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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT | FIFTH SESSION - 2026

DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

SIXTEENTH REPORT OF THE COMMITTEE ON ITS EXAMINATION OF THE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD AND THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) ACCOUNT FOR THE FINANCIAL YEARS 2022/2023, 2023/2024 AND 2024/2025

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OCTOBER, 2026

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 06 OCT 2026
DAY: Tuesday
TABLED BY: Hon. Owen Baya, MP Deputy Leader of Majority Party
CLERK-AT-THE-TABLE: S. Shabaka



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LIST OF ABBREVIATIONS AND ACRONYMS

AIE	Authority to Incur Expenditure
CBS	Chief of the Order of the Burning Spear
CDF	Constituencies Development Fund
CEO	Chief Executive Officer
DFAC	Decentralized Funds Accounts Committee
EBS	Elder of the Order of the Burning Spear
FAM	Fund Account Manager
FORD-Kenya	Forum for the Restoration of Democracy–Kenya
FY	Financial Year
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
KANU	Kenya African National Union
KMTC	Kenya Medical Training College
MP	Member of Parliament
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituencies Development Fund Committee
ODM	Orange Democratic Movement
PFM	Public Finance Management
UDA	United Democratic Alliance
WPF	Wiper Patriotic Front

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CHAIRPERSON'S FOREWORD

The Decentralized Funds Accounts Committee is amongst the six Watchdog Committees in the Thirteenth Parliament that examine reports of the Auditor-General laid before the National Assembly to ensure probity, efficiency, and effectiveness in the use of public funds.

The Committee was established in the First Session of the Thirteenth (13th) Parliament pursuant to the National Assembly Standing Order 205B to examine reports of the Auditor-General for the National Government Constituencies Development Fund, the National Government Affirmative Action Fund, and their respective Boards.

In examining the reports of the Auditor-General, the Committee invited the Chief Executive Officer of the National Government Constituencies Development Fund Board, being the Accounting Officer of the NG-CDF, as provided under Section 67(1) of the PFM Act (CAP. 412A), to respond to the audit queries raised on the financial statements of the Board and of the Fund Account.

This Report contains the Committee's observations and recommendations arising from consideration of **six (6) reports** of the Auditor-General, being three (3) reports on the financial statements of the **NG-CDF Board** and three (3) reports on the financial statements of the **NG-CDF (Fund Account)** for the financial years 2022/2023, 2023/2024 and 2024/2025.

The Committee acknowledges the Office of the Chief Executive Officer of the National Government Constituencies Development Fund Board for coordinating the responses to the audit queries raised in the reports. The Committee further extends its appreciation to the Offices of the Auditor-General and the National Treasury for the technical support and liaison services they offered during the entire period.

The Committee also expresses its gratitude to the Offices of the Speaker and the Clerk of the National Assembly for the support extended to it during consideration of these reports. The Committee further acknowledges the contributions of the Committee Members and the Secretariat, whose dedication has enabled it to review the audit queries and prepare this report.

On behalf of the Decentralized Funds Accounts Committee, and pursuant to Standing Order 199(6), it is my pleasant duty and honour to present to this House the **Sixteenth Report on audited financial statements of the National Government Constituencies Development Fund Board and the National Government Constituencies Development Fund for the Financial Years 2022/2023, 2023/2024 and 2024/2025.**

HON. DR. GIDEON MUTEMI MULYUNGI, CBS, EBS, MP
CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

EXECUTIVE SUMMARY

The Sixteenth Report of the Decentralized Funds Accounts Committee presents the Committee's consideration of six (6) reports of the Auditor-General on the financial statements of the National Government Constituencies Development Fund Board and the National Government Constituencies Development Fund (Fund Account) for the financial years 2022/2023, 2023/2024 and 2024/2025.

The Auditor-General issued unqualified opinions on the financial statements of the Board for each of the three financial years and on the financial statements of the Fund Account for each of the three financial years. The matters raised related principally to delayed and back-loaded exchequer releases to the Fund, which resulted in the under-absorption of Kshs.20,166,118,803 (43%) of the budget in 2022/2023 and under-funding of Kshs.17,931,500,000 (23%) in 2023/2024 and Kshs.12,701,917,680 (17%) in 2024/2025; balances withheld from constituencies pending the resolution of project-related issues; delayed and stalled best practice projects implemented by the Board; long-outstanding payables on completed projects; unresolved prior year matters; and the Board's non-compliance with the requirement to reserve at least five per cent (5%) of employment opportunities for persons with disabilities.

In examining the audited financial statements, the Committee received submissions from the Accounting Officer of the NG-CDF on the omissions, errors or control weaknesses that gave rise to the audit queries cited by the Auditor-General.

This was guided by the relevant public financial management principles in the Constitution of Kenya, 2010, the Public Audit Act, (CAP. 412B), the Public Finance Management Act, (CAP. 412A) and the attendant Regulations, the Public Procurement and Asset Disposal Act, (CAP. 412C) and the attendant Regulations, the Persons with Disabilities Act, 2025 and the International Public Sector Accounting Standards (IPSAS). The Committee has elaborated on these various provisions and the remedies that are prescribed for their breaches in this report.

Chapter one, which is the preface of the report, contains preliminaries on the establishment of the Committee; its membership and secretariat, mandate, and the guiding principles governing the Committee in the discharge of its mandate and its recommendations.

Chapter two of the report presents the general observations on cross-cutting issues, as well as the specific recommendations.

Chapter three of the report presents the examination of the reports on the financial statements of the NG-CDF Board, and chapter four presents the examination of the reports on the financial statements of the NG-CDF (Fund Account). Each includes the audit reservations raised by the Auditor-General, the management's response to each audit query, and the Committee's observations after considering the respective audit reservations. The Committee's recommendations on the matters arising are consolidated in chapter two. Chapter five contains the Committee's conclusion.

The Report underscores the importance of timely exchequer releases, sound project management and compliance with the law in the administration of the NG-CDF. Addressing the audit queries and implementing the recommended remedies will enhance public trust, improve efficiency in the use of public funds and support the delivery of development projects in the constituencies.

CHAPTER ONE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. The Decentralized Funds Accounts Committee is a Select Committee established pursuant to National Assembly Standing Order 205B and is responsible for the examination of the reports of the Auditor-General on the accounts of:

    i. The National Government Constituencies Development Fund

    ii. The National Government Constituencies Development Fund Board

    iii. The National Government Affirmative Action Fund

    iv. The National Government Affirmative Action Fund Board.

1.2 Guiding Principles

2. The Committee in considering the Audited accounts of National Government Constituency Development Fund is guided by the Constitution of Kenya and the following statutes and regulations in undertaking its mandate—

1.2.1 Chapter Twelve of the Constitution on Public Finance

Part 1- Principles on Public Finance

3. **Article 201** provides for the fundamental principles that "*...shall guide all aspects of public finance in the Republic...*" These principles are, inter alia-

    (a) 201(a) there shall be openness and accountability, including public participation in financial matters.

    (b) 201(d) public money shall be used in a prudent and responsible way; and

    (c) 201(e) financial management shall be responsible, and fiscal reporting shall be clear.

Part 6 – Control of public Money

4. **Article 226** deals with the accounts and audit of public entities and provides that:

    (a) the accounting officer of a national public entity is accountable to the National Assembly for its financial management (Article 226(2)); and

    (b) if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not (Article 226(5)).

5. **Article 227** deals with the procurement of public goods and services. Article 227 (1) in particular, provides that "when a State organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive, and cost-effective".

6. **Article 229(8)** of the Constitution of Kenya, 2010, mandates the National Assembly to debate and take appropriate action on audit reports within three months of receiving the reports from the Auditor-General.

1.3 Obligations of Accounting Officers

7. **Section 68** of the Public Finance Management Act (CAP.412A) sets out the responsibilities of accounting officers for national government entities, Parliament and the Judiciary. This includes accountability to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a lawful, authorised, effective, efficient, economical and transparent manner (section 68(1)).

