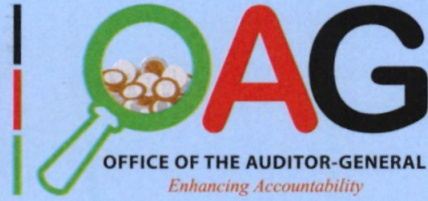
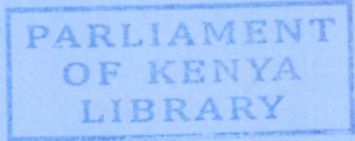


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – NYALI
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2025	DAY: WED
TABLED BY:	MORRIS POKY WAD JOHN SILVANO OJIA
CLERK-AT-THE-TABLE:	OBIERO



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NYALI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional Financial Statements 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 NG-CDF Nyali.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Nyali 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	George Juma Onesmus
2.	National Sub-County Accountant	Halima Abuu
3.	Chairman NGCDFC	Boniface Munyifwa
4.	Member NGCDFC	Khadija Ahmed

(c) Fiduciary Oversight Arrangements

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

P.O. Box 31-80122
Mombasa
Nyali DCC's compound
Kongowea
Nyali- Kenya.

(e) NGCDF Nyali Constituency Contacts

Telephone: (254) 0710618619
E-mail: cdfnyali@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Nyali Constituency Bankers

1. Bank A. (Operations Account).
Equity Bank Account no.1140261189476
Branch-Kengeleni
P.O. Box 75104
Nairobi
2. Bank B. (Deposit account).
Equity Bank Account no.1380285518267
Branch-Kengeleni
P.O. Box 75104
Nairobi
3. Bank C. (Freretown Primary School PMC)
Equity Branch Account no. 1140280972224
P.O. Box 75104
Nairobi
4. Bank D. (Mlaleo Primary School PMC)
Equity Bank Account no. 1140280986932
Branch-Kengeleni
P.O. Box 75104
Nairobi
5. Bank E. (Ziwa la ng'ombe Primary School PMC)
Equity Bank Account no. 1140280059376
Branch-Kengeleni
P.O. Box 75104
Nairobi

6. Bank F. (Kongowea Secondary School PMC)
Equity Bank Account No. 1140279963039
Branch-Kengeleni
P.O. Box 75104
Nairobi
7. Bank G. (Kongowea Youth & Women Empowerment Resource Centre PMC)
Equity Bank Account no. 1140276136387
Branch-Kengeleni
P.O. Box 75104
Nairobi
8. Bank H. (Mohamed Ali Girls Secondary School PMC)
Equity Bank Account no. 1140280870608
Branch-Kengeleni
P.O. Box 75104
Nairobi
9. Bank I (Kongowea Primary School PMC)
Equity Bank Account no. 1140262479404
Branch-Kengeleni
P.O. Box 75104
Nairobi
10. Bank J (Pentrose Community Primary School PMC)
Equity Bank Account no. 1140277630469
Branch-Kengeleni
P.O. Box 75104
Nairobi
11. Bank K (Kadzandani Kwa Bulu Primary School PMC)
Equity Bank Account no. 1140279801350
Branch-Kengeleni
P.O. Box 75104
Nairobi
12. Bank L (Kadzandani Kwa Bulu Secondary School PMC)
Equity Bank Account no. 1140279801438
Branch-Kengeleni
P.O. Box 75104
Nairobi
13. Bank M. (Kisauni Primary School)
Equity Bank Account no. 1140272883580
Branch-Kengeleni

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

P.O. Box 75104
Nairobi

14. Bank N. (Maweni Primary School PMC)
Equity Bank Account no. 1140278811554
Branch-Kengeleni
P.O. Box 75104
Nairobi
15. Bank O. (Freretown Secondary School PMC)
Equity Bank Account no. 1140285533823
Branch-Kengeleni
P.O. Box 75104
Nairobi
16. Bank P. (Nyali CDF General Projects PMC)
Equity Bank Account no. 1140261189498
Branch-Kengeleni
P.O. Box 75104
Nairobi
17. Bank Q. (Khadija Police Station NG-CDF Project PMC)
Equity Bank Account no. 1140284401314
Branch-Kengeleni
P.O. Box 75104
Nairobi
18. Bank R (Pwani for the mentally challenged Primary School (TVET) PMC)
Equity Bank Account no. 1140284445584
Branch-Kengeleni
P.O. Box 75104
Nairobi
19. Bank S (Pwani for the mentally challenged Primary School classrooms PMC)
Equity Bank Account no. 1140284453387
Branch-Kengeleni
P.O. Box 75104
Nairobi
20. Bank T (Pwani for the mentally challenged Primary School Field PMC)
Equity Bank Account no. 1140284572209
Branch-Kengeleni
P.O. Box 75104
Nairobi

21. Bank U (Vietnam Police Post PMC)
Equity Bank Account no. 1140285227985
Branch-Kengeleni
P.O. Box 75104
Nairobi

22. Bank V (Ziwa la ng'ombe assistant chief's office PMC)
Equity Bank Account no. 1140285520018
Branch-Kengeleni
P.O. Box 75104
Nairobi

23. Bank W (Freretown ACC office PMC)
Equity Bank Account no. 1140285610106
Branch-Kengeleni
P.O. Box 75104
Nairobi

24. Bank X (Mwembeni Primary School PMC)
Equity Bank Account no. 1140285734824
Branch-Kengeleni
P.O. Box 75104
Nairobi

25. Bank Y (Kadzandani Primary School PMC)
Equity Bank Account no. 1140285734855
Branch-Kengeleni
P.O. Box 75104
Nairobi

26. Bank Z (Deputy County Commissioner (DCC) PMC)
Equity Bank Account no. 1140285851029
Branch-Kengeleni
P.O. Box 75104
Nairobi

27. Bank A1 (Ziwa la ng'ombe Primary School PMC)
Equity Bank Account no. 1140286152360
Branch-Kengeleni
P.O. Box 75104
Nairobi

28. Bank B1 (Kengeleni Primary School PMC)
Equity Bank Account no. 1140286521196
Branch-Kengeleni

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

P.O. Box 75104
Nairobi

29. Bank C1 (Mkomani Assistant Chief PMC)
Equity Bank Account no. 1140286541026
Branch-Kengeleni
P.O. Box 75104
Nairobi

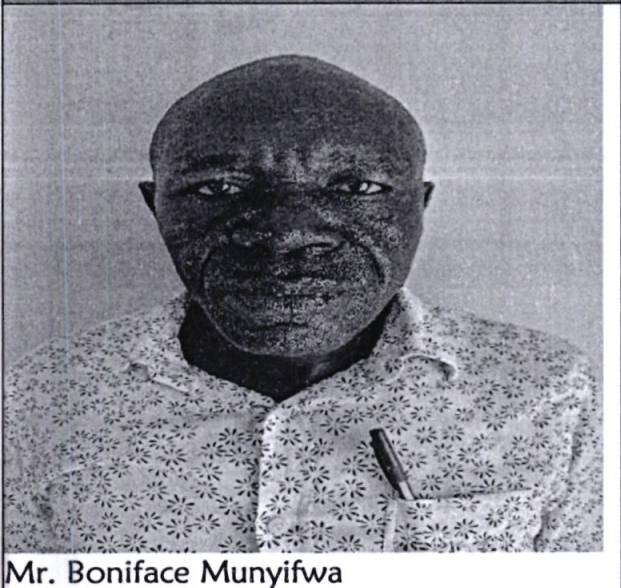
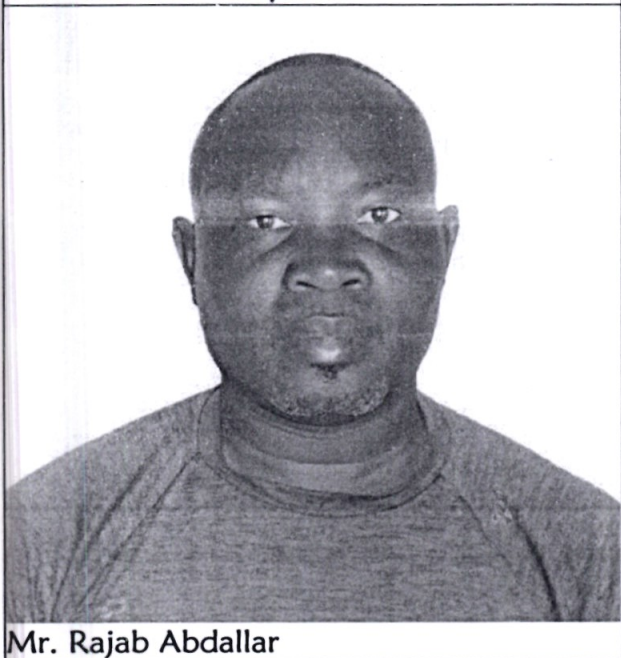
(g) Independent Auditor

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

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 <p data-bbox="121 996 464 1032">Mr. Boniface Muniyifwa</p>	<p data-bbox="751 450 1129 486"><u>Male Adult Representative</u></p> <p data-bbox="751 488 1114 524">Date of Birth: 09/12/1973</p> <p data-bbox="751 526 1439 600">Highest Academic Qualification: Bachelor degree in Theology and Counselling</p> <p data-bbox="751 602 1305 638">Professional Qualification: Businessman</p> <p data-bbox="751 640 1098 676">Work Experience: Pastor</p> <p data-bbox="751 678 1182 714">Position: NG- CDFC Chairman</p>
 <p data-bbox="121 1655 400 1691">Mr. Rajab Abdallar</p>	<p data-bbox="746 1039 1350 1075"><u>People living with disability Representative</u></p> <p data-bbox="751 1077 1118 1113">Date of Birth: 05/06/1983</p> <p data-bbox="751 1115 1289 1151">Highest Academic Qualification: KCSE</p> <p data-bbox="751 1153 1305 1189">Professional Qualification: Businessman</p> <p data-bbox="751 1191 1209 1227">Work Experience: Social Worker</p> <p data-bbox="751 1229 1171 1265">Position: NG- CDFC Secretary</p>



