


REPUBLIC OF KENYA



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**REPORT**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 13 NOV 2025	DAY. Thursday
TABLED BY:	Hon Eric Karembo MP
CLERK-AT THE-TABLE:	P Muiga

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – WEBUYE EAST CONSTITUENCY**

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

WEBUYE EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

**Comparative Year-** Means the prior period.

## 2. Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation 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 Webuye East 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 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Kodii K. Duncan
2.	National Sub-County Accountant	Lilian A. Amusolo
3.	Chairman NGCDFC	Mutali F. Murunga
4.	Member NGCDFC	Phaustine N. Wanyama
5.	Member NG CDFC	Mourine Lusenaka

### (c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Webuye East 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 Webuye East Constituency Headquarters**

P.O BOX 404-50205  
NG-CDF Office Building  
DCC'S Compound  
WEBUYE, KENYA

**(e) NGCDF Webuye East Constituency Contacts**

P.O. Box 404-50205  
Telephone: (254) 0704265941  
E-mail: [cdfwebuyeeast@ngcdf.go.ke](mailto:cdfwebuyeeast@ngcdf.go.ke)  
Website: [www.webuyeeastgo.ke](http://www.webuyeeastgo.ke)

**(f) NGCDF Webuye East Constituency Bankers**

1. Operations Account  
*Kenya Commercial Bank*  
Webuye Branch  
P.O. Box 332-50205  
WEBUYE
2. Deposit account  
Kenya Commercial Bank  
Webuye Branch  
P.O. Box 332-50205  
WEBUYE
3. Project Management Committee Accounts  
Kenya Commercial Bank  
Webuye Branch  
P.O. Box 332-50205

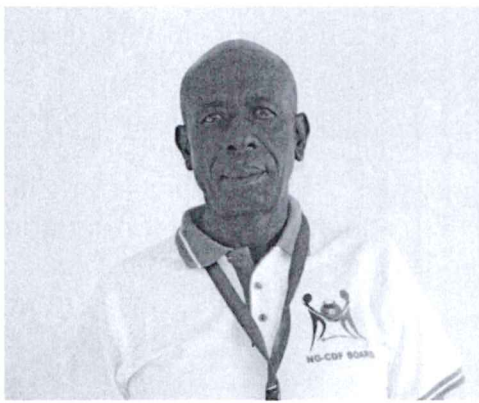


**(g) Independent Auditor**


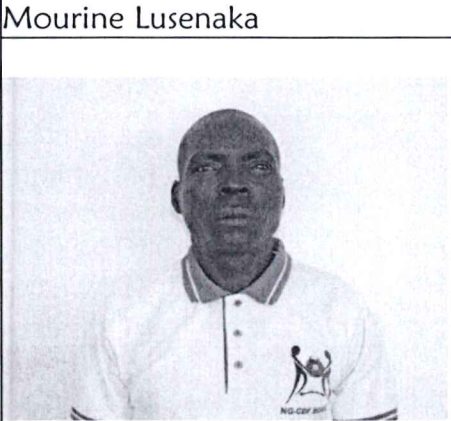

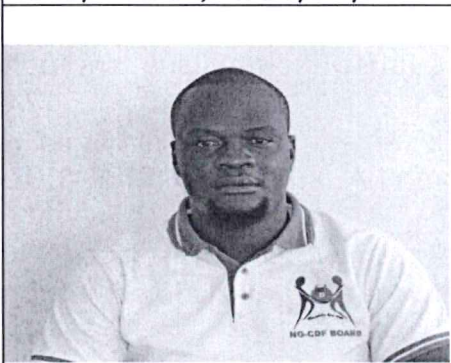
Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya



(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="167 862 399 929">Mutali Murunga Chairman</p>	<p data-bbox="662 392 1005 425">Date of Birth:01.01.1960</p> <p data-bbox="662 430 1268 463">Academics: East African Certified Education</p> <p data-bbox="662 468 909 501">Work Experience:</p> <p data-bbox="662 506 1484 728">Prior to his appointment as chairperson in November 2022, he served as a TSC untrained teacher (1980-1987), transport officer in Agro- chemical food company (1988-1992), hospital administrator at chetambe hills nursing home (1992-1997) and later as a Senior Assistant Chief where he retired in the year 2020.</p>
 <p data-bbox="167 1456 462 1489">Victor Maruti Watua</p>	<p data-bbox="662 940 1029 974">Date of Birth; 14.08.1993,</p> <p data-bbox="662 978 901 1012">Academics: KSCE</p> <p data-bbox="662 1016 1468 1126">Work Experience: Previously worked as cashier at Khetias Supermarket before his appointment to NG-CDF Committee Membership.</p>
 <p data-bbox="167 1848 438 1881">Pascalia Makhakha</p>	<p data-bbox="662 1500 941 1534">Date of Birth: 1967</p> <p data-bbox="662 1538 901 1572">Academics: KCSE</p> <p data-bbox="662 1576 1484 1686">Work Experience: Record Officer at Misikhu Surgery Clinic (1998-2000), Appointed as a NG-CDFC member between 2013 and 2015. Re-appointed in November 2022 to date.</p>