8. **Section 72** focuses on the accounting officers' responsibility to manage the assets and liabilities of national government entities.

9. The Accounting Officer of the National Government Constituencies Development Fund is the Chief Executive Officer of the NG-CDF Board, who is accountable to the National Assembly for the financial management of the Fund under Article 226(2) of the Constitution and section 67(1) of the Public Finance Management Act (CAP. 412A).

10. At the constituency level, the Fund Account Manager is the holder of the Authority to Incur Expenditure under section 12(4) of the NG-CDF Act (CAP. 414A) and is accountable to the Accounting Officer for the funds so authorised.

11. It is on that basis, and pursuant to Article 226(5) of the Constitution, that the Accounting Officer was required to appear before the Committee to respond to the audit queries raised by the Auditor-General on the financial statements of the Board and of the Fund Account.

1.4 National Government Constituencies Development Fund (NG-CDF)

12. The Constituencies Development Fund (CDF) was established in 2003 through the Constituencies Development Fund Act, 2003, sponsored by the then Member of Parliament for Ol Kalou and later Senator for Nyandarua County, Hon. Muriuki Karue.

13. In a bid to align the CDF with the Constitution of Kenya, 2010, Parliament passed the National Government Constituencies Development Fund (NG-CDF) Act, 2015. The NG-CDF is a national fund that comprises monies of an amount not less than 2.5% of the national government's share of revenue, as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution.

14. The Fund is administered by the National Government Constituencies Development Fund Board established under the NG-CDF Act (CAP. 414A). The Auditor-General audits and reports separately on the financial statements of the Board and on the financial statements of the Fund Account, through which the allocations of the Fund are received from the National Treasury and transferred to constituencies.

15. The Committee notes that the constitutionality of the National Government Constituencies Development Fund Act, 2015 has been the subject of protracted litigation. On 20th September 2024, in Wanjiru Gikonyo & another v The National Assembly & others, a three-judge bench of the High Court (Kimondo, Aburili and Thande, JJ.) declared the Act, as amended in 2022 and 2023, unconstitutional and directed that the Fund cease to operate on 30th June 2026.

16. On 6th February 2026, in Civil Appeal No. E884 of 2024 (as consolidated), the Court of Appeal (Musinga (P), Tuiyott and Muchelule, JJ.A.) set aside that declaration and upheld the Act, save for section 43(9), which tied the tenure of a Fund Account Manager to the term of Parliament and which was severed as unconstitutional.

17. A notice of appeal to the Supreme Court was lodged by the petitioners on the same date. The examination reported on in this Report concerns the accountability of public funds already appropriated and expended and is unaffected by the pending appeal.

18. The Committee was further guided by the following: –

    (a) the Parliamentary Powers and Privileges Act, (CAP.6);

    (b) the Public Finance Management (National Government) Regulations, 2015;

    (c) the Public Procurement and Asset Disposal Act, (CAP.412C);

    (d) the Public Procurement and Asset Disposal Regulations, 2020;

    (e) the Public Audit Act, (CAP.412B);

    (f) the Fair Administrative Action Act, (CAP.7L);

    (g) the National Government Constituencies Development Fund (NG-CDF) Act (CAP.414A);

    (h) the National Government Constituencies Development Fund Regulations, 2016;

    (i) the Accountants Act, (CAP.531);

    (j) the Public Finance Management (National Government Affirmative Action Fund) Regulations, 2016;

    (k) the Persons with Disabilities Act, 2025;

    (l) the National Assembly Standing Orders; and

    (m) the Constitution of Kenya, 2010.

1.5 Committee Membership

19. The Committee membership comprises –

Chairperson
Hon. Dr. Gideon Mutemi Mulyungi, CBS, EBS, MP
Mwingi Central Constituency
WPF

Vice-Chairperson
Hon. Gertrude Mwanyanje Mbeyu, MP
Kilifi County (CWR)
ODM

Committee Members

Hon. Kilel Richard Cheruiyot, MP
Bomet Central Constituency
UDA

Hon. Kahangara Joseph Mburu, MP
Lari Constituency
UDA

Hon. Caroline Jeptoo Ng'elechei, MP
Elgeyo Marakwet County (CWR)
Independent

Hon. Mogaka Stephen, MP
West Mugirango Constituency
Jubilee

Hon. Wanyonyi Martin Pepela, MP
Webuye East Constituency
FORD-Kenya

Hon. Lentoijoni Jackson Lekumontare, MP
Samburu East Constituency
KANU

Hon. Kipngor Reuben Kiborek, MP
Mogotio Constituency
UDA

Hon. Mboni David Mwalika, MP
Kitui Rural Constituency
WPF

Hon. Momanyi Innocent Obiri, MP
Bobasi Constituency
WPF

Hon. Barre Hussein Abdi, MP
Tarbaj Constituency
UDA

Hon. Dorothy Muthoni Ikiara, MP
Nominated
UDA

Hon. K'oyoo James Onyango, MP
Muhoroni Constituency
ODM

Hon. Guyo Adhe Wario, MP
North Horr Constituency
KANU

1.6 Committee Secretariat

20. The secretariat facilitating the Committee comprises –

Mr. Ahmad Guliye
Clerk Assistant I/Lead Clerk

Mr. Mohamed Jelle Abdi
Clerk Assistant III

Ms. Sharon Cherotich Koskei
Clerk Assistant III

Ms. Mercy Wanyonyi
Principal Legal Counsel II

Ms. Brenda Michira
Research Officer III

Mr. Wilson Mwangi
Fiscal Analyst II

Ms. Ambrose Nguti
Media Relations Officer III

Mr. Wilson Angatangoria
Serjeant-at-Arms II

Mr. Eric Ogolo
Protocol Officer I

Mr. Nimrod Ochieng
Audio Officer III

Ms. Nancy Ouma
Research Officer III

CHAPTER TWO

2.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

21. In consideration of the reports of the Auditor-General on the financial statements of the National Government Constituencies Development Fund Board and the National Government Constituencies Development Fund (Fund Account) for the financial years 2022/2023, 2023/2024 and 2024/2025, the Committee identified cross-cutting matters which informed the following general observations and recommendations.

2.1 Delayed and Back-Loaded Exchequer Releases

Committee Observation

22. The Committee observed that the Fund did not absorb Kshs.20,166,118,803, or 43% of its budget, in the financial year 2022/2023, principally because Kshs.19,189,900,000 of the exchequer expected for the year was released by the National Treasury between 22nd and 29th June 2023, in the last week of the financial year.

23. The Committee further observed that in the financial year 2023/2024 the Fund received Kshs.40,000,000,000 of its allocation of Kshs.57,931,500,000, and that the balance was released in the financial year 2024/2025 between 1st July and 15th November 2024, and that in the financial year 2024/2025 the Fund was under-funded by Kshs.12,701,917,680, or 17% of the budget, which was released on 4th July 2025 in the financial year 2025/2026. Late and back-loaded releases defer the implementation of approved constituency projects and expose them to cost escalation.

Committee Recommendations

24. The Committee recommended that—

(a) The National Treasury should release the exchequer allocations to the Fund in accordance with the approved cash flow plan, so as to avoid the bunching of releases at the close of the financial year; and

(b) The Accounting Officer should disclose in the financial statements of the fund, the dates of exchequer releases received and of the corresponding disbursements to constituencies.

2.2 Undisbursed Balances Held by the Board

Committee Observation

25. The Committee observed that Kshs.35,096,000 relating to six (6) constituencies, Kshs.117,185,717 relating to nineteen (19) constituencies and Kshs.328,367,378 relating to forty-eight (48) constituencies, from the releases for the financial years 2022/2023, 2023/2024 and 2024/2025 respectively, remained undisbursed pending the resolution of project-related issues in the affected constituencies.