Ms. Ogla Makumbo

Co-opted Member

Date of Birth: 01/05/1974
Highest Academic Qualification: Masters in Early Childhood Education Degree
Professional Qualification: Business Lady
Work Experience: Social worker
Position: NG- CDFC Member



Ms. Khadija Ahmed

Female Youth Representative

Date of Birth: 17/04/1993
Highest Academic Qualification: KCPE
Professional Qualification: Business lady
Work Experience: Social worker
Position: NG- CDFC Member



Mr. Kennedy Odero

Male Adult Representative

Date of Birth: 02/10/1987

Highest Academic Qualification: KCSE

Professional Qualification: Diploma in professional computing and information processing

Work Experience: Businessman

Position: NG- CDFC Member



Ms. Biasha Hamisi

Female Adult Representative

Date of Birth: 01/01/1969

Highest Academic Qualification: KCPE

Professional Qualification: Business Lady

Work Experience: Farmer

Position: NG- CDFC Member



Mr. Kalicha Dulo

Male Youth Representative

Date of Birth: 08/11/1995
 Highest Academic Qualification: Bachelor of Arts
 (History and Religion) Degree
 Professional Qualification: Businessman
 Work Experience: Social Worker
 Position: NG- CDFC Member



Ms. Mary Nyokabi

Female Adult Representative

Date of Birth: 28/10/1988
 Highest Academic Qualification: Bachelor of Arts
 Degree
 Professional Qualification: Business Lady
 Work Experience: Social worker
 Position: NG- CDFC Member



Mr. George Juma Onesmus

EX-Officio Member

Date of Birth: 12/08/1977

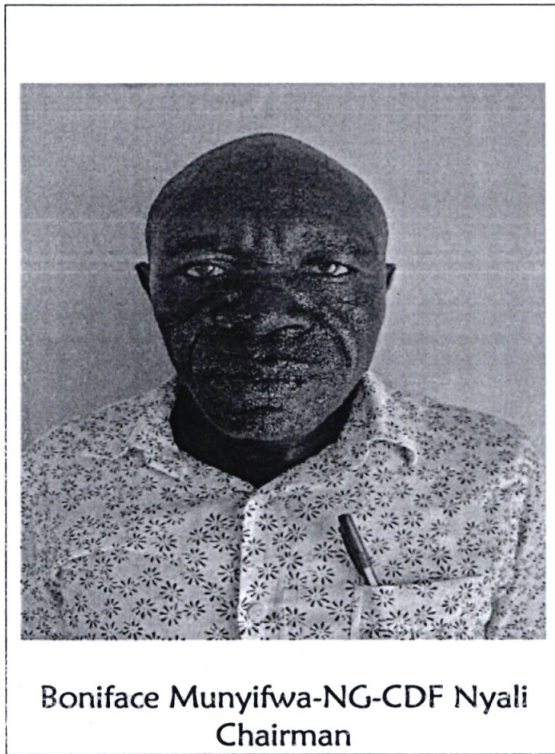
Highest Academic Qualification: Degree

Professional Qualification: CPA II

Work Experience: Field Financial Services

Position: Ex-Officio Member

4. NG-CDFC Chairman’s Report



I am delighted to present, on behalf of Nyali Constituency NG-CDF, the financial statement and reports for the period ending June 30, 2025. This report details the revenue and expenditures for the period just completed.

Nyali Constituency is one of the six constituencies of Mombasa County. The constituency has one Sub-county i.e Nyali. There are five wards in the constituency; namely Freretown, Mukomani, Kadzandani, Kongowea and Ziwa la ng’ombe. The Constituency’s population stands at 216,577 according to Kenya population and Housing Census 2019. The constituency covers 22.88 square kilometres.

Nyali constituents have continuously participated effectively in cascading the objectives of the National Development Plan. They are aware of their rights and the power bestowed on them by the constitution of Kenya (2010) in relation to implementation of all the development programmes within the constituency. The constitution of Kenya gives the right to participate in public forums in order to air their opinions as well as grievances through public participation. They too get an opportunity to give feedback in relation to the already implemented programmes carried out with fairness, transparency, openness and accountability.

Constituency Allocation & Current Year Budget

Nyali NG-CDF over the last five years is as follows:

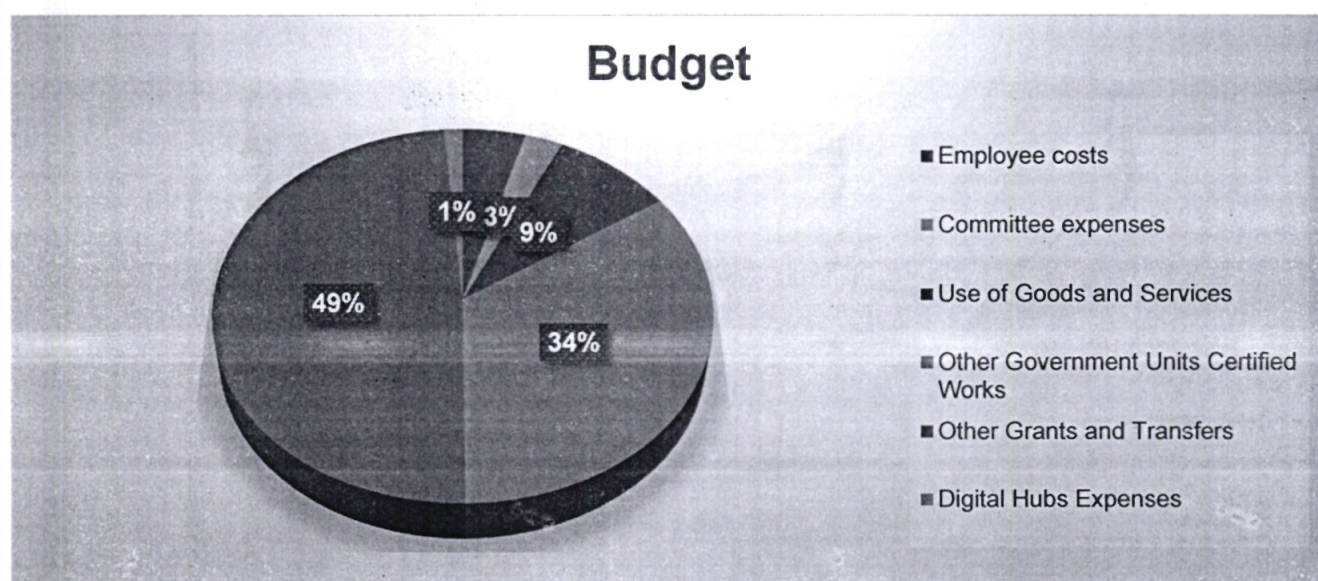
Financial year	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Allocation	179,441,954	175,361,810	145,087,603	137,088,879	137,316,879

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

Original Budget

The budget for the current financial year stood at Kshs. 179,441,954. The budget was itemized as follows:

Item	Budget
Employee costs	7,983,658
Committee expenses	4,803,686
Use of Goods and Services	15,442,376
Other Government Units Certified Works	61,224,288
Other Grants and Transfers	87,697,891
Digital Hubs Expenses	2,290,000
TOTAL	179,441,954



As depicted from the appropriation Statement, NG-CDF Nyali was allocated Kshs.179,441,954 in Financial Year 2025/2025. The total Budget to be spent in Financial year 2024/2025 including the opening balance was kshs. 289,085,413. The total expenditure was kshs.184,613,921 and kshs. 50,552,666 still owed from the Board

	Original Budget	Opening Balance (C/Bk) and AIA	Previous year outstanding disbursement	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Transfers from	179,441,954	59,090,846	50,552,666	289,085,466	238,643,512	50,441,955	82.60%

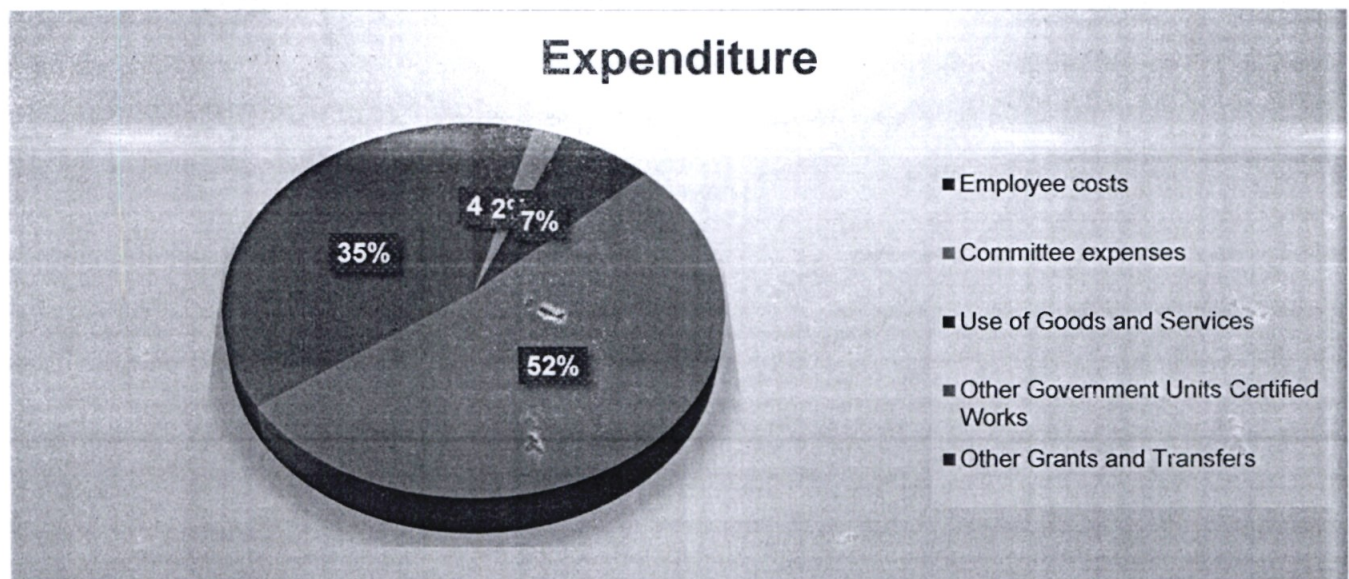
National Government Constituencies Development Fund (NGCDF)
Nyali Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

NG-CDF Board							
Total Receipts	179,441,900	59,090,846	50,552,666	289,085,466	238,643,512	50,441,955	82.60%
Total Payments	179,441,900	59,090,846	50,552,666	289,085,413	184,613,921	104,471,545	63.86%

Funds Utilization by Sector

The Constituency was able to absorb Kshs.184,613,921 which represents 63.9% of the budget. The main components in transfer to Government units were Primary, Secondary and Tertiary institutions which utilised 69.6%.