	<p>Date of Birth:25.01.1997                  Academics &amp; Professional Qualification: Business Management – Kenyatta University                  Work Experience: Worked at One Acre Fund as Field Officer between 2020 and 2023. First appointed as NG-CDFC member 2022 and re-appointed in March 2025.</p>
	<p>Date of Birth:01.01.1969                  Academics: KCSE                  Work Experience: Served as a plant operator at Mugoya Construction Company Ltd (1990-1999) and later as an electrician at Simba electronics.                  First appointed as NG-CDFC member in 2016 as a co-opted member up to 2021. Re-appointed in November 2022 where he served a two year term and the membership renewed in March 2025.</p>
	<p>Date of Birth: 1968                  Academics&amp; professional qualification: Secretarial College                  Work Experience: Served as Webuye East Community Health Promoter.                  Served as NG-CDFC member from November 2022 for a two year term and the membership was renewed in March 2025.</p>
	<p>Date of Birth:14.06.1993                  Academics &amp; professional qualification: Certificate in ECDE                  Work Experience: Served as a trained Teacher at Misimo Primary School (2016-2018) and Bakisa SA Primary School (2018-2022)                  Served as NG-CDFC member from November 2022 for a two year term and the membership was renewed in March 2025.</p>

 <p>Phaustine Nafuna Wanyama</p>	<p>Date of Birth: 1961                  Academics &amp; professional qualification: A level                  Work Experience: Served as a trained TSC teacher at Mukhuyu FYM Primary School (1988-2021) and retired as deputy Head Teacher in 2021.                  Served as NG-CDFC co-opted member from November 2022 for a two year term and the membership was renewed in March 2025.</p>
 <p>Fund Account Manager</p>	<p>Date of Birth: 17.11.1991                  Academics &amp; professional studies: Bsc. Actuarial Science                  Work Experience: Served as a Research and Fiscal Policy Officer at Commission on Revenue Allocation (2018).                  Fund Account Manager at Webuye East NG-CDF from January 2023 to date.</p>

List of NG-CDF Members who exited during the financial year are as follows. They served for two years (November, 2022 – November, 2024)

- Mutali F. Murunga-Chairman- Male Adult
- Victor Maruti- Male Youth
- Pascalia Makhakha – Female Adult
- Mourine N. Lusenaka- Secretary – Female Youth
- Vitalis Wandera- PWD Rep
- Phaustine N. Wafula- Co- opted Member
- Patrick Walutila- Nominee of Constituency office
- Nancy Muronji – Nominee of Constituency Office

#### 4. NG-CDFC Chairman's Report



MUTALI FREDRICK MURUNGA  
WEBUYE EAST NG-CDFC CHAIRMAN

#### Budget performance against actual amounts

The NGCDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Kshs. 161,497,759 in the financial year 2024/2025.

Education programmes were allocated Kshs.71,231,000 which was 44% of the entire budget followed by Bursary schemes at Kshs.55,000,000 or 34% of the total budget.

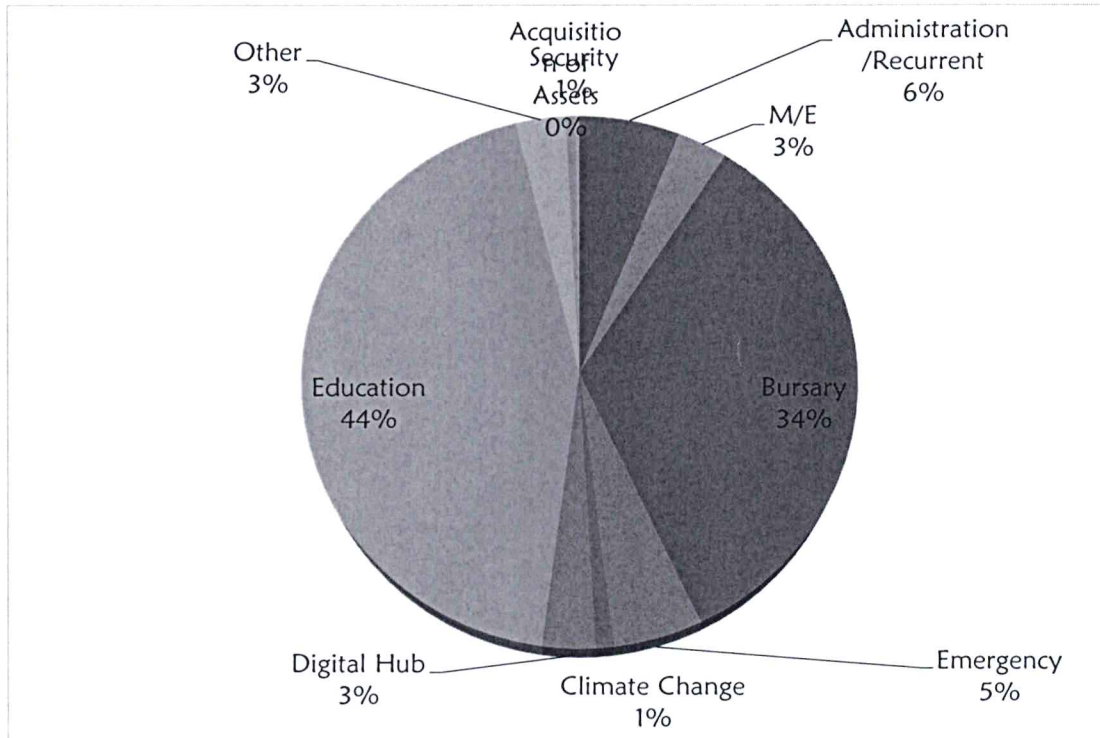
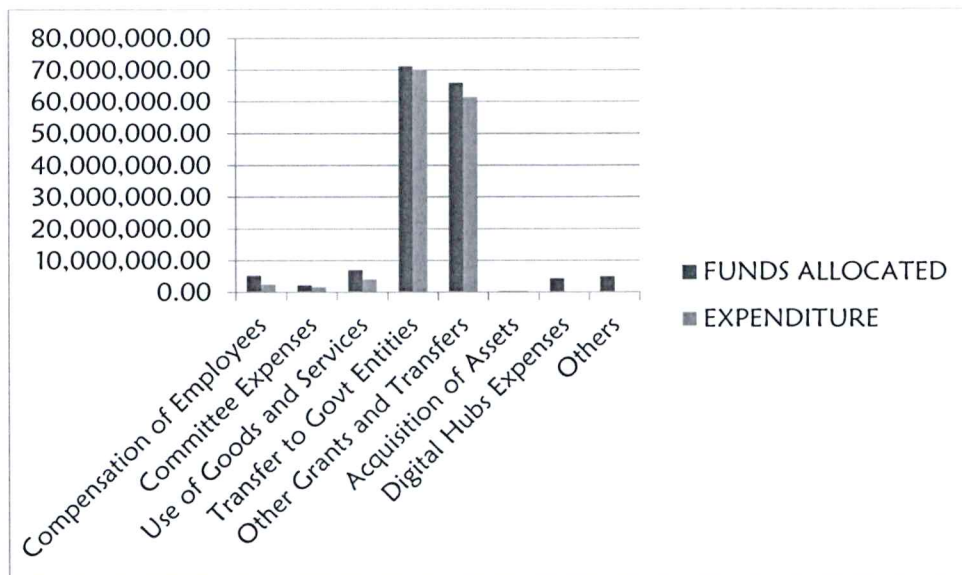


