	-
	SECONDARY SCHOOL				
	BROADWAY HIGH SCHOOL	EQUITY THIKA	90266417700	2,987,444.50	5,502,154
	CHANIA GIRLS SECONDARY SCHOOL	EQUITY THIKA	90266417370	49,964	49,964
	CHANIA HIGH SCHOOL	EQUITY THIKA	90266418520	574,904.90	3,991,362
	GATUANYAGA MIXED DAY SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279082587	94	94
	JAMHURI SECONDARY SCHOOL	EQUITY	340285012638	21,920.00	246,728
	JAMHURI SECONDARY SCHOOL	EQUITY	340285012976	4,050,051.00	2,221,203
	JAMHURI SECONDARY SCHOOL	EQUITY	340285012791	14,645.00	284,480
	KARIBARIBI SECONDARY SCHOOL	EQUITY THIKA	90262351616	6,225	6,225
	KENYATTA GIRLS SECONDARY SCHOOL	EQUITY THIKA	90266455299	354,281.70	10,527
	KIMUCHU SECONDARY SCHOOL	EQUITY THIKA	90262232761	446,353.00	446,353
	MAGOGONI COMMUNITY SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279342300	157,847.00	157,847
	MUNYU MIXED SECONDARY SCHOOL	EQUITY	340284719170	118,280.00	452,366
	NDULA SECONDARY SCHOOL CDF ACCOUNT	EQUITY THIKA	90266416142	62,120	62,120
	NDULA SECONDARY SCHOOL NG-CDF ACCOUNT	EQUITY THIKA	90277490487	19,685	19,685
	NGOLIBA SECONDARY SCHOOL	EQUITY THIKA	90266406621	16,746	16,746
	QUEEN OF ROSARY SECONDARY SCHOOL	EQUITY THIKA	90266379483	65,728	65,728
	QUEEN OF ROSARY SECONDARY SCHOOL	EQUITY	340284733015	30,381.00	4,576,009

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	ST PAULS GATUANYAGA SECONDARY SCHOOL NG-CDF ACCOUNT	EQUITY MAKONGENI	1710279825921	74,676	74,676
	THIKA GARRISON MIXED SEC SCHOOL	KCB THIKA	1266469028	116,656	116,656
	THIKA GIRLS KARIBARIBI SECONDARY SCHOOL	EQUITY THIKA	90263317823	453,933.50	2,372,919
	Chania Girls High School-	EQUITY THIKA	90285736515	777,064.00	
	Thika High School For The Blind-	EQUITY KENYATTA HIGHWAY	340285855913	6,488,684.00	
	Mbagathi secondary school	EQUITY MAKONGENI	1710285939066	4,280,000.00	
	TERTIARY INNSTITUTIONS				
	ST JOHN'S TEACHERS TRAINING COLLEGE	EQUITY MAKONGENI	1710280144752	245,478	245,478
	THIKA TECHNICAL TRAINING INSTITUTE (Makongeni TTI)	KCB THIKA	1332835511	10,000,000	
	SECURITY				
	ATHENA AP POST	EQUITY THIKA	90262187718	176,773	176,773
	BIASHARA LOCATION CHIEFS OFFICE	EQUITY KENYATTA HIGHWAY	340279699876	86,652	86,652
	DEO THIKA EAST NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340279004397	44,418	44,418
	DEPUTY ADM POLICE COMMANDER KIANG'OMBE	EQUITY THIKA	90279830794	25,928	25,928
	DEPUTY COUNTY COMMISSIONER - THIKA EAST OFFICE NG-CDF(TOILET CONSTRUCTION)	EQUITY THIKA	90281027135	10,960	10,960
	KIANDUTU POLICE STATION	EQUITY	340285484754	3,526,194.00	1,800,000
	KIANJAU SUB LOCATION (KIANDUTU) ASST. CHIEFS OFFICE	EQUITY KENYATTA HIGHWAY	340280257594	787	787
	KIMUCHU POLICE POST	EQUITY KENYATTA HIGHWAY	340279063013	6,277	6,277
	NGOLIBA CHIEF	EQUITY THIKA	340279290775	6,997	6,997
	NGOLIBA POLICE DIVISION CDF ACCOUNT	EQUITY THIKA	340262209010	1,140,255	1,140,255
	THIKA POLICE HQ	EQUITY THIKA	90279294995	111,501	111,501