The main component in other grants and transfer which utilize (57.4%) are Bursary, Security and emergency projects. Others, are use of goods and services that utilized 59.9%, committee expenses 82.8% while compensation of employees and acquisition utilised 74.4%. The detailed report is found on budget execution section.



Key achievements during the year

The Constituency, during the year, implemented a few projects majorly because of slow cash flow from the NG-CDF Board. The projects included issuance of bursary which formed bulky of the implementation, education, emergency and security. Some of the projects were carried out during the year are:

1. Viena Police Post

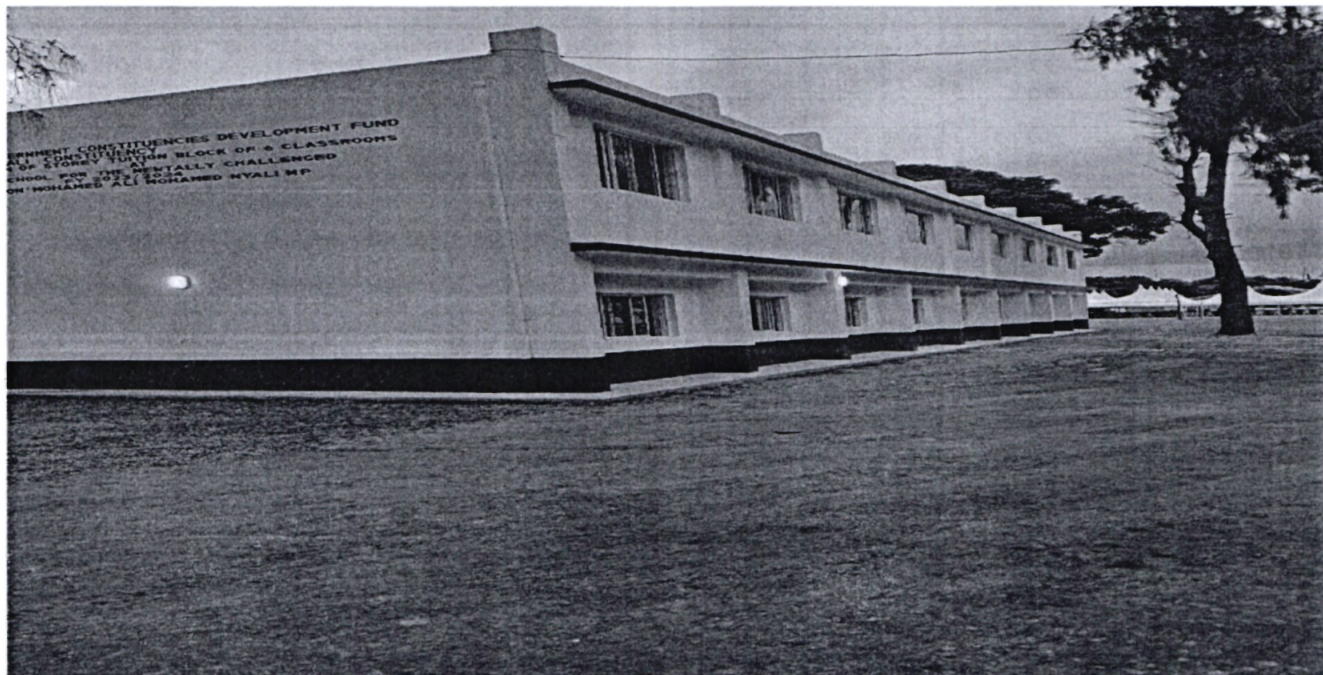
The project was allocated Kshs. 7,500,000 for construction of an administration block. Activities that were carried out were construction of foundation, ring beam, walling, fixing of windows, doors, roofing and painting:



2. Pwani school for the mentally challenged

The project was allocated Kshs. 18,000,000 for construction of 6 classrooms. Activities that were carried out were construction of foundation, ring beam, walling, fixing shutters and doors, roof top slab and painting:

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



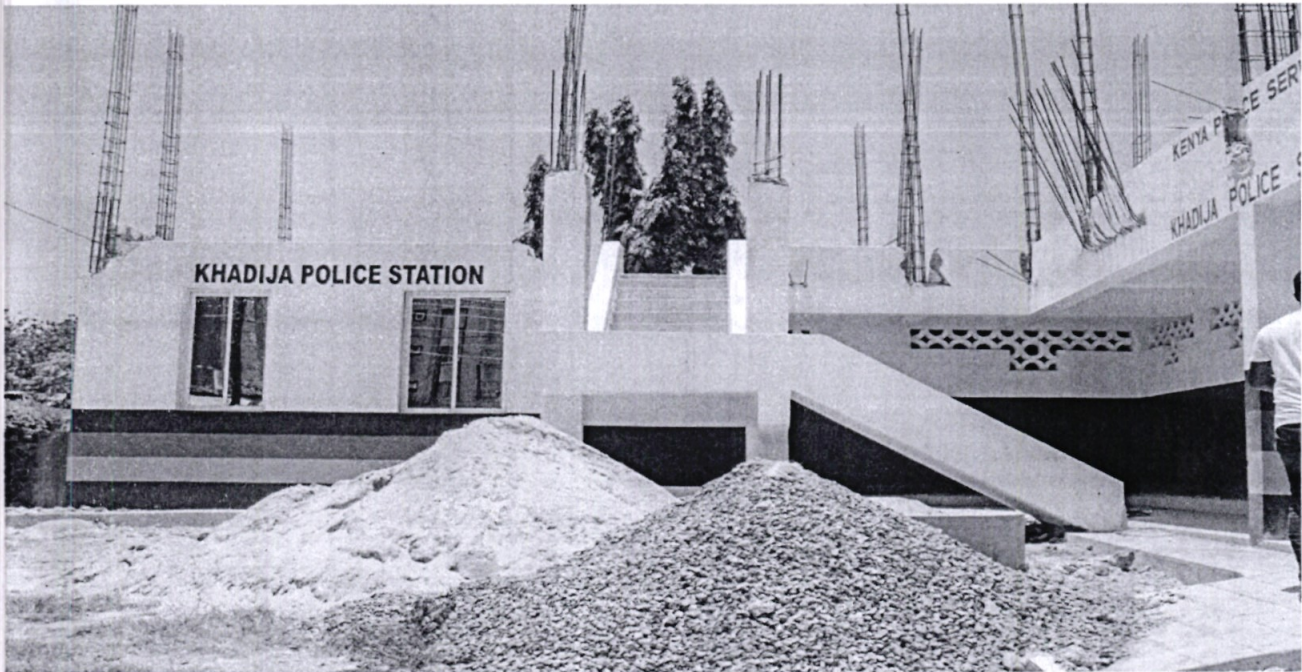
3. Freretown Assistant County Commissioner's office.

The project was allocated kshs.7,500,000 for construction of an office/administration block. Activities that were carried out were construction of foundation, ring beam, walling, fixing of windows, doors, roofing and painting:



4. Khadija Police Post

The project was allocated Kshs. 7,500,000 for construction of an administration block. Activities that were carried out were construction of foundation, walling, ring beam, fixing shutters, doors, painting and roof top slab:



Emerging issues and challenges

One of the major challenge in the Constituency is that most of the schools lack enough land. The NG-CDFC because of this reason, has decided to construct storey structures so as to utilize the available small space within the schools effectively.

Finally, Nyali NG-CDF management expresses gratitude towards the NG-CDF Board for their efficiency in handling issues in regards to projects approval, disbursement of fund and monitoring.

The other special thanks also go to the Office of the Auditor General for their every year input, especially advisory in our processes that have continuously improved our service delivery to the constituents.



Mr. Boniface Muryifwa
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.

NG-CDF Nyali Constituency Vision Statement, "Equitable socio-economic development constituency".

NG-CDF Nyali Constituency Mission Statement, "To effectively and efficiently implement project's for inclusive and sustainable socio economic development and improve livelihoods"

NG-CDF Nyali Constituency Core Values:

- 1) Integrity
- 2) Transparency
- 3) Accountability
- 4) Professionalism
- 5) Teamwork
- 6) Commitment to Inclusion and Diversity

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

The following are the strategic goals that will provide the strategic direction for the 2023-2027 LEC Strategic Plan:

- 1) Attained conducive learning environment in primary and secondary schools
- 2) Reduction in cases of school and college dropout due to lack of school fees
- 3) Equipped security agents with appropriate security infrastructure and resources for preservation of peace, prevention and detection of crime, and maintenance of law and order
- 4) Enhance clean environment, conservation, preservation and protection of biodiversity to mitigate impacts of climate change and disasters
- 5) Youths empowered, engaged, and their talents harnessed and developed enabling them to make contributions to national development.

To ensure the effective implementation and application of the development objectives across various sectors, each goal was defined to be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART) and translated into clear development outcomes. We also established

National Government Constituencies Development Fund (NGCDF)

Nyali Constituency

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

key indicators to monitor progress and evaluate performance. Below, we outline the progress made in reaching these objectives:

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/2025 -we increased number of classrooms by 12 in the following schools/institutions Pentrose community Primary school 6 classrooms Pwani School for Mentally Challenged 6 classrooms - Bursary beneficiaries at all levels were 7900
Security	To ensure all Administrative officers have offices	Increase security to Nyali residents	Benefits all people	In Fy 2024/2025 we have constructed Nyali DCC's office, Ziwa la ng'ombe chief's office, viena police post and Khadija police post

6. Governance Statement

(National Government Constituency Development Fund Committee.)