Fig 1: Budget allocation for 2024/2025 per sector.

There was a brought forward balance of previous year’s funds of Kshs. 30,605,267 and previous year’s outstanding disbursement of Kshs. 24,876,552 which led us to have a total of Kshs. 209,779,578 as funds available to be spent in the year. We were able to get Kshs. 928,599.75 from PMC recoveries. The budget allocations in comparison with the expenditure are illustrated as per the chart below:



**Fig 2: Shows the actual budgeted and Spend funds in the financial year 2024/2025**

The constituency having had a total of Kshs. 298,953,826 was able to spend a total of Kshs. 184,303,978 which is 62% of the funds allocated. All funds due from Board was sent apart from Kshs. 7,200,000 which is still pending approval and the Constituency is working to provide the required documentation for Board to release the funds which are conditionally approved.

The cash book balance at the closure of the year was Kshs. 48,570,537.86

**Achievements of the entity**

The NG-CDF has improved the Education and Security infrastructures of Webuye East. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included Climate Change Mitigation programme where some tree seedlings are set to be planted, Security sector funded for construction of Divisional Headquarters, as well as Digital hubs programme.

Photos of some of the successfully implemented projects are displayed below:



Fig 3: Completed Admin Block Cum Library at Bakisa Girls Secondary School.



Fig 4: Completed Security Project at Namarambi Assistant County Commissioner's Office.

### Emerging issues

There are various issues that have some effects on development. These include;

- i) Increasing youth population in the constituency
- ii) Empowerment of women and girls
- iii) Advocacy for national polytechnic in the constituency
- iv) Low ICT penetration in the constituency

- v) Better understanding of the roles of NG-CDF in addressing development matters

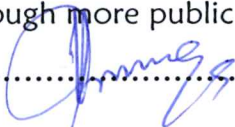
### **Implementation Challenges**

Some of the **Challenges** the Constituency faced during the year include receiving more needy bursary applicants than the available budget, numerous complaints due to insufficiently informed members of the public failing to know what category of projects are fundable by NG-CDF and which are not eligible for funding.

The constituency was not able to implement most of the projects due to delay in disbursement of funds by the exchequer. The only projects which were able to be successfully implemented are issuance of Bursaries to both Secondary and Tertiary Institution learners and Education Projects.

### **Way Forward**

The above challenges can be mitigated by Increasing the budget for bursary by making sure the 40% ceiling is fully utilized and increasing the number of community sensitization on the role of NG-CDF through more public participations.

.....  


**Name: FREDRICK MURUNGA MUTALI**  
**Chairman NGCDF Committee**

## 5. Statement of Performance against Predetermined Objectives for FY2024/25

### Introduction

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

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

1. To increase and equip learning institutions with adequate instructional materials and man power
2. To raise literacy levels equitably for both males and females
3. To sensitize the community on the proper use of available resources
4. To sensitise the community and build their capacity to monitor and evaluate projects

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 - Construction of additional structures in 18 Primary Schools (6 classrooms, admin block and exhaustible pit latrines), 2 Secondary Schools and purchase of land in one Primary Schools, Lwile Sambu Primary School. All projects ongoing. - Bursary beneficiaries at

*National Government Constituencies Development Fund (NGCDF)*  
*Webuye East Constituency*  
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				all levels. Approximately 7,000 beneficiaries for secondary schools, 2,500 for tertiary institutions and 600 special categories.
Security	To provide better working environment for security providers in the constituency	A secure constituency	-Number of Police Stations/posts set up -Number of police houses built. -Number of ACC/Chiefs/Ass. Chief's offices built.	-Renovation of Assistant Chiefs Sipala Offices.
Climate change mitigation activities	Improve access to a more sustainable and conserved environment	Improved sanitation facilities in schools Provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools Number of trees planted	Ongoing Installation of 10,000 litres water tank and planting of exotic tree seedlings in 5 Schools.
Emergency	Respond to unforeseen emergency situations	Emergency situations responded to	Number of beneficiary institutions	Three schools benefited; Masindu FYM Primary School, Construction of 3 No. Classrooms, Lutacho FYM Primary School; Construction of 2 blocks of exhaustible pit latrine, Bakisa DEB Primary School; Construction of 2 blocks of 3 door exhaustible pit latrine condemned by public health department due to risk hazard they posed

## 6. Governance Statement

### a. (NG-CDFC process of appointment

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
  - a) The national government official responsible for co-ordination of national government functions.
  - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
  - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
  - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
  - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
  - f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
  - g) one member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

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

The current NGCDFC members were gazetted in April 2025.