Committee Recommendation

26. The Committee recommended that the Accounting Officer should ensure that project-related issues in the affected constituencies are resolved expeditiously and that the withheld funds are released promptly upon resolution.

2.3 Delayed and Stalled Best Practice Projects

Committee Observation

27. The Committee observed that in each of the three financial years the Auditor-General reported best practice projects implemented by the Board that were behind schedule or had stalled, namely nineteen (19) projects behind schedule and six (6) stalled projects in 2022/2023, forty-one (41) projects behind schedule and eight (8) stalled projects in 2023/2024, and fifteen (15) projects behind schedule and one (1) stalled project in 2024/2025.

28. The Committee further observed that several projects, including those at Mokondo Primary School in Emurua Dikirr Constituency, Komarock South Primary School in Embakasi Central Constituency, Nyansancha Primary School in Nyaribari Chache Constituency and Nyakio Mixed Day Secondary School in Eldama Ravine Constituency, were reported as delayed or stalled in successive financial years, and that a borehole at Ketitui Secondary School in Ainamoi Constituency was condemned because the water had iron levels above those recommended by the World Health Organization. The Committee also observed that the status reported for the same project differed between the schedules submitted for successive financial years, as in the case of AIC Liter Girls Secondary School in Marakwet East Constituency.

Committee Recommendations

29. The Committee recommended that—

    (a) The Accounting Officer should ensure that feasibility studies, including hydro-geological surveys and water quality analyses for borehole projects, are undertaken before any best practice project is contracted;

    (b) The Accounting Officer should invoke the contractual remedies available under the respective contracts and the Public Procurement and Asset Disposal Act (CAP. 412C) against contractors who abandon or unduly delay works;

    (c) The Accounting Officer should maintain a single, reconciled register of best practice projects showing the contract sum, amounts paid and completion status of each project, and should use it as the basis of all status reports submitted to the Auditor-General and to the Committee; and

    (d) The Accounting Officer should establish the cause of the failure of the borehole at Ketitui Secondary School in Ainamoi Constituency, pursue the contractual and other remedies available for the recovery of the public funds expended on it, and report to the Committee on the outcome.

2.4 Long-Outstanding Payables on Completed Projects

Committee Observation

30. The Committee observed that, in the financial year 2023/2024, completed projects had long-outstanding payables of Kshs.129,217,278, which the Board attributed to contractors who had not submitted the requisite documentation and to the need for physical verification of works before payment.

Committee Recommendation

31. The Committee recommended that the Accounting Officer should ensure that payments to contractors are processed within the period stipulated in the respective contracts upon certification of works, so as to avoid the accrual of interest and penalties.

2.5 Unresolved Prior Year Matters

Committee Observation

32. The Committee observed that, in each of the three financial years, the Auditor-General reported that prior year audit issues remained unresolved, and that the Board attributed this to the pending deliberation of the matters by the Committee.

Committee Recommendation

33. The Committee recommended that the Accounting Officer should take corrective action on audit matters that are within the power of Management without awaiting deliberation by the Committee, and should disclose the status of each prior year matter in the section of the financial statements on progress on follow-up of the auditor's recommendations.

2.6 Employment of Persons with Disabilities

Committee Observation

34. The Committee observed that, in the financial year 2024/2025, the Board had nine (9) employees with disabilities out of a workforce of four hundred and fifty-six (456), representing about two per cent (2%), against the minimum of five per cent (5%) of direct employment opportunities required under section 21(2)(a) of the Persons with Disabilities Act, 2025, which applies to every employer with at least twenty (20) employees.

Committee Recommendation

35. The Committee recommended that the Accounting Officer should adopt and implement a time-bound plan for attaining the statutory threshold, including accessible and targeted recruitment and the provision of reasonable accommodation, and should report on progress annually in the financial statements of the Board.

2.7 Budget Estimation and Utilisation by the Board

Committee Observation

36. The Committee observed that, in the financial year 2023/2024, the actual receipts of the Board exceeded the budget by Kshs.32,545,767 on account of interest income that was higher than projected, while Kshs.65,407,610 of the actual receipts was not utilised.

Committee Recommendation

37. The Committee recommended that the Accounting Officer should prepare realistic estimates of revenue, including interest income, and seek supplementary appropriation within the financial year for any additional revenue, so as to minimise variances between budgeted and actual amounts.

CHAPTER THREE

3.0 EXAMINATION OF THE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE NG-CDF BOARD FOR THE FINANCIAL YEARS 2022/2023, 2023/2024 AND 2024/2025

38. The Committee examined three (3) reports of the Auditor-General on the financial statements of the National Government Constituencies Development Fund Board for the financial years 2022/2023, 2023/2024 and 2024/2025.

39. The Acting Chief Executive Officer of the NG-CDF Board appeared before the Committee on Tuesday, 28th July 2026, together with the Principal Secretary for Labour and Social Protection, tabled the responses of the Board vide letter Ref. NGCDFBOARD/OAG/02/36 dated 27th July 2026 and submitted as follows:

3.1 Examination of the Reports of the Auditor-General for the FY 2022/2023

40. The Auditor-General issued an unqualified opinion on the financial statements of the Board for the financial year 2022/2023 and observed as follows: —

a) Unresolved Prior Year Matters

41. Audit issues of the prior year remained unresolved as at 30th June 2023. Management explained that the Board was awaiting the invitation of the Decentralized Funds Accounts Committee of the National Assembly to deliberate on the issues.

Management Response

42. The Board was invited by the Decentralized Funds Accounts Committee to appear before it to respond to the audit issues raised by the Office of the Auditor-General for the financial years 2016/2017 to 2021/2022 and has since submitted a report to the National Treasury on the implementation of the recommendations of the National Assembly. The Board was further invited to appear before the Committee on 28th July 2026 to respond to the issues raised in the reports of the Auditor-General for the financial years 2022/2023 to 2024/2025.

Committee Observation

43. The Committee observed that the Board had since appeared before it and reported on the implementation of the resolutions of the National Assembly, and that the matter was adequately addressed and resolved.

Report on Lawfulness and Effectiveness in Use of Public Resources

b) Delay in Project Implementation

44. The statement of financial position reflects provisions relating to other payables balance of Kshs.467,852,418, as disclosed in Note 19B to the financial statements. The balance includes an amount of Kshs.386,257,581 in respect of best practice – contractual owings.

45. Review of the projects related to the payables revealed that nineteen (19) projects with a total contract sum of Kshs.102,844,220 were behind schedule, while six (6) projects with a total contract sum of Kshs.26,263,773 had stalled. Projects that are not completed within the scheduled time frame, and stalled projects, may result in escalation of the projected costs.

46. In the circumstances, value for money on the delayed and stalled projects could not be confirmed.

Management Response

47. The Board submitted the current status of each of the projects behind schedule and of the stalled projects, as set out in Table 1 and Table 2 respectively.