Each Constituency Committee shall comprise of:

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

The seven persons referred to in Sub-section (2) (b), (c), (d) and (e) shall be selected in such a manner and shall have such qualifications as the Board may, by Regulation, prescribe. The names of the persons selected under Sub-section (3) shall be submitted by the Board to the National assembly for approval before appointment and gazettelement by the Board. The Fund Account Managers are required to initiate the process of appointment of the members of the NGCDF Committee in their respective Constituencies by first constituting selection panel pursuant to the provisions of the Regulations 5 (4) of the Regulations to the Act. The selection panel shall stand dissolved upon the appointment of the Members of a Constituency committee.

Key notes on NGCDF Committees

- The first meeting of the NGCDFC shall be convened by the National Government official or in his absence by the FAM within sixty days of a new parliamentary term or by-election or on such day as may be designated the Cabinet secretary (Section 43 (6))
- The quorum of the Committee shall be one half of the total membership (Section 43 (7))
- The term of office of the committee shall be two years renewable but shall expire upon appointment of a new committee in a manner provided for in the Act (Section 43 (8))
- 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 thirty days Section 43 (10)
- The Committee shall meet at least six (6) times in a year but shall not hold more than twenty-four (24) meetings in the same financial year section 43 (11)
- A member of the Constituency Committee may be removed from office on any one or more of the following grounds

A member of the Constituency Committee may be removed from office on any one or more of the following grounds

- ❖ Lack of integrity;

- ❖ Gross misconduct;
- ❖ Embezzlement of public funds;
- ❖ Bringing the committee into disrepute through unbecoming personal public conduct;
- ❖ Promoting unethical practices; Causing disharmony within the committee;
- ❖ Physical or mental infirmity. Section 43 (13)

Decision to remove a member 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

- ❖ A vacancy arising as a result of the removal of a member shall be filled in the manner set out in section 43 (1) and the minutes of the meeting shall indicate the fact of the removal or appointment of a member
- ❖ Dissolution of the Committee as provided for in section 44 of the Act
- ❖ During its first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions

A person shall qualify to be appointed to NGCDF Committee if that person:

- ❖ is a citizen of Kenya; is ordinarily a resident and a voter within the Constituency; is able to read and write and to communicate in English and Kiswahili; meets the requirements of Chapter Six of the Constitution; is available to participate in the activities of a Constituency Committee
- ❖ A person who has previously served in a Constituency Committees constituted under the Fund or served in a leadership position in the Community may be appointed to NGCDFC

Functions of the NGCDF Committee

- ❖ Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- ❖ Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ❖ Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 13
- ❖ Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- ❖ In approving a project and before submitting the to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution
- ❖ Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- ❖ In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects

Appointment of the Chairperson and Secretary

- ❖ A Constituency Committee shall elect the chairperson and secretary of a Constituency Committee during its first meeting and shall notify the Board of the appointments
- ❖ A person shall qualify to be elected as Chairperson or Secretary to a Constituency Committee if that person is the holder of a Kenya Certificate of Secondary Education

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Chairperson

- ❖ Carry out consultations with the Officer of the Board seconded to the Constituency and other relevant stakeholders;
- ❖ Ensure members and staff of a Constituency Committee are properly trained;
- ❖ Encourage a culture of transparency and teamwork among the committee members;
- ❖ Be a signatory to the Constituency Fund Account; and
- ❖ Co-ordinate the compilation of project status reports every six months

The Secretary shall

- ❖ Be responsible for
- ❖ Carrying into effect the decisions of a Constituency Committee;
 - The day to day administration and management of the affairs of a Constituency Committee;
 - Supervision of the staff of the Constituency Committee;
 - In consultation with the Chairperson and the officer of the Board seconded to the Constituency, convene Constituency Committee meetings;
- ❖ Circulate notices and the agenda of meetings;
- ❖ Accurately record the proceedings of every Constituency Committee meeting and after confirmation and execution of the minutes transmit the minutes to the officer of the Board seconded to the Constituency for safe custody.
- ❖ Provide guidance to a Constituency Committee on management of meetings;
- ❖ Ensure minutes are readily available during subsequent meetings; and
- ❖ Ensure and facilitate effective communication amongst the members of a Constituency committee.

Members of Nyali NGCDF Committee are;

NO.	NAME	CATEGORY	WARD	NO. OF MEETINGS HELD
1.	Khadija Ahmed	Female Adult	Freretown	24
2.	Kalicha Golicha	Male Youth	Kongowea	24
3.	Bonface Munyifwa	Male Adult	Freretown	24
4.	Rajab Abdallah	PLWD	Kadzandani	24
5.	Kennedy Odero	Male Constituency Nominee	Kadzandani	24
6.	Mwanamisi Biasha	Female Constituency Nominee	Kongowea	24

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7.	Mary Nyokabi	Female Youth	Mkomani	24
8.	Ogla Mwakumbo	Co-opted by NGCDFC	Mkomani	24

Members' remuneration

The above named members were appointed via gazette notice no. Vol. CXXIV-No. 266 with a prescribed rate of ksh.7, 000 and ksh.5, 000 for chairperson and members respectively for every meeting attended.

Conduct and Ethics of a Committee member

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

7. Management Discussion and Analysis

Establishment and Management of the Fund

Section 4 of the Act state that: There is established a fund to be known as the National Government Constituencies Development Fund which shall—(a) Be a National Government Fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;

The Fund Account Manager shall hold the authority to incur expenditure of the funds at the constituency account. Further, projects under this Act shall only be in respect of works and services falling within the exclusive functions of the national government as provided in the Constitution. However, the administration of the fund is done through the Constituency Committee.

NG- CDF Nyali Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 774,297,126 between FY 2020/2021 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,316,879
2021/2022	137,088,879

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2022/2023	145,087,603
2023/2024	175,361,810
2024/2025	179,441,954

Sectorial allocation over the period as per the approved code list and Section 24 of the Act, the highest beneficiary being education sector through bursary and schools infrastructural development. The table below shows how the funds were distributed:

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	10,766,517	6%
Monitoring and Evaluation	5,383,258	3%
Bursary	68,219,181	38%
Emergency	9,444,313	5.3%
Capital Grants to Primary Schools	52,822,266	29.4%
Capital Grants to Secondary Schools	5,811,108	3.2%
Constituency Digital Hub Recurrent	2,290,000	1.3%
Climate Change Mitigation Activities	6,480,914	3.6%
Security	6,144,397	3.4%
Constituency Digital Hub	6,500,000	3.6%
Others (NG-CDF Office and furniture)	5,580,000	3.1%

Bursary Sector

The committee over the last 3 years managed to allocate bursary to over 5,000 learners in every financial year. In addition, the committee achieved to train 250 learners through TVET scholarship, 40 teachers through scholarship, and trained 253 learners on medical skills among other awards. Further, the committee allocated Kshs.8,000 to learners pursuing a degree program, Kshs.6,000 to learners pursuing diploma and Kshs.5,000 to learners pursuing certificate courses. With respect to Secondary Schools, learners were allocated Kshs.7,000 to boarders, Kshs.5,000 to day scholars and Kshs.5,000 to learners in school within the constituency.

Grants to Primary and Secondary Schools

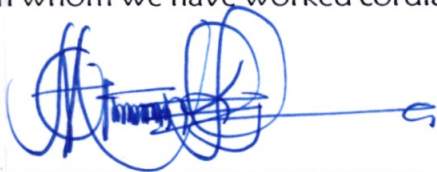
Lack of adequate land in the existing schools had forced the Committee to construct storey building to properly use the available space within the schools. Poor academic performance in the constituency is contributed by lack of proper school infrastructure, such as laboratories and laboratory apparatus, a shortage of dormitories in several schools, insufficient classrooms at the primary level, and unsecured school compounds that has been a target by land grabbers.

The committee, has been able to establish new tuition and administration blocks in most schools. Currently, classrooms at Pwani community mentally challenged school and Pentrose Primary Schools are complete.

Security

The committee has ensured completion of a Ziwa la ng'ombe Assistant chief's office, Frere Assistant County Commissioner's office, Khadija Police Post and Viena Police Post. In addition, the committee plans to equip ACC and chiefs offices.

Finally, may I take this opportunity to thank the NG-CDF Board for the support they have extended to the constituency and look forward to the same in the new Financial Year? I would also like to thank the Nyali Member of National Assembly for his dedicated leadership and my fellow NG-CDFC Members, the relevant Government Departmental Heads and NG-CDFC Staff with whom we have worked cordially. We look forward to improve lives of Nyali Constituents.



.....

Mr. George Juma Onesmus
Fund Account Manager

8. Environmental and Sustainability Reporting

Nyali 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, 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 Nyali Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

2. Environmental performance

- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported by Nyali NG-CDF.

3. Employee welfare

We invest in providing the best working environment for our employees. Nyali 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. xxx 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-

Nyali 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-

Nyali Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Nyali 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.

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

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

.....
Mr. George Juma Onesmus
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-Nyali 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- Nyali 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 NG-CDF Nyali'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- Nyali Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

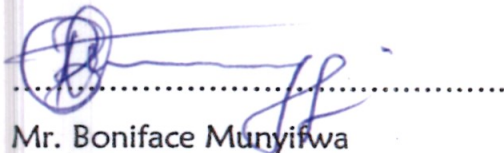
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The Accounting Officer in charge of the NGCDF Nyali Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Nyali Constituency financial statements were approved and signed by the Accounting Officer on 7th August 2025.



Mr. Boniface Munyirwa
Chairman – NGCDF Committee



Mr. George Juma Onesmus
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund- Nyali Constituency set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of changes in net assets,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Nyali Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act 2015 (Amended 2023), and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccurate Statement of Changes in Net Assets

The statement of changes in net assets reflects revaluation reserve of Kshs.104,322,518 which differs with the Nil amount reflected in the statement of financial position. Further, the balance relates to accumulated surplus/deficit which should have been recorded in the correct column under accumulated surplus/deficit.