The persons appointed are drawn from different groupings as follows:

- Male Adult- Mutali F. Murunga-Chairman
- Male youth – Victor Maruti- Member
- Female adult—Pascalina Makhakha-Member
- Female youth -Mourine N. Lusenaka- Secretary
- PWD REP- Vitalis Wandera--Member
- Co-opted Member—Phaustine N. Wafula- Member
- Nominee of constituency Office -Patrick Walutila- Member
- Nominee of constituency Office - Nancy Muronji - Member

**b. NG-CDFC Tenure**

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The NG-CDFC members were gazetted on 6<sup>th</sup> March 2025 and are to serve for two years effective from the date of gazettelement.

**c. The Role of the Constituency Committee**

The functions of the constituency committee shall be to-

- i. Build the capacity of project management committees and Committee.
- ii. Sensitize the Community on the operations of the Fund;
- iii. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- iv. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- v. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- vi. In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project

- (works and services) fall within the functions of the National Government under the Constitution; (1) consult with relevant government departments to ensure that cost estimates for projects are realistic;
- vii. In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
  - viii. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
  - ix. Ensure that all projects receive adequate funding and are completed within three years;
  - x. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (1) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
  - xi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
  - xii. Ensure that project reports are prepared and submitted to the Board.

#### **d. Removal of a member**

As per the act a member may be removed from office on grounds of: lack of integrity, gross misconduct, embezzlement of public funds, bringing the committee to disrepute, promoting unethical practices, causing disharmony within the committee and physical or mental infirmity.

Decision to remove a member shall be made through a resolution of at least five members of the committee and the member shall be given a fair hearing before the resolution is made.

There hasn't been any removal at Webuye East Constituency.

**e. NG-CDFC Induction and training**

The NG-CDFC Members shall be inducted upon assumption of office to familiarize them with their functions. A training shall then be conducted for the members in conjunction with other stakeholders of the constituency NG-CDFC including the FAM, DCC and National Sub-county Accountant to further capacity build the members on all nitty-gritty's of the running of NG-CDF.

**f. Number of meetings;**

NG-CDF Act Section 43 (11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Webuye East Constituency, the NG-CDF Committee conducted 8 meetings and 3 sub-committee meetings.

S/no	Name of committee member	Meetings held							
		31/7/24	06/9/24	02/10/24	05/11/24	20/11/24	11/03/25	30/4/25	10/06/25
1	Mutali Murunga - Chairman	√	√	√	√	√	√	√	√
2	Mourine Lusenaka - Member	√	√	√	√	√	√	√	√
3	Vitalis Wandera - Member	√	√	√	√	√	√	√	√
4	Phaustine Wanyama - Member	√	√	√	√	√	√	√	√
5	Pascalina Makhakha - Secretary	√	√	√	√	√	√	√	√
6	Patrick Walutila - Member	√	√	√	√	√	√	√	√
7	Victor Maruti - Member	√	√	√	√	√	√	√	√
8	Nancy Muronji - Member	√	√	√	√	√	√	√	√
9	Peter Yegon - DCC Ex-official	√	√	√	√	√	√	√	√
10	Kodii Duncan - FAM, Officer of the Board	√	√	√	√	√	√	√	√

**g. Remuneration Rates**

Members' allowances for meetings are Kshs. 5,000 each for members and Kshs. 7,000 for the chair person.

**h. Disclose the policy on conflict of interest**

Before any meeting is conducted, the members shall go through the agenda to be discussed and if any matter of discussion is of interest to any member of the committee, the member is

required to declare conflict of interest and be exempted from the meeting or only that particular matter.

**i. Succession plan**

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

**j. Ethics and code of conduct**

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

**k. Risk Management**

The constituency has a risk policy which they observe and are required to maintain a risk register. The Board stipulates below to guide in risk management;

- NG-CDF Board Operational Risk Management Policy
- The NG-CDF Board Risk Appetite Statement
- NG-CDF Board Enterprise Risk Management Police
- NG-CDF Board Risk register Template
- NG-CDF Board Risk Management reporting Template
- Internal Audit Recommendations.

The NG-CDFC shall adhere to the procedures as guided by all the above tools to ensure proper risk management. The FAM shall ensure monthly attestations on the Board's ERM software on monthly basis and submit Risk Management report on quarterly basis. The FAM shall also update the Risk register periodically upon recommendations of various audit reports.

## 7. Management Discussion and Analysis

Webuye East Constituency developed the current strategic plan, covering a period of five years (2023-2027). The strategic plan is embedded within Kenya's development agenda. It captures all the frameworks of the constituency.