Table 1: NG-CDF Board, FY 2022/2023 – Status of Projects Behind Schedule

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
1	Suna East	2016/2017	Construction and equipping of classrooms at Ochieng' Orwa Primary School	3,898,006.00	Complete and in use
2	Emurua Dikirr	2019/2020	Mokondo Primary School – Construction and equipping of a five-roomed administration block and four classrooms	7,951,970.00	Contractor faced challenges during project implementation which have since been resolved; contractor has resumed site
3	Kipkelion East	2019/2020	Construction and equipping of a dormitory block at Chepseon Girls Secondary School	6,197,500.00	Complete and in use
4	Suba North	2019/2020	Construction and equipping of an administration block at Waware Secondary School	3,694,855.00	Complete and in use
5	Ikolomani	2019/2020	Construction and equipping of a 64-student capacity dormitory at Fr. Joseph Ortner Girls Secondary School	3,839,524.60	Complete and in use
6	Kajiado West	2019/2020	Najile Boys Secondary School – Construction and equipping of three classrooms	3,830,381.76	Complete and in use
7	Kanduyi	2020/2021	Moi D.E.B. Primary School – Construction and equipping of four (4) classrooms with reinforced concrete first floor slab	7,971,160.00	Complete and in use
8	Turbo	2020/2021	Moi D.E.B. Primary School – Construction and equipping of four (4) classrooms with reinforced concrete first floor slab	5,769,892.20	Complete and in use
9	Kisumu Central	2020/2021	St. Mary's Kibuye Girls Primary School – Proposed construction and equipping of four (4) classrooms	5,832,306.00	Complete and in use

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
10	Marakwet East	2020/2021	AIC Liter Girls Secondary School – Construction and equipping of three (3) classrooms with a suspended slab	4,996,827.60	Complete and in use
11	Kitutu Masaba	2020/2021	Tombe Girls High School – Proposed construction and equipping of a 100-student capacity home science laboratory block	3,937,220.00	Complete
12	Kipkelion West	2020/2021	Tulwapmoi Mixed Day Secondary School – Construction and equipping of a 45-student capacity science laboratory and one classroom	5,353,650.56	Complete and in use
13	Kanduyi	2021/2022	Proposed construction and equipping of four (4) classrooms with a suspended slab (first floor, phase II) and construction of an 11-door ablution block at Moi D.E.B. Primary School	10,672,580.00	Complete and in use
14	Narok East	2021/2022	Proposed construction and equipping of the Narok East Deputy County Commissioner's complex (ground floor with 15 offices, 2 strong rooms, entrance porch, tea room and ablution area) at Nairegie Enkare Town	8,000,000.00	Complete and in use
15	Kaloleni	2021/2022	Proposed construction and equipping of two (2) classrooms at Mnazi Mwenga Primary School	3,998,346.00	Complete and in use
16	Turbo	2021/2022	Proposed construction and equipping of a 45-student capacity modern science laboratory block at AIC Ngenyilel Secondary School	5,000,000.00	Complete and in use
17	Gatundu South	2021/2022	Proposed construction and equipping of two (2) classrooms at Muthiga Girls' High School	4,000,000.00	Complete and in use
18	Matuga	2021/2022	Proposed construction and equipping of three (3) classrooms with a suspended slab at Burani Primary School	5,000,000.00	Complete and in use
19	Kisumu Central	2021/2022	Kondele Primary School – Construction of a one-storey building comprising two (2) classrooms and a staircase	5,000,000.00	Complete and in use

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
	Total			**104,944,219.72**	

Table 2: NG-CDF Board, FY 2022/2023 – Status of Stalled Projects

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
1	Bumula	2019/2020	St. Michael Nakhwana Secondary School – Construction and equipping of three classrooms	3,893,917.00	Complete and in use
2	Kiambu	2019/2020	Construction and equipping of Tinganga ACC office	3,496,227.24	Complete and in use
3	Embakasi South	2019/2020	Kwa Njenga Primary School – Construction and equipping of the ground floor of a two-storey building comprising two classrooms	3,865,850.00	Complete and in use
4	Nyaribari Chache	2021/2022	Construction and equipping of three modern classrooms on the ground floor with a storey foundation to accommodate two more floors at Nyansancha DEB Primary School	4,997,071.20	Ongoing at finishes level
5	Embakasi Central	2021/2022	Proposed construction of a 250-metre boundary wall at Komarock South Primary School	5,012,128.00	Stalled; stakeholders requested stoppage of works until an extra parcel of land adjacent to the project site is acquired
6	Eldama Ravine	2021/2022	Proposed construction and equipping of four (4) classrooms at Nyakio Mixed Day Secondary School	4,998,579.20	Delayed due to lack of responsive bidders; contract since awarded after re-tendering
	Total			**26,263,772.64**	

Committee Observation

48. The Committee observed that the Board had since accounted for the status of each of the affected projects, most of which were complete and in use, and that the matter was adequately addressed and resolved.

3.2 Examination of the Reports of the Auditor-General for the FY 2023/2024

49. The Auditor-General issued an unqualified opinion on the financial statements of the Board for the financial year 2023/2024.

a) Completed Projects with Long Outstanding Payables

50. The statement of financial position reflects provisions of Kshs.952,415,084, which include best practice – contractual owings and other provisions – contractual owings of Kshs.478,759,888 and Kshs.473,655,196 respectively, as disclosed in Note 19B to the financial statements.

51. However, records provided revealed that there were various completed projects with long outstanding payables of Kshs.129,217,278. No explanation was given for the non-payment. Management risks incurring additional costs in the form of interest and penalties for failure to settle the payables on completed projects.

Management Response

52. The outstanding payables as at 30th June 2024 arose because various contractors had not submitted all the requisite documentation and some projects required physical verification to ascertain the workmanship before payment. The outstanding balances have since been paid.

Committee Observation

53. The Committee observed that the outstanding balances had since been paid, and that the matter was adequately addressed and resolved.

b) Budgetary Control and Performance

54. The statement of comparative budget and actual amounts reflects actual receipts of Kshs.3,142,936,266 against final budget receipts of Kshs.3,110,390,499, resulting in an over-funding of Kshs.32,545,767. Further, the Board spent Kshs.3,077,528,656 against actual receipts of Kshs.3,142,936,266, resulting in an under-utilisation of Kshs.65,407,610 of the actual receipts.

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

Management Response

56. The Board had projected to earn interest of Kshs.80,000,000. However, the actual interest earned during the period was Kshs.112,545,766, resulting in the increase in actual receipts of Kshs.32,545,767. The amount constitutes savings for the year under review, which are budgeted for capital expenditure in the subsequent year.

57. The under-expenditure of Kshs.65,407,610 is partly accounted for by the interest earned above the projected amount, and partly by activities that were not funded as budgeted or were not undertaken by the end of the year. The savings are budgeted for under capital expenditure in the subsequent year.

Committee Observation

58. The Committee observed that the savings had been budgeted for capital expenditure in the subsequent financial year, and that the matter was adequately addressed and resolved.

c) Unresolved Prior Year Matters

59. Audit issues of the prior year remained unresolved as at 30th June 2024. Management explained that the Board was awaiting the invitation of the Decentralized Funds Accounts Committee of the National Assembly to deliberate on the issues.

Management Response

60. The Board was invited by the Decentralized Funds Accounts Committee to appear before it to respond to the audit issues raised by the Office of the Auditor-General for the financial years 2016/2017 to 2021/2022 and has since submitted a report to the National Treasury on the implementation of the recommendations of the National Assembly. The Board was further invited to appear before the Committee on 28th July 2026 to respond to the issues raised in the reports of the Auditor-General for the financial years 2022/2023 to 2024/2025.

Committee Observation

61. The Committee observed that the Board had since appeared before it and reported on the implementation of the resolutions of the National Assembly and that the matter was adequately addressed and resolved.

Report on Lawfulness and Effectiveness in Use of Public Resources

d) Delay in Project Implementation

62. The statement of financial position reflects provisions relating to other payables balance of Kshs.952,415,084, as disclosed in Note 19B to the financial statements. The balance includes an amount of Kshs.478,759,888 in respect of best practice – contractual owings.

63. Review of the projects related to the payables revealed that forty-one (41) projects with a total contract sum of Kshs.34,477,574 were behind schedule, while eight (8) projects with a total contract sum of Kshs.49,092,918 had stalled. Projects that are not completed within the scheduled time frame, and stalled projects, may result in escalation of the projected costs.

64. In the circumstances, value for money on the delayed and stalled projects could not be confirmed.

Management Response

65. The Board submitted the current status of each of the projects behind schedule and of the stalled projects, as set out in Table 3 and Table 4 respectively.