In the circumstances, the accuracy of the revaluation reserve balance of Kshs.104,322,518 could not be confirmed.

2. Inaccuracies in Notes to the Financial Statements

Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.54,029,592 which includes Project Management Committees (PMCs) account balance of Kshs.8,694,095. However, the PMC accounts balance differs with Kshs.10,190,088 disclosed in Annex 2 - to the financial statements resulting in an unexplained variance of Kshs.1,495,993. Further, review of PMCs bank statements and certificate of bank balances revealed omission of a PMC account with a balance of Kshs.199,207 resulting to understatement of cash and cash equivalents by a similar amount.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.54,029,592 could not be confirmed.

3. Unsupported Adjustments in the Statement of Changes in Net assets

The statement of changes in net assets reflects adjustments to recognize assets totalling Kshs.95,989,773. However, the amount was not supported by a listing and documents for confirmation of the balance.

In the circumstances, the accuracy and completeness of opening balance of net assets of Kshs. 95,989,773 could not be confirmed.

4. Unreconciled Variance Between Amounts Reported in the Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts

The statement of cash flows reflects net cash flows from operating activities of Kshs. (2,105,065). The amount includes payments for use of goods and services of Kshs. 9,374,233 which differs with Kshs.12,330,423 reflected in the statement of budget and actual amounts resulting in an unexplained variance of Kshs. 2,956,190. Further, Management did not prepare a statement of reconciliation as required by the reporting template issued by the Public Sector Accounting Standards Board.

In the circumstances, the accuracy and completeness of the financial statement of comparison of budget and actual amounts could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balances of Kshs.54,029,592 as disclosed in Note 19 to the financial statements. Included in the balance is Kshs.753,015 and Kshs.8,694,095 held in the deposit account and Project Management Committees (PMCs) bank accounts respectively. However, the Project Management Committees (PMCs) bank balances were not supported by individual cash books and bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.54,029,592 could not be confirmed.

6. Errors in the Cashbook

The statement of financial position reflects cash and cash equivalents balances of Kshs.54,029,592 as disclosed in Note 19 to the financial statements. Included in this balance is Kshs.44,582,482 held in the operations bank account. Review of the bursary support schedule provided for audit indicated that 415 cheques worth Kshs.28,970,750 were drawn in favour of various institutions. However, the cheque amounts differed with the amounts recorded in cash book and the 415 cheques were written in favour of only two (2) institutions.

In the circumstances, the accuracy and completeness of cash and cash equivalents balances of Kshs.54,029,592 could not be confirmed.

7. Understatement of Gratuity Expense

The statement of financial performance reflects employee costs amounting to Kshs.6,810,097 as disclosed in Note 10 to the financial statements. Included in the amount is gratuity to contractual employees, amounting to Kshs.688,872. However, review of the support schedule revealed that gratuity expense for July – December 2024 totalling Kshs.526,538 was omitted from the amount.

In the circumstances, the accuracy and completeness of gratuity to contractual employees, amounting to Kshs.688,872 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Nyali 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 revenue budget and actual on comparable basis of Kshs 289,085,413 and Kshs.179,552,666 respectively resulting to under realization of Kshs.109,532,747 or 38% of the budget revenue.

The underfunding may have affected implementation of planned activities and impacted negatively on service delivery to the citizens.

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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following seven (7) issues remained unresolved

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate cash and cash equivalents balance
2	2023/2024	Unsupported and unissued cheques to beneficiaries
3	2023/2024	Stale Cheques
4	2023/2024	Understatement of deposits balance
5	2023/2024	Unsupported Project management committee balances
6	2023/2024	Lack of contract agreement on procurement of fuel and medical insurance
7	2023/2024	Lack of ownership documents for the constituency building

Other Information

Management is responsible for the Other Information set out on page iii to xxxv which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund - Nyali Constituency Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Government Constituencies Development Fund - Nyali 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, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregularities in Tender Award – Construction of Deputy County Commissioner's Office-Kongowea Chiefs Camp

The statement of financial performance reflects other grants and transfers amounting to Kshs.65,337,584 as disclosed in Note 14 to the financial statements which includes security projects expenditure of Kshs.24,232,834. Included in the amount is Kshs.7,278,039 spent on the construction to completion of Deputy County Commissioner's office at Kongowea Chiefs Camp. However, review of the tender opening minutes revealed that the contractor quoted Kshs.7,599,742 while the notice of award indicated a tender sum of Kshs.9,545,712. No explanation was provided for the anomaly. Further, the tender evaluation minutes, bid security, professional

opinion to this procurement, the tender security and the signed contract were not provided for audit review contrary to Section 44 (2) (d) of the Public Procurement and Assets Disposal Act, 2015 which requires the accounting officer to ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

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

2. Irregular and Unapproved Change of Project - Proposed Construction of Four Classrooms at Ziwa la Ngombe Secondary School

The statement of financial performance and Note 13 to the financial statements reflect other government unit actual expenditure Kshs.96,964,943. The amount includes an expenditure on secondary schools of Kshs.22,139,233 out of which Kshs.13,001,725 relates to the construction of four (4) classrooms and other civil works at Ziwa la Ngombe Secondary School.

Records provided for audit indicated that the Fund entered into a contract with a local contractor at a contract sum of Kshs.19,480,460 on 7 August, 2024 for a duration of 119 days from the date of signing the contract. Review of the project file and physical visit at the project site on 10 November, 2025 revealed that the proposed Ziwa la Ngombe Secondary School was to be constructed on grant No.CR.33315 behind Ziwa la Ng'ombe Primary School in Mkomani ward as per the public participation report. However, it was noted that the project was moved to a new location in Kadzandani ward within Mwembeni Primary School compound which is also a newly established school still under construction and funds re-allocated to the construction of Mwembeni Secondary School without evidence of NGCDF Board approval. This is contrary to Section 6. (2) of the Constituency Development Fund Act, 2015 (Amended 2023) which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

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

3. Failure to Use Bank Account for the Designated Purpose

The statement of financial position and Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.54,029,592. Included in this balance is Kshs.753,015 held in a deposit account. Review of the supporting schedules revealed that the Fund had a closing balance for third-party deposits of Kshs.3,209,682 and gratuity of Kshs.753,015, implying that the funds were used for other purposes. No explanation was provided for not holding deposit funds in the designated deposit account contrary to Section 86(3) of the Public Finance Management Act, 2012 which stipulates that an Accounting Officer of a National Government entity to provide the National Treasury by 30th September of each year with an up-dated list of bank accounts held by the National Government entity and to include the purpose for the bank account, if different from the main operational bank account of the Government entity.

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 the Management and the Management Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

National Government Constituencies Development Fund (NGCDF)


Nyali Constituency

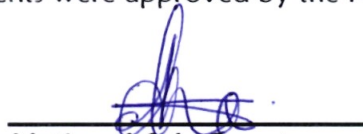
Annual Report and Financial Statements for The Year Ended June 30, 2025

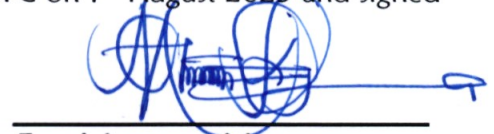
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	00
Revenue from exchange transactions		
Finance income	8	00
Miscellaneous income	9	00
Total revenue		179,441,954
Expenses		
Employee costs	10	6,810,097
Committee expenses	11	4,032,450
Use of Goods and Services	12	9,034,985
Other Government Units Actual expenditure	13	96,964,943
Other Grants and Transfers Actual expenditure	14	65,337,584
Depreciation and amortization expense	15	369,524
Digital Hubs Expenses Actual expenditure	16	00
Total expenses		182,549,582
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	00
Impairment loss	18	(000)
Surplus/(Deficit) for the year		(3,107,628)

The Constituency financial statements were approved by the NGCDFC on 7th August 2025 and signed by:


Chairman NG-CDF
Committee
Name: Mr. Boniface
Muniyifwa


National Sub-County
Accountant
Name: Ms. Halima Abuu
ICPAK M/No: 12896


Fund Account Manager
Name: Mr. George Juma

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

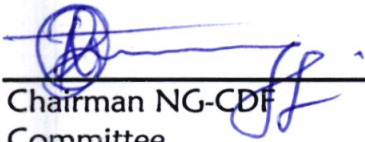
12. Statement of Financial Position As At 30th June, 2025


	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	54,029,592	59,090,846
Receivables from Exchange Transactions	20	50,441,954	50,552,666
Receivables from Non-Exchange Transactions	21	00	00
Prepayments	22	1,227,002	887,754
Total Current Assets		105,698,548	110,531,266
Non-Current Assets			
Property, Plant and Equipment	23	2,586,666	00
Intangible Assets	24	00	00
Right-of-use assets	25	00	00
Total Non- Current Assets		2,586,666	00
Total Assets (A)		108,285,214	110,531,266
Liabilities			
Current Liabilities			
Trade and Other Payables	26	00	00
Third Party Deposits	27	3,209,682	1,276,126
Lease Liabilities	28	00	00
Gratuity Provision	29	753,015	1,824,995
Total Current Liabilities		3,962,697	3,101,121
Non-Current Liabilities			
Lease Liabilities	28	00	00
Total Liabilities (B)		3,962,697	3,101,121
Net Assets (A-B)		104,322,517	107,430,145
Represented by:			

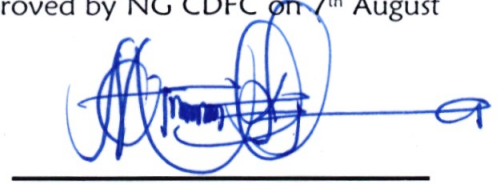
National Government Constituencies Development Fund (NGCDF)
Nyali Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Revaluation Reserves		00	00
Accumulated Surplus		104,322,517	107,430,145
Total Net Assets		104,322,517	107,430,145

The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 7th August 2025 and signed by:


Chairman NG-CDF
Committee
Name: Mr. Boniface
Munyifwa


National Sub-County
Accountant
Name: Ms. Halima Abuu
ICPAK M/No: 12896


Fund Account Manager
Name: Mr. George Juma

National Government Constituencies Development Fund (NGCDF)
Nyali 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	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	12,716,499	00	12,716,499
Adjustments			
Recognition of Assets	95,989,773	00	95,989,773
Recognition of Liabilities	(1,276,126)	00	(1,276,126)
As at July 1, 2024	107,430,146	00	107,430,146
Surplus/(Deficit) For the Period	(3,107,628)	00	(3,107,628)
Revaluation Gain/Loss	00	-	00
As at June 30, 2025 (current year)	104,322,518	00	104,322,518

Note:

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

National Government Constituencies Development Fund (NGCDF)

Nyali Constituency

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

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		179,552,666
Transfers from domestic and foreign partners		00
Finance income		00
Miscellaneous income		00
Total Receipts		179,552,666
Payments		
Employee costs		7,882,077
Committee expenses		4,032,450
Use of Goods and Services		9,374,233
Other Government Units Certified Works		95,973,788
Other Grants and Transfers		64,395,183
Digital Hubs Expenses		00
Total Payments		181,657,731
Net Cash Flows from/ (used in) Operating Activities	30	(2,105,065)
Cash flows From Investing Activities		
Purchase of PPE		2,956,190
Purchase of Intangible assets		00
Proceeds From Sale of PPE		00
Net Cash Flows from Investing Activities		2,956,190
Net increase/(decrease) in cash & Cash equivalents		(5,061,255)
Cash Flows from Financing Activities		
Lease Payment		00

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

Net Cash Flows from Financing Activities		(5,061,255)
Cash and cash equivalents at 1 July	19	59,090,846
Cash and cash equivalents at 30 June	19	54,029,591

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	2024-2025	2024-2025
Revenue							
Transfers From the NGCDF Board	179,441,900	59,090,846	50,552,666	289,085,413	179,552,666	109,532,747	62.11%
Transfers from domestic and foreign partners	00	00	00	00	00	00	00
Finance income	00	00	00	00	00	00	00
Miscellaneous income	00	00	00	00	00	00	00
Totals	179,441,900	59,090,846	50,552,666	289,085,413	179,552,666	109,532,747	62.11%
Expenses							
Employee costs	7,983,658	535,419	00	8,519,077	7,882,077	637,000	92.52%
Committee expenses	4,803,686	68,368	00	4,872,054	4,032,450	839,604	82.77%
Use of Goods and Services	15,442,436	9,273,906	00	24,716,342	12,330,423	12,385,919	49.89%
Other Government Units Certified Works	61,224,288	39,661,705	31,529,936	132,415,929	95,973,788	36,442,141	69.84%
Other Grants and Transfers	87,697,885	8,824,796	19,022,739	115,545,411	64,395,183	51,150,228	55.73%
Digital Hubs Expenses	2,290,000	00	00	2,290,000	00	2,290,000	0%

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>2024-2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024-2025</i>	<i>2024-2025</i>	<i>2024-2025</i>	<i>2024-2025</i>
Funds Pending Approval**	00	726,652	00	726,652	00	726,652	0%
Total Expenditure	179,441,954	59,090,846	50,552,666	289,085,466	184,613,921	104,471,545	63.86%
Surplus for the period							

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

Explanatory Notes.

- i. Nyali Digital Hubs: Delayed disbursement from the Board hindered implementation/commence of the Digital hub.
- ii. Nyali NG-CDF hall renovation- Delayed disbursement from the Board hindered implementation/commence of the renovation.
- iii. Compensation of employees- by the closure of financial year Nyali NG-CDF had spent 98% of the allocation.

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 7th August 2025 and signed by:

Fund Account Manager
Name: Mr. George Juma

National Sub-County Accountant
Name: Ms. Halima Abuu
ICPAK M/No: 12896

Chairman NG-CDF Committee
Name: Mr. Boniface Munyifwa

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
<i>1.1 Compensation of employees</i>	7,983,658	535,419	00	8,519,077	7,882,077	637,000
<i>1.2 Committee allowances</i>	1,426,428	68,368	00	1,494,796	655,192	839,604
<i>1.3 Use of goods and services</i>	1,356,436	8,968,047	00	10,324,483	7,368,233	2,956,250
Sub-total	10,766,463	9,571,834	00	20,338,297	15,905,502	4,432,855
2.0 Monitoring and evaluation						
<i>2.1 Capacity building</i>	00	00	00	00	00	00
<i>2.2 Committee allowances</i>	3,377,258	00	00	3,377,258	3,377,258	00
<i>2.3 Use of goods</i>	2,006,000	00	00	2,006,000	2,006,000	00
Sub-total	5,383,258	00	00	5,383,258	5,383,258	00
3.0 Digital Hub Recurrent cost						
<i>3.1 Use of goods and services</i>	2,290,000	00	00	2,290,000	00	2,290,000
Sub-total	2,290,000	00	00	2,290,000	00	2,290,000
4.0 Emergency						
<i>4.1 Unutilized</i>	9,444,313	00	00	9,444,313	00	9,444,313
Sub-total	9,444,313	00	00	9,444,313	00	9,444,313

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.0 Bursary and Social Security						
5.1 Primary Schools	00	00	00	00	00	00
5.2 Secondary schools	42,114,401	00	00	42,114,401	33,549,750	8,564,651
5.3 Tertiary institutions	19,358,419	00	00	19,358,419	7,555,000	11,803,419
5.4 Special needs	00	00	00	00	00	00
5.6 Education Support Programmes	4,746,361	00	00	4,746,361	00	4,746,361
5.4 Social Security	2,000,000	00	00	2,000,000	00	2,000,000
Sub-total	68,219,181	00	00	68,219,181	41,104,750	27,114,431
6.0 Climate Change Mitigation						
5.1 Climate Change Mitigation activities	3,890,000	00	2,500,000	6,390,000	00	6,390,000
Sub-total	3,890,000	00	2,500,000	6,390,000	00	6,390,000
7.0 Primary Schools Projects						
7.1 Kadzandani Primary School	4,800,000	00	00	4,800,000	4,800,000	00
7.2 Kadzandani Primary School	1,020,000	00	1,776,333	2,796,333	2,796,333	00
7.3 Kengeleni Primary School	1,499,086	00	00	1,499,086	00	1,499,086
7.4 Kengeleni Primary School	7,200,000	00	00	7,200,000	5,000,000	2,200,000
7.5 Kisauni Primary School	6,000,000	2,788	00	6,002,788	6,002,788	00
7.6 Kongowea Primary School	15,182,000	407,604	00	15,589,604	00	15,589,604

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.7 Kwa Bullo Primary School	150,000	00	00	150,000	00	150,000
7.8 Mwembeni Primary School	3,843,180	00	3,000,000	6,843,180	1,159,517	5,683,663
7.9 Mwembeni Primary School	11,403,000	00	8,900,000	20,303,000	17,385,338	2,917,662
7.10 Mwembeni Primary School	1,725,000	00	00	1,725,000	00	1,725,000
7.11 Pwani for the mentally challenged	00	5,104,699	3,800,000	8,904,699	8,474,172	430,527
7.12 Pwani for the mentally challenged	00	1,118,000	00	1,118,000	00	1,118,000
7.13 Maweni Primary School	00	2,630	00	2,630	00	2,630
7.14 Freretown Primary School	00	7,129,115	00	7,129,115	7,129,115	00
7.15 Kadzandani kwa Bullo Primary School	00	1,997,789	00	1,997,789	1,997,370	419
7.16 Pentrose Community Primary School	00	10,083,077	00	10,083,077	10,083,077	00
7.17 Mlaleo Primary School	2,590,914	00	00	2,590,914	00	2,590,914
Sub-total	55,413,180	25,845,702	17,476,333	98,735,215	64,827,710	33,907,505
8.0 Secondary Schools Projects						
8.1 Khadija Secondary School	752,824	00	00	752,824	752,824	00
8.2 Mohamed Ali Girls Secondary School	752,824	302,792	00	1,055,616	1,055,616	00

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.3 Ziwa la ng'ombe Secondary School	1,725,000	00	10,600,201	12,325,201	12,325,201	00
8.4 Kongowea Secondary School	00	80	00	80	00	80
8.5 Kadzandani kwa Bulle Secondary School	00	3,513,131	00	3,513,128	00	3
8.6 Ziwa la ng'ombe Secondary School	2,580,460	00	00	2,580,460	1,039,062	1,541,398
8.7 Freretown Secondary School	00	00	3,453,402	3,453,402	3,453,402	0
Sub-total	5,811,108	3,816,003	14,053,603	23,680,714	22,139,233	1,541,481
9.0 Tertiary institutions Projects						
9.1 Pwani School (TVET)	00	10,000,000	00	10,000,000	10,000,000	00
9.2 Nyali NG-CDF General Projects	00	00	00	00	00	00
Sub-total	00	10,000,000	00	10,000,000	10,000,000	00
10.0 Security Projects						
10.1 Khadija Police Post	500,000	1,506,821	558,166	2,564,987	1,300,384	1,264,603
10.2 Viena Police Post	390,000	4,361,786	00	4,751,786	4,751,786	00
10.3 Ziwa la ng'ombe Ass. Chief's office	293,690	00	2,468,173	2,761,857	2,761,857	00
10.4 Freetown ACC's office	00	00	7,500,000	7,500,000	6,467,830	1,032,170

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.5 Vietnam Police Post	00	00	4,346,397	4,346,397	4,346,397	00
10.6 Nyali DCC's office	4,960,707	00	1,649,994	6,610,701	2,375,380	4,235,321
Sub-total	6,144,397	5,868,607	16,522,730	28,535,728	22,003,634	6,532,094
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	00	00	00	00	00	00
11.2 Construction of CDF office	00	00	00	00	00	00
11.3 Purchase of furniture and equipment	00	2,956,190	00	2,956,190	2,956,190	00
11.4 Purchase of computers	00	00	00	00	00	00
11.5 Purchase of land	00	00	00	00	00	00
Sub-total	00	2,956,190	00	2,956,190	2,956,190	00
12.0 Digital Hubs						
	00	00	00	00	00	00
Sub total	00	00	00	00	00	00
13.0 Others						
13.1 Strategic Plan	00	00	00	00	00	00
13.2 Renovation of Nyali NGCDF hall	5,000,000	12,100	00	5,012,100	00	5,012,100

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
13.3 NG-CDF office solar installation	00	00	00	00	00	00
13.4 Nyali Digital hub	6,500,000	00	00	6,500,000	00	6,500,000
13.5 NG-CDF office boardroom chairs	580,000	0	00	580,000	00	580,000
13.6 Kongowea Youth & Women	00	293,759	00	293,759	293,644	115
13.7 NG-CDF Office car shed	00	00	00	00	00	00
13.8 Deposit account	00	00	00	00	00	00
Sub total	12,080,000	305,859	00	12,385,859	293,644	12,092,215
13.0 Funds pending approval**						
13.1 Unapproved projects	00	439,652	00	439,652	00	439,652
13.2 AIA	00	287,000	00	287,000	00	287,000
Sub-total	00	726,652	00	726,652	00	726,652
Total	179,441,900	59,090,846	50,552,666	289,085,466	184,613,921	104,140,545

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Nyali Constituency principal activity is to target grassroots development, funding Education, Security Institutions, Health facilities, Bursary and Community initiatives.