### *Operational and financial performance*

Below is a table showing financial years' allocations per sector:

Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	14,350,263	12,929,880	14,487,981	15,130,325
Monitoring & Evaluation	6,142,548	6,235,029	8,820,895	7,346,497
Primary Projects	78,484,000	23,205,000	57,738,056	101,357,012
Secondary Projects	55,989,183	34,565,000	69,300,000	64,532,549
Security Projects	10,416,408	13,110,207	8,000,000	10,178,032
Bursary and Social Security	71,870,139	44,353,285	53,504,193	57,207,063
Emergency	7,242,206	8,136,189	15,729,802	16,443,950
Climate Change & Mitigation	2,600,000	2,626,000	3,021,500	1,895,500
ICT Hubs	-	-	-	6,446,769
Others	1,650,000	2,000,000	8,500,000	5,000,000
<b>TOTALS</b>	<b>248,744,747</b>	<b>146,660,591</b>	<b>239,102,427</b>	<b>285,537,697</b>

### *Expenditure*


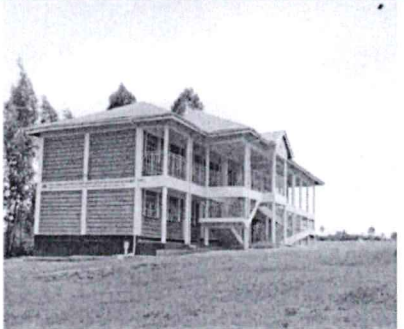

Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	9,301,430	7,810,697	10,458,293	9,176,085
Monitoring & Evaluation	5,147,792	2,158,833	6,343,255	5,136,861
Primary Projects	78,484,000	1,780,000	45,710,000	39,046,367
Secondary Projects	54,424,183	40,000	68,500,000	45,529,808
Security Projects	5,306,201	5,104,500	8,000,000	8,682,886
Bursary and Social Security	67,749,457	40,950,092	51,206,270	54,297,313

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

Emergency	6,742,207	7,636,190	7,950,000	11,753,894
Climate Change & Mitigation	2,600,000	0	2,626,000	162,959
ICT Hubs	-	-		-
Others	1,650,000	-	8,385,000	-
<b>TOTALS</b>	<b>231,405,270</b>	<b>65,480,312</b>	<b>209,178,818</b>	<b>173,786,173</b>

*Key Projects*

The Constituency had three major Secondary School projects which were completed and in use.

PROJECT NAME	ACTIVITY	PHOTO	STATUS
Sinoko Secondary School	Construction of Administration block tuition block.		Completed
Bakisa Girls Secondary School	Construction of Administration block tuition block.		Completed
Friends Secondary School Muji	Construction of Administration block tuition block		Completed

*Compliance With Statutory Requirements*

The Constituency has fully complied with statutory requirements and has no arrears in statutory and other financial obligations.

*Major Risks Facing the Fund*

- Inadequate human resource capacity
- Inadequate awareness of NG CDF functions
- High poverty and dependency rates
- Dilapidated road network in some parts of the constituency
- Poor security and administration infrastructure in the constituency

*Review of the Economy*

The Constituency is expected to increase enrolment in primary schools and improved transition to secondary schools and tertiary institutions in the education sector by construction of more structures and provision of bursaries. Further; to improve access to more sustainable environment through climate change and mitigation activities. In addition, constituency focuses to provide better working environment for security providers in the constituency.



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Name: Kodii K Duncan  
Fund Account Manager

## 8. Environmental and Sustainability Reporting

Webuye East NG-CDF exists to deliver a strategy which is founded on social sector, namely, Education & Training, Security Sector Support, Climate Change Mitigation, and Digital hubs programmes. This pillar makes special provision for Kenyans with various disabilities and also for marginalized communities.

### 1. Sustainability strategy and profile -

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

- a. **Education and Training:** Webuye East 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, re-afforestation, grassroots sensitization, and tree seedling production.

## **2. Environmental performance**

The constituency uses Climate Change and Mitigation programme as a guiding policy which articulates how to conserve the environment and its components. It has succeeded in planting over 500 trees and installation of water tanks in various learning institutions but is however faced with the challenge of extended drought. To manage biodiversity, the fund has planted indigenous trees. The constituency has also intensified awareness creation and sensitized the community on the fundable projects by NG-CDF including Climate Change Mitigation which is championed by the Agenda of the government of the day. The NG-CDFC has undertaken public participation to sensitize the youth/Community on the impact of drug abuse.

The constituency has ensured security measures by constructing police posts and Divisional Headquarters.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Webuye East 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. Market place practices-**

Webuye East Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Webuye East 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**

Webuye East 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 NG CDF 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.

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



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Name: Kodii K Duncan  
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-Webuye East 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.

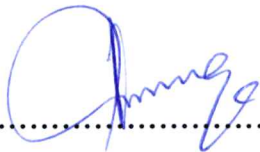
The Accounting Officer in charge of the NGCDF-Webuye East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

The Accounting Officer in charge of the NGCDF Webuye East 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- Webuye East Constituency financial statements were approved and signed by the Accounting Officer on 1/10/ 2025.



.....  
Name: MUTALI F MURUNGA  
Chairman – NGCDF Committee



.....  
Name: KODII K DUNCAN  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

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

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### 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.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Webuye East Constituency set out on pages 1 to 65,

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

which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Webuye East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended, 2023) and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unconfirmed Opening Balances**

#### **1.1 Statement of Financial Position**

The opening statement of financial position as at 1 July, 2024 reflects cash and cash equivalents balance of Kshs.112,579,315, receivables from non-exchange transactions balance of Kshs.24,876,552, prepayments balance of Kshs.111,505 and third-party deposits balance of Kshs.8,486,751. However, Management has not supported the receivables from non-exchange transactions, prepayments and third-party deposits balances.