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	NGOINGWA POLICE STATION			8,076,938.00	3,000,000
	MUTHAIGA POLICE POST	EQUITY MAKONGENI	1710286533769	4,000,000.00	-
	KARIBARIBI CHIEFS -OFFICES	EQUITY THIKA	90286453647	3,500,000.00	-
	MUNYU POLICE STATION	EQUITY THIKA	90286521234	8,300,000.00	-
	KARIBARIBI CHIEFS -ABLUTION	EQUITY THIKA	90286453585	1,170,000.00	-
	EMERGENCY				
	THIKA PRIMARY SCHOOL	EQUITY	340285477709	131,330.00	2,146,100
	MAGOGONI PRI SCHOOL- ABLUTION	EQUITY MAKONGENI	1710286230137	2,079,816.00	-
	ATHENA PRI SCHOOL-ABLUTION	EQUITY KENYATTA HIGHWAY	340286235069	2,040,995.00	-
	KILIMAMBOGO PRI SCHOOL- ABLUTION	EQUITY MAKONGENI	1710286255050	3,174,200.00	-
	OTHERS				
	THIKA TOWN CONSTITUENCY ENVIRONMENT COMMITTEE CDF ACCOUNT	EQUITY THIKA	90262485126	147,208	147,208
	THIKA TOWN CONSTITUENCY SPORTS COMMITTEE CDF ACCOUNT	EQUITY THIKA	90262485165	58	58
	TOTALS			96,110,373	95,686,046

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Cash and cash Equivalents The statement of assets and liabilities and as disclosed in Note 11 for the financial statements reflects cash and bank balance of Kshs.40, 160,161. However, review of the bank reconciliation statements as at 30 June, 2024 revealed unrepresented cheques of Kshs.43, 649,682 that had not been cleared. Further, review of October, 2024 bank reconciliation statement revealed that stale cheques of Kshs.286,000 were still outstanding as unrepresented cheques and had not been reversed in the cashbook. Further, the Fund has a deposits account with a local bank, however, the Fund did not maintain cashbooks and bank reconciliation for the bank account.	The stale cheques were reversed. The cashbook and bank reconciliation are also available for review	Not resolved	December 2025
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Unconfirmed Project Management Committee (PMC) Account Balances Note 20.4 and Annex 5 to the financial statements reflects a balance of Kshs.56, 418,152, in respect to unspent project funds under PMC accounts held by various institutions. However, the cashbooks, bank confirmations and monthly bank reconciliation statements were not provided.	Cashbooks, bank confirmations and monthly bank reconciliation statements were prepared and available for perusal.	Not resolved	December 2025
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Unresolved Prior Year matters The audit report for the year ended 30th June 2023 raised several unsatisfactory issues in regard to balances reflected in the report on the Financial Statements. However, the issues remained unresolved as at 30th June 2024	Financial statement revised	Unresolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Under-Allocation of Bursary Funds The statement of budget execution by sectors and projects for the year ended 30 June, 2024 reflects a total allocation of Kshs.60, 888,465 in respect of bursary and social security. However, the allocation was approximately 20% of the total allocation of Kshs.303, 597,266. This was contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that Constituency Committees shall allocate not less than twenty five percent (25% of the funds allocated to a constituency for bursaries.	The amount of Kshs. 301,427,259 was the final budget that is opening balance of Kshs. 114,135, 566 and financial year allocation of Kshs. 187,291,693 as shown in the summary statement of Appropriation. Thus, the allocation for the FY being Kshs.187, 291,693 25% of of the allocation is Kshs. 46,822,923. However the NG-CDFC allocated Kshs. 60,888,465 to bursary which is equivalent to 32.5%.		December 2025
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Failure to Constitute a Bursary Committee -Management did not provide evidence of formation of Education Bursary, Mock Examinations and Continuous Assessment Tests Committee whose core mandate is vetting of applicants. -Review of application forms revealed that none of the forms was vetted by Education Bursary, Mock Examinations and Continuous Assessment Tests Committee. - The Chairman or the Secretary of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee did not sign the application form as proof of approval or rejection of the application.	The bursary sub committee was formed and the same is captured in the NG-CDFC minutes dated 26th June 2023 as attached All the forms received were vetted using the vetting criteria as outlined in the form. Due to bulkiness of the application forms, the outcome of the vetting is usually in the minutes, which are fully signed by both the	Not resolved	December 2025