Table 3: NG-CDF Board, FY 2023/2024 – Status of Projects Behind Schedule

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
1	Homa Bay Town	2015/2016	Anding'o Primary School – Phase one: construction of four classrooms, administration block, three-door latrines and fencing	7,690,200.00	Awaiting conversion to a Technical and Vocational College; plans underway
2	Laikipia North	2015/2016	Olmoran Primary School – Construction of four classrooms	3,949,719.00	Complete and in use

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
3	Kwanza	2016/2017	Goseta Primary School – Construction of an ICT resource centre	3,292,347.00	Complete and in use
4	Eldama Ravine	2017/2018	Uzalendo Secondary School – Construction and equipping of a 124-capacity girls' dormitory	7,502,540.00	All defects rectified
5	Narok East	2019/2020	Nakurto Lukuny Primary School – Construction and equipping of a dormitory	7,479,642.20	Complete, commissioned and in use
6	Kajiado West	2019/2020	Najile Boys Secondary School – Construction and equipping of three classrooms	3,830,381.76	Complete and in use
7	Kuria East	2019/2020	Kugitimo Primary School – Construction and equipping of three classrooms	3,753,989.22	Complete and in use
8	Embakasi South	2019/2020	Kwa Njenga Primary School – Construction and equipping of the ground floor of a two-storey building comprising two classrooms	3,865,850.00	Complete and in use
9	Kwanza	2020/2021	Goseta Boys' High School – Construction and equipping of a 100-student capacity dormitory	5,414,240.00	Complete and in use
10	Marakwet East	2020/2021	AIC Liter Girls Secondary School – Construction and equipping of three (3) classrooms with a suspended slab (Phase 1)	4,996,827.60	Contractor faced challenges during project implementation which have since been resolved; contractor has resumed site
11	Bumula	2020/2021	St. Michael Nakhwana Secondary School – Proposed construction and equipping of three (3) classrooms	3,893,917.00	Complete and in use
12	Kisumu Central	2020/2021	St. Mary's Kibuye Girls Primary School – Proposed construction and equipping of four (4) classrooms	6,781,998.00	Complete and in use
13	Matuga	2021/2022	Burani Primary School – Construction and equipping of three (3) classrooms with a suspended slab	7,156,446.00	Complete and in use
14	Kaloleni	2021/2022	Mnazi Mwenga Primary School – Construction of two (2) classrooms	3,998,346.00	Complete and in use

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
15	Lamu East	2021/2022	Ndau Administration Police Post – Construction of staff quarters	4,956,581.40	Complete and in use
16	Eldama Ravine	2021/2022	Nyakio Mixed Day Secondary School – Proposed construction and equipping of four (4) classrooms	–	Delayed due to lack of responsive bidders; contract since awarded after re-tendering
17	Nakuru Town East	2021/2022	Mburu Gichua Secondary School	4,943,734.40	Complete and in use
18	Narok East	2021/2022	Proposed construction of the Narok East Deputy County Commissioner's complex with a storey foundation, phase one (six offices, customer care area, entrance canopy, tea room and ablution area) at Nairegie Enkare Town	18,195,613.84	Complete and in use
19	Kanduyi	2021/2022	Moi D.E.B. Primary School	10,672,580.00	Complete and in use
20	Nyaribari Chache	2021/2022	Nyansancha Primary School – Proposed construction and equipping of three classrooms with a suspended slab	9,692,948.00	Ongoing at finishes level
21	Matuga	2022/2023	Vuga Primary School – Proposed construction and equipping of four classrooms (two-storey block) with an access ramp	6,939,735.00	Complete; awaiting supply of desks
22	Mwingi Central	2022/2023	Kalisasi Secondary School – Construction and equipping of a dining hall	10,577,413.60	Complete and in use
23	Masinga	2022/2023	Kimuuni Primary School – Proposed construction and equipping of three classrooms	5,506,220.00	Complete and in use
24	Gichugu	2022/2023	Raimu Primary School – Proposed construction and equipping of a special needs dormitory	5,269,970.00	Complete and in use
25	Loima	2022/2023	Loima Girls Secondary School – Proposed construction and equipping of a 45-student capacity science laboratory	4,998,000.00	Complete and in use
26	Eldama Ravine	2022/2023	KMTC – Construction and equipping of four classrooms	–	Practically complete and handed over

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
27	Uriri	2022/2023	Nyaobe Primary School – Construction and equipping of three classrooms	4,968,175.60	Complete and in use
28	Ugunja	2022/2023	Mudhieron Secondary School – Proposed construction and equipping of an administration block (principal's office, deputy's office, secretary's office, boardroom, cash office, reception, staffroom and store)	5,996,388.00	Complete and in use
29	Awendo	2022/2023	St. Joseph Kamyawa Mixed Secondary School – Proposed construction and equipping of three classrooms	5,589,982.00	Complete and in use
30	Nyakach	2022/2023	Olwalo Primary School – Proposed construction and equipping of two classrooms	3,953,106.00	Complete and in use
31	Kitutu Masaba	2022/2023	Geteni D.O.K. Primary School – Proposed construction and equipping of two classrooms	3,998,195.20	Complete and in use
32	Bondo	2022/2023	Jusa Primary School – Proposed construction and equipping of a dining hall and kitchen	4,996,430.00	Complete and in use
33	Dagoretti North	2022/2023	Gatina Primary School – Construction and equipping of a 45-student capacity laboratory	4,975,298.00	Complete and in use
	Total			**34,477,574.80**	

Table 4: NG-CDF Board, FY 2023/2024 – Status of Stalled Projects

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
1	Eldama Ravine	2015/2016	Uzalendo High School – Construction of a dining hall and kitchen	7,723,650.00	Re-tendered after the contractor abandoned site; now at finishes level
2	Nyaribari Chache	2016/2017	Nyankororo S.D.A. Mixed Secondary School – Construction of an 80-capacity modern twin science laboratory	3,990,940.00	Re-tendered after the contractor abandoned site; awaiting handover of site
3	Kipkelion East	2019/2020	Chepseon Girls Secondary School – Construction and equipping of a dormitory block	6,199,655.00	Complete and in use

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
4	Ikolomani	2019/2020	Fr. Joseph Ortner Girls Secondary School – Construction and equipping of a 64-student capacity dormitory	3,839,524.60	Complete and in use
5	Masinga	2020/2021	Kitangani Secondary School – Proposed construction and equipping of a 60-student capacity library block	5,500,511.20	Complete and in use
6	Samburu West	2020/2021	Lolgese Primary School – Proposed construction and equipping of three (3) classrooms	3,875,571.60	Complete and in use
7	Emurua Dikirr	2020/2021	Mokondo Primary School – Construction and equipping of a five-roomed administration block and four (4) classrooms	7,951,970.00	Contractor faced challenges during project implementation which have since been resolved; contractor has resumed site
8	Kisumu Central	2021/2022	Kondele Primary School – Construction of a one-storey building comprising two (2) classrooms and a staircase	4,998,968.00	Complete and in use
9	Embakasi Central	2021/2022	Komarock South Primary School – Construction of a 250-metre boundary wall	5,012,128.00	Works were stopped pending acquisition of an adjacent parcel of land; contractor has since been allowed to resume and is mobilising materials
	Total			**49,092,918.40**	

Committee Observation

66. The Committee observed that the Board had accounted for the current status of the projects as set out in the schedules submitted, and that the matter was adequately resolved.

3.3 Examination of the Reports of the Auditor-General for the FY 2024/2025

67. The Auditor-General issued an unqualified opinion on the financial statements of the Board for the financial year 2024/2025.

a) Unresolved Prior Year Matters

68. In the audit report of the previous year, several issues were raised under the Emphasis of Matter and the Report on Lawfulness and Effectiveness in Use of Public Resources. The issues, as detailed in Appendix I to the report, remained unresolved as Parliament had not deliberated on them.