Further, the statement indicates cash and cash equivalents, receivables from exchange transactions and third-party deposits balances of Kshs.112,579,315, Kshs.24,876,552 and Kshs.8,486,751, respectively as at 1 July, 2024. However, the previous year's audited financial statements for the financial year ended 30 June, 2024 indicates cash and cash equivalents balance of Kshs.111,268,444, receivables from non-exchange transactions balance of Kshs.25,207,552, and third-party deposits of Nil balance, resulting to unexplained variances of Kshs.1,310,871, Kshs.331,000 and Kshs.8,486,751, respectively.

In the circumstances, the accuracy and completeness of the respective opening balances in the statement of financial position could not be confirmed.

#### **1.2 Statement of Changes in Net Assets**

The statement of changes in net assets reflects net assets balance of Kshs.108,825,263 as at 30 June, 2025. The balance includes recognition of assets amounting to Kshs.106,962,105 and recognition of liabilities amounting to Kshs.9,797,502 as at 1 July, 2024. However, the supporting ledgers, analysis and supporting documents for the recognized amounts were not provided for audit review.

In the circumstances, the accuracy and completeness of opening balances in the statement of changes in net assets and net assets balance of Kshs.108,825,263 as at 30 June, 2025 could not be confirmed.

## 2. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects amounts which differ with the amounts reflected in the statement of financial performance as shown in the table below:

S/No.	Details	Amount as Per Statement of Cash Flows Kshs.	Amount as Per Statement of Financial Performance Kshs.	Variance Kshs.
1	Use of Goods and Services	7,710,553	7,722,330	11,777
2	Other Government Units' Actual Expenditure	94,920,732	91,641,904	3,278,828
3	Other Grants and Transfers Actual Expenditure	74,623,895	73,738,509	885,386

However, a detailed reconciliation was not been provided to explain the differences in the amounts stated.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of cash flows could not be confirmed.

## 3. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

Review of the statement of comparison of budget and actual amounts revealed amounts which differ with the amounts reflected in the statement of cash flows as follows:

No.	Details	Amount as Per Statement of Comparison of Budget and Actual Amounts Kshs.	Amount as Per Statement of Cash Flows Kshs.	Variance Kshs.
1	Other Government Units Expenditure	95,576,176	94,920,732	655,444
2	Other Grants and Transfers Actual Expenditure	74,897,052	74,623,895	273,157

However, a reconciliation for the variances was not provided for audit review.

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

#### **4. Unconfirmed Project Management Committee Bank Balances**

The statement of financial position reflects cash and cash equivalents balance of Kshs.107,449,648, which as disclosed in Note 19 to the financial statements includes a balance of Kshs.53,483,824 in respect to Project Management Committee (PMC) bank balances. This amount relates to sixty-nine (69) projects. However, bank confirmation certificates, cash books and bank reconciliation statements for the sixty-nine (69) bank accounts were not provided for audit review. Further, Annex 2 to the financial statements reflects PMC bank balances totalling Kshs.46,314,824 resulting to unreconciled variance of Kshs.7,169,000.

In the circumstances, the accuracy and completeness of PMC bank balances totalling Kshs.53,483,824 could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts indicates that the Fund expended Kshs.185,232,578 against actual receipts of Kshs.292,682,226 resulting to an under-expenditure of Kshs.107,449,648 or 37% of actual receipts.

The under-expenditure affected the implementation of the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

#### **Other Matter**

##### **Unresolved Prior Year Matters**

In the previous year audit, several issues were raised under Report on the Financial Statements, Emphasis of Matter, and Report on Lawfulness and Effectiveness in Use of Public Resources, as detailed in Appendix 1. The Management has indicated under the progress on follow up of Auditor's recommendations section of the financial statements that several issues were not resolved and only one was resolved. However, no supporting *Report of the Auditor-General on National Government Constituencies Development Fund - Webuye East Constituency for the year ended 30 June, 2025*

documents were provided for audit review to show how the one issue was resolved and no explanation was given for not resolving the rest of the issues.

In the circumstances, the issues remain unresolved.

### **Other Information**

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. However, based on the audit procedures performed, I confirm that other information is materially inconsistent with the financial statements as described below.

### **Inaccurate Disclosure of Performance Information**

Management discussion and analysis statement indicates final receipts budget and expenditure budget of Kshs.285,537,697 each. However, the statement of comparison of budget and actual amounts reflects final receipts budget and expenditure budget of Kshs.299,882,226 each resulting to unexplained variances of Kshs.14,344,529 each.

Similarly, Management discussion and analysis statement indicate actual expenditure of Kshs.173,786,173. However, the statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.185,232,578 resulting to unexplained variance of Kshs.11,446,405.

In the circumstances, Management discussion and analysis statement is materially inconsistent with the financial statements and my knowledge obtained in the course of the audit.

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. Proposed Completion of Administration Block for Lugulu Mixed Day and Boarding Primary School

The statement of financial performance and Note 13 to the financial statements reflect other government units expenditure amounting to Kshs.91,641,904 which include primary schools' expenditure amounting to Kshs.38,273,682. The expenditure includes a payment of Kshs.4,981,950 to Lugulu Boarding Primary School for continuation of the tuition block comprising five (5) offices, a boardroom and a staffroom.