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions: This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>This IPSAS is not applicable to the constituency this F/Y</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This IPSAS is not applicable to the constituency this F/Y</i></p>
IPSAS 45: Property Plant	<p><i>Applicable 1st January 2025</i></p>

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

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

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 5th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to NG-CDF Nyali. 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. NG-CDF Nyali 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 NG-CDF Nyali 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 NG-CDF Nyali. 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. *NG-CDF Nyali does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 NG-CDF Nyali.

h) Provisions

Provisions are recognized when NG-CDF Nyali 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 NG-CDF Nyali 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 NG-CDF Nyali 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 *NG-CDF Nyali* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which NG-CDF Nyali pays fixed contributions into a separate NG-CDF Nyali (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

NG-CDF Nyali 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 NG-CDF Nyali, 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 NG-CDF Nyali 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. NG-CDF Nyali 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 NG-CDF Nyali. 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 NG-CDF Nyali.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

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

6. Transfers from the NGCDF Board

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

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7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	00
Total	00

8. Finance income

Description	2024-2025
	Kshs
Interest Income on Bank Deposits	00
Total	00

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024-2025
	Kshs
Rental Income	00
Income from sale of tenders	00
Hire of plant/equipment/facilities	00
Other Income Not Classified Elsewhere <i>(specify)</i>	00
Total	00

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10. Employees cost

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,587,720
Personal allowances paid as part of salary	00
House Allowance	534,000
Transport Allowance	534,000
Leave allowance	00
Gratuity to contractual employees	688,872
Employer Contributions Compulsory national social security schemes	372,877
Employer Contributions Compulsory Housing levy	84,828
Employer contributions to National Industrial Training Authority	7,800
Other Specify	00
Total	6,810,097

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	2,181,150
Other Committee expenses	1,851,300
Total	4,032,450

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12. Use of Goods and services

	<i>2024-2025</i>
	Kshs
Utilities, supplies and services	257,424
Communication, supplies and services	128,388
Domestic travel and subsistence	193,700
Printing, advertising and information supplies & services	00
Office Rent	00
Training expenses	900,000
Hospitality supplies and services	288,288
Insurance costs	1,405,012
Specialized materials and services	00
Office and general supplies and services	1,356,518
Fuel, oil & lubricants	417,286
Bank charges	6,359
Routine maintenance – vehicles and other transport equipment	261,465
Routine maintenance – other assets	3,820,545
Strategic plan expenses	00
Other operating expenses	00
Total	9,034,985

13. Other Government Units Actual expenditure

Description	<i>2024-2025</i>
	Kshs
Primary Schools Actual expenditure	64,825,710
Secondary Schools Actual expenditure	22,139,233
Tertiary Institutions Actual expenditure	10,000,000
Total	96,964,943

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14. Other Grants and transfers Actual expenditure

	<i>2024-2025</i>
	Kshs
Bursary – secondary schools	33,549,750
Bursary – tertiary institutions	7,555,000
Bursary – special schools	00
Bursary - Education Support programmes	00
Social Security programmes (SHIF)	00
Security projects Actual expenditure	24,232,834
Climate change mitigation projects	00
Emergency projects Actual expenditure	00
Roads projects Actual expenditure	00
Others specify	00
Total	65,337,584

15. Depreciation and Amortization Expenses

Description	<i>2024-2025</i>
	Kshs
Property Plant and Equipment	369,524
Intangible Assets	00
Total	369,524

16. Digital Hubs Expenses

Description	<i>2024-2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	00
Digital Hub utility costs Water, Electricity,	00
Maintenance of ICT equipment	00
Maintenance of building	00
Others (<i>specify</i>)	00
Total	00

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17. Gain/loss on Sale of Assets

Description	2024-2025
	Kshs
Property, Plant and Equipment	00
Intangible Assets	00
Total Gain/loss on Sale of Assets	00

18. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	00
Intangible Assets	00
<i>(Include financial instruments that are impaired)</i>	00
Total Impairment Loss	00

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Nyali NG-CDF Main Account-Equity Bank, Account No. 1140261189476 (Operations account)</i>	44,582,482	12,716,498
<i>Operations account pending closure (Indicate name & account no.)</i>	00	1,824,995
<i>Nyali NG-CDF Deposit Account-Equity Bank, account No.1380285518267 (Deposit Account0</i>	753,015	00
<i>Name of Bank, account No. (PMC accounts)</i>	8,694,095	43,010,918
Total	54,029,592	57,552,411
Cash Balances		
Location 1	00	00
Location 2	00	00
Other Locations <i>(Specify)</i>	00	00
Total	00	00
<i>[Cash Count Certificates for Each is provided]</i>		

(A schedule of all reconciled PMC bank balances as at the end of the period is provided)

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20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	00	00
Less: impairment allowance	00	00
Total receivables	00	00
a. Current receivables	50,441,954	50,552,666
b. Non-current receivables	00	00
Total Receivables (a+b)	50,441,954	50,552,666

i. Ageing Analysis for Receivables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	00	0%	00	0%
Between 1- 2 years	00	0%	00	0%
Between 2-3 years	00	0%	00	0%
Over 3 years	00	0%	00	0%
Total (a+b)	00	0%	00	0%

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21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	50,441,954		00	
Outstanding imprest	00		00	
Total	50,441,954		00	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	00	0%	00	0%
Between 1-2 years	00	0%	00	0%
Over 3 years	00	0%	00	0%
Total	00	0%	00	0%

22. Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	00		00	
Prepaid Insurance	1,227,002		887,754	
Prepaid Electricity Costs	00		00	
Other Prepayments (<i>Specify</i>)	00		00	
Total	1,227,002		887,754	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	00	00	00	00	00	00	00	00
Additions	00	00	00	2,956,190	00	00	00	2,956,190
Disposals	00	00	00	00	00	00	00	00
Transfer/Adjustments	00	00	00	00	00	00	00	00
As At 30 th June 2025	00	00	00	2,956,190	00	00	00	2,956,190
Depreciation And Impairment								
Opening Depreciation	00	00	00	00	00	00	00	00
Depreciation	00	00	00	(369,524)	00	00	00	369,524
Disposals	00	00	00	00	00	00	00	00
Impairment	00	00	00	00	00	00	00	00
Transfer/Adjustment	00	00	00	00	00	00	00	00
As At 30 th June 2025	00	00	00	369,524	00	00	00	369,524
Net Book Values								
Opening Bal as at 1 st July 2024	00	00	00	00	00	00	00	00
As At 30 th June 2025	00	00	00	2,586,666	00	00	00	2,586,666

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Valuation

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

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	00	00	00
Buildings	00	00	00
Plant And Machinery	00	00	00
Motor Vehicles, Including Motorcycles	00	00	00
Computers And Related Equipment	00	00	00
Office Equipment, Furniture, And Fittings	00	00	00
Total	00	00	00

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	00	00
Motor Vehicles including Motorcycles	00	00
Computers and Related Equipment	00	00
Office Equipment, Furniture and Fittings	00	00
Total	00	00

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24. Intangible Assets

Description	F/Y 2024-2025
	Kshs
Cost	
Opening balance at 1 st July 2024	00
Additions	00
Disposal	00
At end of the 2025	00
Amortization and impairment	
At beginning of the year	00
Amortization	00
At end of the year	00
Impairment loss	00
At end of the year	00
NBV at July 1 st 2024	00
NBV at June 30 th 2025	00

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2023-2024	00	00	00	00
Additions	00	00	00	00
As At 30 June 2023-2024	00	00	00	00
Additions	00	00	00	00
As At 30 June 2024-2025	00	00	00	00
Accumulated Depreciation				
As At 1 July 2023- 2024	00	00	00	00
Charge for the period	00	00	00	00
As At 30 June 2023-2024	00	00	00	00
Charge for the period	00	00	00	00
As At 30 June 2024-2025	00	00	00	00
Carrying Amount				
As At 30 June 2025	00	00	00	00
As At 30 June 2025	00	00	00	00

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26. Trade and Other Payables

Description	F/Y 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	00		00	
Employee payables	00		00	
Other payables	00		00	
Total trade and other payables	00		00	
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	1st July	% of the Total
Under one year	00	0%	00	0%
1-2 years	00	0%	00	0%
2-3 years	00	0%	00	0%
Over 3 years	00	0%	00	0%
Total (tie to above total)	00		00	

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27. Third-Party deposits

	<i>F/Y 2024-2025</i>
	KShs
Retention as at 1 st July (A)	1,276,126
Retention held during the year (B)	11,587,867
Retention paid during the Year (C)	9,654,312
Closing Retention as at 30th June 2025 D= A+B-C	3,209,682

Retentions aging analysis.