Management Response

69. The Board was invited by the Decentralized Funds Accounts Committee to appear before it to respond to the audit issues raised by the Office of the Auditor-General for the financial years 2016/2017 to 2021/2022 and has since submitted a report to the National Treasury on the implementation of the recommendations of the National Assembly. The Board was further invited to appear before the Committee on 28th July 2026 to respond to the issues raised in the reports of the Auditor-General for the financial years 2022/2023 to 2024/2025.

Committee Observation

70. The Committee observed that the Board had since appeared before it in respect of the reports for the financial years 2022/2023 to 2024/2025, and that the matter was adequately addressed and resolved.

Report on Lawfulness and Effectiveness in Use of Public Resources

b) Delay in Project Implementation

71. The statement of financial position reflects provisions relating to other payables balance of Kshs.1,028,558,216, as disclosed in Note 20B to the financial statements. The balance includes an amount of Kshs.864,500,122 in respect of best practice – contractual owings.

72. Review of the projects related to the payables revealed that fifteen (15) projects with a total contract sum of Kshs.168,242,656 were behind schedule, while one (1) project with a contract sum of Kshs.6,096,835 had stalled due to insecurity challenges. Projects that are not completed within the scheduled time frame, and stalled projects, may result in escalation of the projected costs.

73. In the circumstances, value for money on the delayed and stalled projects could not be confirmed.

Management Response

74. The Board submitted the current status of each of the projects, as set out in Table 5.

Table 5: NG-CDF Board, FY 2024/2025 – Status of Projects Behind Schedule and Stalled

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
1	Matuga	2022/2023	Vuga Primary School – Proposed construction and equipping of four classrooms (two-storey block) with an access ramp	6,939,735	Complete

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
2	Marakwet East	2022/2023	Liter Girls Secondary School – Proposed completion and equipping of four classrooms	6,096,835	Contractor faced challenges during project implementation which have since been resolved; contractor has resumed site
3	Matuga	2023/2024	Shimba Hills Primary School – Construction and equipping of a tuition block comprising two classrooms on the ground floor and two classrooms on the first floor, with staircase and ramp	12,598,375	Ongoing at finishes level
4	Kitui East	2023/2024	St. Peter's Nzambani Secondary School – Proposed construction and equipping of a library	7,781,048	Practically complete
5	North Imenti	2023/2024	CCM Gitoro School – Proposed construction and equipping of a dining hall and kitchen for the primary section	4,994,345	Ongoing at finishes level
6	Kieni	2023/2024	Narumoru Township Primary School – Proposed construction and equipping of four classrooms	12,514,393	Practically complete
7	Ainamoi	2023/2024	Ketitui Secondary School – Proposed drilling and equipping of a borehole, construction of a control panel/pump house, elevated steel tower with two storage tanks, solar modules, pipework and fencing of the borehole area	6,875,349	Borehole condemned; iron levels exceed those recommended by the World Health Organization
8	Eldama Ravine	2023/2024	Eldama Ravine KMTC – Construction and equipping of eight classrooms	14,155,373	Practically complete
9	Kacheliba	2023/2024	Moruebong Primary School – Construction and equipping of two classrooms	4,999,136	Ongoing at finishes level
10	Lurambi	2023/2024	Matende Primary School – Construction and equipping of a one-storey building comprising an administration block and tuition block	34,101,349	Ongoing
11	Bondo	2023/2024	Jusa Primary School – Proposed construction of a dormitory	9,081,065	Practically complete

No.	Constituency	FY	Project Activity	Contract Sum (Kshs)	Current Status
12	Kitutu Masaba	2023/2024	Nyaigesa D.O.K. Primary School – Proposed construction and equipping of four classrooms	7,954,381	Complete and in use
13	Bobasi	2023/2024	St. Dominic Rusinga Mixed Secondary School – Construction of a 12-door ablution block attached to an existing 400-capacity one-storey dormitory funded by the NG-CDFC at Kshs.33,000,000	7,195,600	Ongoing at finishes level
14	Karachuonyo	2023/2024	George Agola Owuor Secondary School – Proposed construction and equipping of a twin dining hall	12,415,392	Complete and in use
15	Embakasi Central	2023/2024	Komarock Primary School – Proposed construction and equipping of two classrooms	6,550,114	Ongoing at finishes level
16	Isiolo North	–	Construction of the NG-CDF Board regional office, Isiolo	20,087,000	Complete and in use
	Total			**174,339,491**	

Committee Observation

75. The Committee observed that the Board had accounted for the current status of each of the affected projects, and that the matter was resolved save in respect of the condemned borehole at Ketitui Secondary School in Ainamoi Constituency.

c) Non-Compliance with Law on Affirmative Action

76. Review of the human resource records revealed that the Board had a total of four hundred and fifty-six (456) employees, out of whom only nine (9) were persons with disabilities, representing two per cent (2%). This was contrary to Section 21(2)(a) of the Persons with Disabilities Act, 2025, which requires every employer with at least twenty employees to reserve at least five per cent (5%) of direct employment opportunities for persons with disabilities.

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

Management Response

78. The Board, in its recruitment, encourages persons with disabilities to apply for the advertised positions. However, it has been onerous to achieve the required threshold due to the low number of persons with disabilities who apply. The Board will, in its future recruitment, endeavour to encourage more persons with disabilities to apply for the advertised positions.

Committee Observation

79. The Committee observed that the Board remained below the statutory threshold at two per cent (2%), and that the Board had undertaken to progressively meet the statutory recruitment requirements for persons with disabilities.

Committee Recommendation

80. The Committee recommended that the Accounting Officer should adopt and implement a time-bound plan for attaining the statutory threshold, including accessible and targeted recruitment and the provision of reasonable accommodation, and should report on progress annually in the financial statements of the Board.

CHAPTER FOUR

4.0 EXAMINATION OF THE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE NG-CDF (FUND ACCOUNT) FOR THE FINANCIAL YEARS 2022/2023, 2023/2024 AND 2024/2025

81. The Committee examined three (3) reports of the Auditor-General on the financial statements of the National Government Constituencies Development Fund (Fund Account) for the financial years 2022/2023, 2023/2024 and 2024/2025.

82. The Acting Chief Executive Officer of the NG-CDF Board, being the Accounting Officer of the Fund, appeared before the Committee on Tuesday, 28th July 2026, together with the Principal Secretary for Labour and Social Protection, tabled the responses on the financial statements of the Fund Account and submitted as follows:

4.1 Examination of the Reports of the Auditor-General for the FY 2022/2023

83. The Auditor-General issued an unqualified opinion on the financial statements of the Fund Account for the financial year 2022/2023.

a) Budgetary Control and Performance

84. The statement of comparison of budget and actual amounts reflects budgeted expenditure of Kshs.47,380,075,252, while actual payments totalled Kshs.27,213,956,448, resulting in an under-absorption of Kshs.20,166,118,803 or 43% of the budget.

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

Management Response

86. The Fund had an approved budget of Kshs.47,380,075,252 for the financial year 2022/2023, comprising an opening cashbook balance of Kshs.190,175,125 and Kshs.47,189,900,000 expected from the National Treasury.

87. The under-utilisation of funds was occasioned by delayed exchequer releases. Out of the total exchequer of Kshs.47,189,900,000 expected within the financial year, Kshs.19,189,900,000 was received towards the close of the financial year, leaving insufficient time to disburse the funds. The funds were received as set out in Table 6.

Table 6: NG-CDF (Fund Account), FY 2022/2023 – Exchequer Releases Received in June 2023

No.	Date of Receipt	Amount (Kshs)
1	22/06/2023	2,000,000,000
2	22/06/2023	2,000,000,000
3	22/06/2023	2,000,000,000
4	22/06/2023	2,000,000,000
5	22/06/2023	2,000,000,000
6	26/06/2023	1,072,475,000

No.	Date of Receipt	Amount (Kshs)
7	26/06/2023	1,072,475,000
8	26/06/2023	2,000,000,000
9	26/06/2023	2,000,000,000
10	26/06/2023	2,000,000,000
11	29/06/2023	1,044,950,000
	Total	**19,189,900,000**

88. The funds have since been disbursed to the respective constituencies for the implementation of approved projects. However, Kshs.35,096,000 relating to six (6) constituencies remains undisbursed due to unresolved project-related issues in the affected constituencies, and will be released upon resolution of the pending issues.