The contract in respect of tender number NG-CDF/LBPS/001/2023-2024 was awarded to a local contractor at a contract price of Kshs.4,981,950 commencing on 3 September, 2024 up to 3 December, 2024. However, verification of Bills of Quantities (BoQs), procurement records and the expenditure returns revealed that the project was initially funded by parents' association. However, the status of completion at the time of project take-over by the Fund was not determined and site handover minutes were not taken.

Further, the field inspection which was conducted on 27 August, 2025 revealed that the project was completed and handed over to the School. However, the following anomalies were observed:

- i. The project did not have a foundation for the staircase ramp to provide access to the first-floor slab.
- ii. The walls had cracked and paint was peeling off.
- iii. Rainwater was seeping into the building through the edges of the suspended slab, causing flooding on the floor and mold was growing on the inner walls of the building.
- iv. The project was not branded as a Fund's project for the year.
- v. The building which had been handed over to the School was not yet in use.

In the circumstances, value for money spent on the project and effectiveness of the implementation of the project could not be confirmed.

## **2. Failure to Prepare a Complete Fixed Assets Register**

Annex 1 to the financial statements on summary of asset register reflects historical cost of the assets amounting to Kshs.45,679,041. However, the Fund did not maintain a comprehensive and updated fixed asset register capturing acquisition date, location, cost, serial numbers, custodian, depreciation, net book values and condition of the assets in accordance with Regulation 143 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

## **3. Failure to Comply with the Law on Reservation of Thirty Percent (30%) of Procurements to Youth, Women and Persons with Disabilities**

Review of the procurement plan for the financial year under review revealed that the Fund Management did not reserve a minimum of thirty per cent (30%) of the budgetary allocations to enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

This was contrary to Section 157(5) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer of a procuring entity shall, when processing procurement, reserve a prescribed percentage of its procurement budget, which shall not be less than thirty per cent, to the disadvantaged group and comply with the provisions of this Act and the regulations in respect of preferences and reservations.

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

## **4. Failure to Prepare and Submit Quarterly Financial Reports**

During the financial year under audit review, the Management did not prepare and submit quarterly financial reports as required by the law. This was contrary to Section 83 (3) of the Public Finance Management Act, 2012 which states that not later than fifteen (15) days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and The National Treasury.

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

## **5. Lack of Internal Audit Reports**

During the year under review, the Fund did not undergo quarterly audit from the Internal Audit Unit in accordance with Regulation 173(1) of the Public Finance Management (National Government) Regulations, 2015 which states that each head of internal audit shall prepare a quarterly internal audit report which shall cover areas provided for in guidelines and shall be in the format issued by the Cabinet Secretary.

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 those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

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

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 for 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**

**07 October, 2025**

## Appendices

### Appendix 1: Unresolved Prior Matters


Reference No.	Observation
	<b>Report on the Financial Statements</b>
1.	Misstatement of Net Increase in Cash and Cash Equivalents
2.	Misstatement of Compensation of Employees
3.	Unsupported Bursary Payments
4.	Unconfirmed Project Management Committee Bank Balances
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1.	Completion of a Tuition Block at Bakisa Girls Secondary School
2.	Completion of a Tuition Block at Friends Secondary School Muji

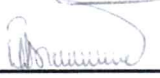
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>161,497,759</b>
Expenses		
Employee costs	10	5,125,868
Committee expenses	11	2,213,755
Use of Goods and Services	12	7,722,330
Other Government Units Actual expenditure	13	91,641,904
Other Grants and Transfers Actual expenditure	14	73,738,509
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
<b>Total expenses</b>		<b>180,442,366</b>
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	(-)
<b>Surplus/(Deficit) for the year</b>		<b>(18,944,607)</b>

The Constituency financial statements were approved by the NGCDFC on 21/07 2025 and signed by:

  
Chairman NG-CDF  
Committee  
Name: MUTALI F  
MURUNGA

  
National Sub-County  
Accountant  
Name: LILIAN AMUSOLO  
ICPAK M/No: 29512

  
Fund Account Manager  
Name: KODIE K DUNCAN

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


	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	107,449,648	112,579,315
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	7,200,000	24,876,552
Prepayments	22	99,728	111,505
<b>Total Current Assets</b>		<b>114,749,376</b>	<b>137,567,372</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	446,405	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>446,405</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>115,195,781</b>	<b>137,567,372</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third Party Deposits	27	4,322,537	8,486,751
Lease Liabilities	28	-	-
Gratuity Provision	29	2,047,981	1,310,751
<b>Total Current Liabilities</b>		<b>6,370,518</b>	<b>9,797,502</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>6,370,518</b>	<b>9,797,502</b>
<b>Net Assets (A-B)</b>		<b>108,825,263</b>	<b>127,769,870</b>
<b>Represented by:</b>			
Revaluation Reserves		-	-
Accumulated Surplus		108,825,263	127,769,870
<b>Total Net Assets</b>		<b>108,825,263</b>	<b>127,769,870</b>


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The Constituency financial statements set out on pages 1 to 6 approved by NG CDFC on 11/10 2025 and signed by:

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee  
Name: MUTALI F  
MURUNGA

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: LILIAN AMUSOLO  
ICPAK M/No: 29512