	<i>F/Y 2024-2025</i>	<i>% of the total</i>	<i>F/Y 2023-2024</i>	<i>% of the total</i>
Less than 1 year	00	0%	00	0%
1-2 years	00	0%	00	0%
2-3 years	00	0%	00	0%
Over 3 years	00	0%	00	0%
Total	00		00	

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

28. Lease Liabilities

Description	<i>F/Y 2024-2025</i>	<i>Opening Statement</i>
	Kshs	Kshs
Balance at the beginning of the year	00	00
Discount interest on lease liability	00	00
Paid during the year	00	00
At end of the year	00	00

Maturity Analysis

Period	Amount
Year 1	00
Year 2	00
Year 3	00
Year 4	00
Year 5 and onwards	00
Less: unearned Interest	00

Analysed as:

Description	Amount
Current	00
Non- Current	00
Total	00

29. Gratuity Provision

Description	<i>F/Y 2024-2025</i>
	Kshs
Gratuity at the beginning of the year 1 st of July	1,824,995
Gratuity held during the year	688,872
Gratuity paid during the year	(1,760,852)
Total Gratuity Provision 30th June (A+B-C)	753,015

30. Cash Generated from Operations

	<i>F/Y 2024-2025</i>
	Kshs
Surplus/Deficit for the year	(3,107,628)
Adjusted for:	
Depreciation	369,524
Impairment	00
Gains and losses on disposal of assets	(00)
Working capital adjustments	
Increase/decrease in receivables	(228,536)
Increase/decrease in third party deposit	(1,933,556)
Increase/decrease in payables	(1,071,980)
Net cash flow from operating activities	38,895

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

31. Financial Risk Management

NG-CDF Nyali's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. NG-CDF Nyali'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. NG-CDF Nyali's does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. NG-CDF Nyali'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 NGCDF Nyali'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 2024-2025				
Receivables from exchange transactions	50,441,954	50,441,954	00	00
Receivables from non-exchange transactions	00	00	00	00
Bank balances	54,029,592	54,029,592	00	00
Total	104,471,546	104,471,546	00	00
As at 30th June 2023-2024				
Receivables from exchange transactions	00	00	00	00
Receivables from non-exchange transactions	50,552,666	50,552,666	00	00
Bank balances	59,090,846	59,090,846	00	00
Total	109,643,512	109,643,512	00	00

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that NG-CDF Nyali has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. NG-CDF Nyali has significant concentration of credit risk on amounts. The board of directors sets NG-CDF Nyali'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 NG-CDF Nyali'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 NG-CDF Nyali 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	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Gratuity Provision	00	00	753,015	00
Total	00	00	753,015	00
As at 30th June 2024				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	00	00	00	00
Total	00	00	753,015	753,015

iii) Market risk

NG-CDF Nyali has put in place an internal audit function to assist it in assessing the risk faced by NG-CDF Nyali 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. NG-CDF Nyali'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 NG-CDF Nyali's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

NG-CDF Nyali 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. NG-CDF Nyali manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	00	00
USD	10%	00	00
Previous FY		00	00
Euro	10%	00	00
USD	10%	00	00

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. NG-CDF Nyalı's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IFRS 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

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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.

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	<i>F/Y 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	104,322,518	107,430,146
Retained Earnings	00	00
Capital Reserve	00	00
Total Funds	104,322,518	107,430,146
Total Borrowings	00	00
Less: Cash and Bank Balances	(54,029,592)	(59,090,846)
Net Debt/(Excess Cash And Cash Equivalents)	50,292,926	48,339,300
Gearing	0%	0%

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32. Related Party Disclosures

	<i>F/Y 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	4,032,450	2,625,740
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,552,666	192,173,080
Total	183,585,116	194,798,820

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	<i>F/Y 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	00	00
Assets Arising from Determination Of Court Cases	00	00
Reimbursable Indemnities and Guarantees	00	00
Receivables From Other Government Entities	00	00
Others (Specify)	00	00
Total	00	00

Contingent Liabilities

Description	<i>F/Y 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Liabilities	00	00
Court Case xx against the Entity	00	00
Bank Guarantees in Favour of Subsidiary	00	00
Contingent Liabilities arising from Contracts Including PPPs	00	00
Others (Specify)	00	00
Total	00	00

35. Capital Commitments

Capital Commitments	<i>F/Y 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Authorised for	00	00
Authorised and Contracted for	00	00
Total	00	00

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	00	00	00	00
Buildings and structures	29,150,000	00	00	29,150,000
Transport equipment	4,084,500	00	00	4,084,500
Office equipment, furniture, and fittings	5,166,765	2,956,190	00	8,122,955
ICT Equipment and Other ICT Assets	00	00	00	00
Other Machinery and Equipment	837,491	00	00	837,491
Intangible assets	00	00	00	00
Total	39,238,756	2,956,190	00	42,194,946

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

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Nyali NG-CDF General Projects	Equity	1140261189498	12,100	12,100
Kongowea Primary School	Equity	1140262479404	57,735.15	407,604
Kisauni Primary School	Equity	140272883580	718,227.50	2,788
Kongowea Youth and Women Empowerment	Equity	1140276136387	115	293,759
Pentrose Community Primary School	Equity	1140277630469	1,581,968	11,664,645
Maweni Primary School	Equity	1140278811554	2,630	2,630
Kadzandani kwa Bullo Primary School	Equity	1140279801350	419	1,997,789
Kadzandani kwa Bullo Primary School	Equity	1140279801438	-2.60	3,513,131
Kongowea Secondary School	Equity	1140279963039	80	80
Freretown Primary School	Equity	114028097224	1,724,145	7,129,115
Mohamed Ali Girls Secondary School	Equity	1140280870608	7,984.50	302,792
Pwani School for the Mentally Challenged Pry School (TVET)	Equity	114028445584	00	10,000,000
Pwani School for the Mentaly Challenged Pry School (Classrooms)	Equity	1140284453387	524,902	2,204,699
Pwani School for the Mentaly Challenged Pry School (Field)	Equity	114028572209	118,000	1,118,000
Vietnam Police Post	Equity	1140285227985	15,388.50	4,361,786
Mlaleo Primary School	Equity	1140280986932	2,909	00
Ziwa la ng'ombe Primary School	Equity	1140280059376	62,748	

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Freretown Secondary School	Equity	1140285533823	24,295.50	
Khadija Police Station	Equity	1140284401314	199,207.50	
Ziwa la ng'ombe Ass. Chief's office	Equity	1140285520018	1,429,954.50	
Freretown ACC office	Equity	1140285610106	52,154.50	
Mwembeni Primary School	Equity	1140285734824	1,275,000	
Kadzandani Primary School	Equity	1140285734855	571,599	
Nyali Deputy County Commissioner's Office	Equity	1140285851029	649,765	
Ziwa la ng'ombe Secondary School	Equity	1140286152360	1,158,275	
Kengeleni Primary School	Equity	1140286521196	487.50	
Mkomani Assistant Chief Office	Equity	1140286541026	00	
Total			10,190,088	43,010,918

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)
1.1	Cash and Cash equivalents Inaccurate cash and cash equivalents balance The statement of assets and liabilities and Note 12 to the financial statements reflects cash and cash equivalent balance of kshs.14,541,494 which includes kshs. 12,716,499 held in the Fund's main account. However, the reported balance in the main account differs with the cash book balance of kshs. 12,743,996 resulting to a variance of kshs.27,497. Further the bank reconciliation statement reflects unpresented cheques totaling to kshs.12,124,504 as at 30 June, 2024. However, the status of	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC

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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)
	the unrepresented cheques including the dates when the cheques were cleared was not provided for audit confirmation.			
1.2	Unsupported and unissued cheques to beneficiaries The statement of assets and liabilities and Note 12 to the financial statements reflects cash and cash equivalent balance of kshs.14,541,494. The balance excludes bursary cheques of kshs.1,52,837 written on 22 April, 2024 but not issued to the beneficiaries as at 30 June, 2024 more than seventy (70) days later. Further, the status of the cheques as at the time of audit in December, 2024 was not provided for audit confirmation.	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC
1.3	Stale cheques The statement of assets and liabilities and Note 12 to the financial statements reflects cash and cash equivalent balance of kshs.14,541,494. Review of the	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC

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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)
	bank reconciliation statements revealed that a cheque of kshs.168,800 for retention money written on 28 February, 2023 had not been written back in the cash book in the cash book twelve (12) months later.			
1.4	<p>Understatement of Deposits Balance</p> <p>The statement of assets and liabilities and Note 12 to the financial statements reflects cash and cash equivalent balance of kshs.14,541,494 which includes kshs.1,824,995 in respect to deposit account. The balance excludes a cheque of kshs.393,550 issued from the main account in respect to retention money but not yet recorded in the cash book or bank statements for the deposits and retention bank account resulting to understatement of cash and cash equivalents balance by the same amount.</p>	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC

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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)
	In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of kshs.14,541,494 could not be confirmed.			
2	<p>Unsupported Project Management Committee (PMC) Account Balances Annex 5 to the financial statement reflects bank balances of kshs.43,010,918 held in various Project Management Committees (PMC) bank accounts. However, the bank balances were not supported by individual cash books, and bank reconciliation statements. Management in their response provided bank statements and certificate of bank balances. This is contrary to regulation 100 of the Public Finance Management (National Government) Regulations, 2015 which requires Accounting Officers to keep in all offices concerned</p>	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC

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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)
	with receiving cash or making payments a cash book showing the receipts and payments. In circumstances, the accuracy and completeness of the PMC bank balances of kshs.43, 010,918 could not be confirmed.			
	<p>Emphasis of Matter Budgetary Control and Performance The summary statement of appropriation reflects a final receipts. Summary statement of appropriation reflects a final receipts budget and actual on comparable basis of kshs.263,717, 747 and kshs.213,165,081 respectively, resulting to underfunding by kshs.50,552,666 or 19% of the budget. Similarly, the Fund expended kshs.200,448,583 against and approved budget of kshs.263,717,747 resulting to an under expenditure of</p>	The issues to be resolved before DFAC	Not resolved	Date to be set by DFAC

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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)
	kshs.63,269,164 or 24% of the budget.			



Mr. George Juma Onesmus
 Fund Account Manager.