Committee Observation

89. The Committee observed that the funds had since been disbursed to the respective constituencies, save for Kshs.35,096,000 relating to six (6) constituencies withheld pending the resolution of project-related issues, and that the matter was resolved.

4.2 Examination of the Reports of the Auditor-General for the FY 2023/2024

90. The Auditor-General issued an unqualified opinion on the financial statements of the Fund Account for the financial year 2023/2024.

a) Budgetary Control and Performance

91. The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.78,097,618,804 and Kshs.60,166,118,804 respectively, resulting in an under-funding of Kshs.17,931,500,000 or 23% of the budget. However, the Fund transferred Kshs.60,129,259,385 against actual receipts of Kshs.60,166,118,804, resulting in an under-utilisation of Kshs.36,859,419.

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

Management Response

93. In the financial year 2023/2024, the Fund had a total budget of Kshs.78,097,618,804, comprising an opening balance of Kshs.20,166,118,804 and Kshs.57,931,500,000 being the allocation for the financial year. Out of the allocation, Kshs.40,000,000,000 was received within the financial year, leaving a balance of Kshs.17,931,500,000.

94. The balance was factored in the budget for the subsequent financial year and disbursed to the Board as set out in Table 7.

Table 7: NG-CDF (Fund Account), FY 2023/2024 – Exchequer Releases Received in the Financial Year 2024/2025

No.	Date of Receipt	Amount (Kshs)
1	01/07/2024	4,400,000,000

No.	Date of Receipt	Amount (Kshs)
2	24/09/2024	500,000,000
3	24/09/2024	1,000,000,000
4	24/09/2024	2,000,000,000
5	24/09/2024	2,000,000,000
6	24/09/2024	300,000,000
7	24/09/2024	2,000,000,000
8	15/11/2024	1,731,000,000
9	15/11/2024	2,000,000,000
10	15/11/2024	2,000,000,000
	Total	**17,931,000,000**

95. The funds have since been disbursed to the constituencies for the implementation of approved projects. However, Kshs.117,185,717 relating to nineteen (19) constituencies remains undisbursed due to unresolved project-related issues in the affected constituencies, and will be released upon resolution of the pending issues.

Committee Observation

96. The Committee observed that the funds had since been disbursed to the respective constituencies, save for Kshs.117,185,717 relating to nineteen (19) constituencies withheld pending the resolution of project-related issues, and that the matter had been resolved.

4.3 Examination of the Reports of the Auditor-General for the FY 2024/2025

97. The Auditor-General issued an unqualified opinion on the financial statements of the Fund Account for the financial year 2024/2025.

a) Budgetary Control and Performance

98. The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.72,826,715,098 and Kshs.60,124,797,419 respectively, resulting in an under-funding of Kshs.12,701,917,680 or 17% of the budget.

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

Management Response

100. The under-utilisation was occasioned by the late receipt of exchequer of Kshs.12,701,917,680. The amount was received in the subsequent financial year 2025/2026 as set out in Table 8.

Table 8: NG-CDF (Fund Account), FY 2024/2025 – Exchequer Releases Received in the Financial Year 2025/2026

No.	Date of Receipt	Amount (Kshs)
1	04/07/2025	19,194,920
2	04/07/2025	682,722,761
3	04/07/2025	1,000,000,000
4	04/07/2025	1,000,000,000
5	04/07/2025	2,000,000,000
6	04/07/2025	2,000,000,000
7	04/07/2025	2,000,000,000
8	04/07/2025	2,000,000,000
9	04/07/2025	2,000,000,000
	Total	**12,701,917,681**

101. The funds have since been disbursed to the constituencies for the implementation of projects, apart from Kshs.328,367,378 relating to forty-eight (48) constituencies which remains outstanding due to unresolved project-related issues. The funds will be disbursed upon resolution of the outstanding issues.
102. Copies of the bank statements and the disbursement status report were annexed to the response.

Committee Observation

103. The Committee observed that the funds had since been disbursed to the respective constituencies, save for Kshs.328,367,378 relating to forty-eight (48) constituencies withheld pending the resolution of project-related issues.

Committee Recommendation

104. The Committee recommended that the Accounting Officer should ensure that project-related issues in the affected constituencies are resolved expeditiously and that the withheld funds are released promptly upon resolution.

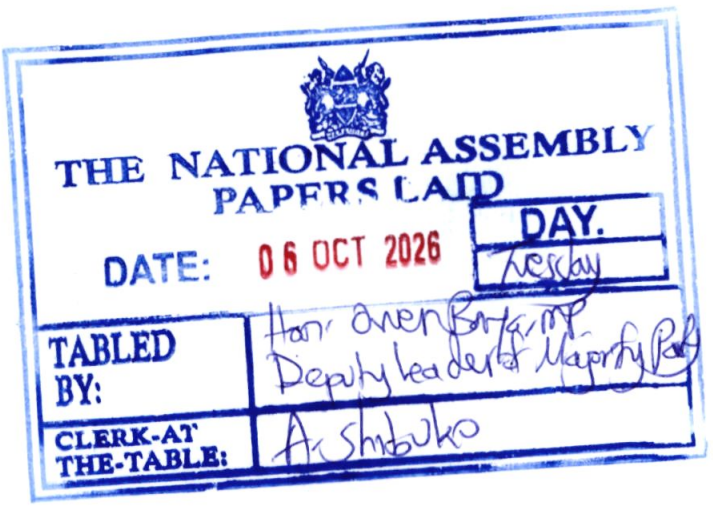
CHAPTER FIVE

5.0 CONCLUSION

105. Having examined the reports of the Auditor-General on the financial statements of the National Government Constituencies Development Fund Board and the National Government Constituencies Development Fund (Fund Account) for the financial years 2022/2023, 2023/2024 and 2024/2025, and pursuant to Standing Order 199(6), the Committee recommends that the House **ADOPTS** the **Sixteenth Report of the Decentralized Funds Accounts Committee on the audited financial statements of the National Government Constituencies Development Fund Board and the National Government Constituencies Development Fund (NG-CDF) Account for the Financial Years 2022/2023, 2023/2024 and 2024/2025.**

Sign: ..... **Date:** 6/10/26

HON. DR. (ARCH) GIDEON MUTEMI MULYUNGI, CBS, EBS, MP
CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE



THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026
DIRECTORATE OF AUDIT, APPROPRIATIONS & GENERAL-PURPOSE COMMITTEES
DECENTRALIZED FUNDS ACCOUNTS COMMITTEE (DFAC)

We, the undersigned members of the Decentralized Funds Accounts Committee, today 16/09/2026 do hereby affix our signatures to this **16TH REPORT OF THE COMMITTEE ON ITS EXAMINATION OF THE REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NG-CDF ACCOUNT AND NG-CDF BOARD FOR THE FINANCIAL YEARS 2022/2023 TO 2024/2025** to affirm our approval and confirm accuracy, validity and authenticity:

NO.	NAME	SIGNATURE
1.	**Hon. Dr. (Arch) Gideon Mutemi Mulyungi, CBS, EBS, MP - Chairperson**	
2.	**Hon. Mwanyanje Gertrude Mbeyu, CBS, M.P. - Vice Chairperson**	
3.	Hon. K'Oyoo, James Onyango, MP	
4.	Hon. Joseph Kahangara Mburu, MP	
5.	Hon. David Mwalika Mboni, MP	
6.	Hon. Innocent Momanyi Obiri, MP	
7.	Hon. Adhe Guyo Wario, MP	
8.	Hon. Abdi Barre Hussein, MP	
9.	Hon. Caroline Jeptoo Ng'elechei, MP	
10.	Hon. Dorothy Muthoni, Ikiara, MP	
11.	Hon. Jackson Lentoijoni, Lekumontare, MP	
12.	Hon. Martin Wanyonyi Pepela MP	
13.	Hon. Richard Cheruiyot, Kilel, MP	
14.	Hon. Stephen Mogaka, MP	
15.	Hon. Reuben Kipngor, Kiborek, MP	

MINUTES OF THE 67TH SITTING OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE HELD ON WEDNESDAY 16TH SEPTEMBER, 2026 AT MAYFAIR HALL, SAROVA IMPERIAL HOTEL, KISUMU COUNTY AT 2:30 P.M.