*National Government Constituencies Development Fund (NGCDF)
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	The minutes of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee and the details of the successful applicants was not provided for audit review.	chairperson and the secretary. The minute for the bursary subcommittee are available for perusal		
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Irregular Branding of Projects Physical inspection of projects implemented by Thika Town Constituency carried out in December, 2024 revealed instances of non-compliance with the law in branding of projects implemented at Jamhuri Secondary School, Powerline Comprehensive School and Ngoingwa Police Station. The projects were branded with the name of the Area Member of Parliament. In the circumstances, Management was in breach of the law.	The observation shall be shared with the NG-CDFC members for action taking	Not resolved	December 2025
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Irregular Procurement of Consultancy Service Review of procurement records including the payment vouchers revealed the following: -According to the evaluation reports for technical and financial proposal, the evaluation of proposals was carried out for more than twenty one (21) days contrary to the provisions of Section 126(3) of the Public Procurement and Asset Disposal Act, 2015 which requires that evaluation of proposal be carried within a maximum of twenty-one (21) days. - Review of the signed contract revealed that the chairperson of the Fund entered into the contract with the consultant while the accounting officer signed as a witness.	Having used the Quality and Cost Based selection method, the technical proposal and the Financial Proposal were opened on different dates. After opening technical proposal, the respective evaluation was done within 21 days and all participating bidders informed accordingly and were invited for the opening of the financial proposal. After opening the financial proposal, evaluation	Not resolved	December 2025

National Government Constituencies Development Fund (NGCDF)
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		was also done within 21 days and the outcome communicated to the relevant bidders. The contract agreement where manager has signed and the chairperson witnessed is also available for review		
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Delay in Implementation of Projects The Projects Implementation Status report for Thika Town Constituency revealed that the Fund had planned to implement twelve (12) projects with a funding allocation of Kshs.70, 931,728 in the year under review. The report further indicates that nine (9) projects with an allocation of Kshs.60, 769,318 or 86% of the planned projects had not started, while three (3) projects with a funding allocation of Kshs.10, 162,410 or 14% were still ongoing. In addition, Management did not maintain update of project implementation status of all the projects carried out by the Fund including the prior year's projects. In the circumstances, delay in completion of projects as planned denies the residence of Thika Town Constituency the benefits accrued from completed project	The delay in implementation of projects is due to late disbursement of funds that resulted to under expenditure in the period under review. However the projects are now ongoing in the current FY 2024/2025. The PIS is maintained and provided in soft copy for your perusal	Not resolved	December 2025
OAG/NRO/NGCDF/ THIKA TOWN/ 2023/2024/ (13)	Lack of disaster discovery Plan Review of the fund's ICT environment revealed that there was no IT disaster recovery plan in place as at 30th June 2024 that	The management has taken the recommendation and	Not resolved	December 2025

*National Government Constituencies Development Fund (NGCDF)
Thika Town Constituency
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	would reduce the impact on operations in case of outage or disruption to ICT systems likely to occur. Further the fund may not recover or restore critical infrastructure services and systems which may affect all operations that rely on ICT systems. This is contrary to section 68(2) (c) of National Government Public Finance Management Act 2012. In the circumstances, the security and reliability of the funds management information system and data could not be confirmed and the fund may not be well prepared to handle any would be disaster and risks losing critical data	shall prepare a disaster management plan		

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Jane Kariuki
Fund Account Manager.