PRESENT

1. **Hon. Gideon Mutemi Mulyungi, CBS, EBS, MP** — **Chairperson**
2. **Hon. Mwanyanje Gertrude Mbeyu, CBS, MP** — **Vice Chairperson**
3. Hon. K'Oyoo James Onyango, MP
4. Hon. David Mboni Mwalika, MP
5. Hon. Innocent Momanyi Obiri, MP
6. Hon. Adhe Guyo Wario, MP
7. Hon. Martin Wanyonyi Pepela MP
8. Hon. Dorothy Muthoni, Ikiara, MP
9. Hon. Richard Cheruiyot Kilel, MP
10. Hon. Stephen Mogaka, MP

APOLOGIES

1. Hon. Joseph Kahangara Mburu, MP
2. Hon. Jackson Lentoijoni, Lekumontare, MP
3. Hon. Abdi Barre Hussein, MP
4. Hon. Caroline Jeptoo Ng'elechei, MP
5. Hon. Reuben Kipngor, Kiborek, MP

IN-ATTENDANCE

SECRETARIAT

1.	Mr. Ahmad Guliye	-	Clerk Assistant I
2.	Mr. Mohamed Jelle	-	Clerk Assistant III
3.	Ms. Sharon Koskei	-	Clerk Assistant III
4.	Ms. Mercy Wanyonyi	-	Principal Legal Counsel
5.	Mr. Wilson Mwangi	-	Fiscal Analyst II
6.	Mr. Ambrose Nguti	-	Media Relations III
7.	Mr. Nimrod Ochieng	-	Audio Officer III
8.	Mr. Wilson Angatangoria	-	Sergeant at Arms

MIN.NO. NA/DAA&GPC/ DFAC/2026/504: PRAYER & PRELIMINARIES

The Chairperson called the meeting to order at 2:30 p.m. followed by a word of prayer. He thereafter invited all present to introduce themselves. The agenda was unanimously adopted as follows:

AGENDA

1. Prayers
2. Preliminaries
3. **Adoption of the 16th report of the Committee on its examination of reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) Accounts and NG-CDF Board for the financial year 2022/2023 to 2024/2025.**

4. **Adoption of the 17th report of the Committee on its examination of reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) for Mbeere North, Mbeere South and Kaiti Constituencies and constituencies in Isiolo County for financial year 2013/2014 to 2022/2023.**
5. **Adoption of the 18th report of the Committee on its examination of reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) for Constituencies in Kericho and Narok Counties for FYs 2013/2014 to 2022/2023.**
6. **Adoption of the 19th report of the Committee on its examination of reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) for Constituencies in Nairobi and Kajiado Counties for FYs 2016/2017 to 2022/2023.**
7. **Adoption of the 20th report of the Committee on its examination of reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) for Constituencies in Elgeyo Marakwet, Turkana, West Pokot and Trans Nzoia Counties for FYs 2013/2014 to 2022/2023.**
8. Any Other Business
9. Adjournment

MIN.NO.NA/DAA&GPC/DFAC/2026/505: ADOPTION OF THE COMMITTEE REPORT ON ITS EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR NG-CDF ACCOUNT AND NC-CDF BOARD FOR FY 2022/23 TO 2024/25.

i. The Committee considered and adopted it's ssixteenth report on the examination of the reports of the Auditor General on the financial statements for the National Government Constituencies Development Fund (NG-CDF) Accounts and NG-CDF Board for Financial year 2022/23 to 2024/2025.
ii. The Committee made the observations and recommendations as contained in the report.
iii. The adoption of the report was proposed and seconded by Hon. David Mboni Mwalika, M.P. and Hon. Martin Pepela, M.P. respectively.

MIN.NO.NA/DAA&GPC/DFAC/2026/506: ADOPTION OF THE COMMITTEE REPORT ON ITS EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR ISIOLO SOUTH, ISIOLO NORTH, MBEERE NORTH & SOUTH AND KAITI CONSTITUENCIES

i. The Committee considered and adopted it's seventieth report on the examination of the reports of the Auditor General on the financial statements of the National Government Constituencies Development Fund (NG-CDF) for Isiolo North, Isiolo South, Mbeere North, Mbeere South and Kaiti Constituencies.
ii. The Committee made the observations and recommendations as contained in the report.

iii. The adoption of the report was proposed and seconded by Hon. K'Oyoo James Onyango, MP and Hon. Dorothy Muthoni, Ikiara, MP respectively.

MIN.NO.NA/DAA&GPC/DFAC/2026/507: ADOPTION OF THE COMMITTEE REPORT ON ITS EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR CONSTITUENCIES IN KERICHO AND NANDI COUNTIES

i. The Committee considered and adopted it's eeighteenth report on the examination of the reports of the Auditor General on the financial statements of the National Government Constituencies Development Fund (NG-CDF) for constituencies in Nandi and Kericho Counties.
ii. The Committee made the observations and recommendations as contained in the report.
iii. The adoption of the report was proposed and seconded by Hon. Richard Cheruiyot Kilel, MP and Hon. Martin Pepela, M.P. respectively.

MIN.NO.NA/DAA&GPC/DFAC/2026/508: ADOPTION OF THE COMMITTEE REPORT ON ITS EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR CONSTITUENCIES IN NAIROBI AND KAJIADO COUNTIES

i. The Committee considered and adopted it's nnineteenth report on the examination of the reports of the Auditor General on the financial statements of the National Government Constituencies Development Fund (NG-CDF) for constituencies in Nairobi and Kajiado Counties.
ii. The Committee made the observations and recommendations as contained in the report.
iii. The adoption of the report was proposed and seconded by Hon. David Mboni Mwalika, M.P. and Hon. Richard Cheruiyot Kilel, MP respectively.

MIN.NO.NA/DAA&GPC/DFAC/2026/509: ADOPTION OF THE COMMITTEE REPORT ON ITS EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR CONSTITUENCIES IN ELGEYO MARAKWET, TURKANA, WEST POKOT AND TRANS NZIOA COUNTIES

i. The Committee considered and adopted its twentieth report on the examination of the reports of the Auditor General on the financial statements of the National Government Constituencies Development Fund (NG-CDF) for constituencies in Elgeyo Marakwet, Turkana, West Pokot and Trans Nzoia Counties.
ii. The Committee made the observations and recommendations as contained in the report.
iii. The adoption of the report was proposed and seconded by Hon. Mwanyanje Gertrude Mbeyu, CBS, MP and Hon. Richard Cheruiyot Kilel, MP respectively.

MIN.NO.NA/DAA&GPC/DFAC/2026/510: ANY OTHER BUSINESS

There was no business under this agenda item.

MIN.NO.NA/DAA&GPC/DFAC/2026/511: ADJOURNMENT

There being no other business, the meeting was adjourned at 4:30 pm. The next meeting will be held on notice.

SIGNED..... **DATE** 6/10/26

HON. DR. (Arch) GIDEON MUTEMI MULYUNGI, M.P. CBS, EBS, MP

(CHAIRPERSON)