  
\_\_\_\_\_  
Fund Account Manager  
Name: KODII K DUNCAN

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024	-	30,605,267	30,605,267
<b>Adjustments</b>			
Recognition of Assets	-	106,962,105	106,962,105
Recognition of Liabilities	-	(9,797,502)	(9,797,502)
<b>As at July 1, 2024</b>	-	127,769,870	127,769,870
Surplus/(Deficit) For the Period	-	(18,944,607)	(18,944,607)
Revaluation Gain/Loss	-	-	-
<b>As at June 30, 2025 (current year)</b>	-	108,825,263	108,825,263

Note:

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

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

	Notes	2024-25
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		179,174,311
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>179,174,311</b>
<b>Payments</b>		
Employee costs		4,388,638
Committee expenses		2,213,755
Use of Goods and Services		7,710,553
Other Government Units Certified Works		94,920,732
Other Grants and Transfers		74,623,895
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>183,857,573</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>(4,683,262)</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		(446,405)
Purchase of Intangible assets		(-)
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>446,405</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(5,129,667)</b>
<b>Cash Flows from Financing Activities</b>		
Lease Payment		(-)
<b>Net Cash Flows from Financing Activities</b>		<b>(5,129,667)</b>
Cash and cash equivalents at 1 July	19	112,579,315
Cash and cash equivalents at 30 June	19	107,449,648

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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		
<b>Revenue</b>							
Transfers From the NGCDF Board	161,497,759	112,579,315	24,876,552	298,953,626	291,753,626	7,200,000	97.6%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	928,600	-	928,600	928,600	-	
<b>Totals</b>	<b>161,497,759</b>	<b>113,507,915</b>	<b>24,876,552</b>	<b>299,882,226</b>	<b>292,682,226</b>	<b>7,200,000</b>	<b>97.6%</b>
<b>Expenses</b>							
Employee costs	5,306,544	4,016,146	-	9,322,691	4,388,638	4,934,053	47.1%
Committee expenses	2,278,000	429,228	-	2,707,228	2,213,755	493,473	81.8%
Use of Goods and Services	6,950,000	3,451,951	44,699	10,446,903	7,710,553	2,736,350	73.8%
Other Government Units Certified Works	71,231,000	90,267,895	14,390,666	175,889,561	95,576,176	80,313,385	54.3%
Other Grants and Transfers	65,999,879	11,689,857	8,395,500	86,085,037	74,897,052	11,187,985	87.0%
Digital Hubs Expenses	4,401,082	-	2,045,687	6,446,769	-	6,446,769	0
Acquisition of Assets	331,000	182,722	-	513,722	446,405	67,317	86.9%
Others	5,000,000	-	-	5,000,000	-	5,000,000	0%
Funds Pending Approval**	-	3,470,316	-	3,470,316	-	3,470,316	0
<b>Total Expenditure</b>	<b>161,497,759</b>	<b>113,507,915</b>	<b>24,876,552</b>	<b>299,882,226</b>	<b>185,232,578</b>	<b>114,649,648</b>	<b>61.8%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,449,648</b>		

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*Explanatory Notes.*

The underutilization for Digital hubs expenses, Acquisition of assets, Other Government Units Certified Works and Others is due to late exchequer releases.

*Funds pending approval have not been approved by the Board.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	114,649,648
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	(7,200,000)
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	107,449,648

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 1/10/2025 and signed by:



Fund Account Manager

Name: KODII K DUNCAN



National Sub-County Accountant

Name: LILIAN AMUSOLO  
ICPAK M/No: 29512



Chairman NG-CDF Committee

Name: MUTALI F MURUNGA

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16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	5,306,544	4,016,146	-	9,322,691	4,388,638	4,934,053
1.2 Committee Allowances	1,198,000	88,080	-	1,286,080	1,138,510	147,570
1.3 Use of goods and services	3,185,321	1,336,233	-	4,521,554	3,648,937	872,618
<b>Sub-total</b>	<b>9,689,866</b>	<b>5,440,459</b>	<b>-</b>	<b>15,130,325</b>	<b>9,176,085</b>	<b>5,954,240</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity Building	2,000,000	1,035,301	44,699	3,080,000	1,527,332	1,552,668
2.2 Committee Allowances	1,080,000	341,148	-	1,421,148	1,075,245	345,903
2.3 Use of goods and services	1,764,933	1,080,417	-	2,845,349	2,534,284	311,065
<b>Sub-total</b>	<b>4,844,933</b>	<b>2,456,866</b>	<b>44,699</b>	<b>7,346,497</b>	<b>5,136,861</b>	<b>2,209,636</b>
<b>3.0 Emergency</b>						
<b>3.1 Primary Schools</b>						
Bakisa DEB Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Masindu FYM Primary School	4,500,000	-	-	4,500,000	3,805,340	694,660
Maraka PEFA Primary School	400,000	-	-	400,000	-	400,000
Nabuyole FYM Primary School		3,448,975	-	3,448,975	3,448,974	1
Wandabwa FYM Primary School		4,498,975	-	4,498,975	4,498,975	-
<b>3.2 Secondary schools</b>						
Lutacho Secondary School	1,800,000	-	-	1,800,000	605	1,799,395
Sipala Friends Secondary School	396,000	-	-	396,000	-	396,000
<b>3.3 Tertiary institutions</b>						
<b>3.4 Security projects</b>						
3.5 Unutilized	3,879	356,612		360,491	-	360,491

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Sub-total</b>	<b>8,499,879</b>	<b>8,304,562</b>		<b>16,804,441</b>	<b>11,753,894</b>	<b>5,050,547</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	30,000,000	1,523,063		31,523,063	31,523,063	-
4.3 Tertiary Institutions	21,000,000	682,000		21,682,000	21,044,250	637,750
4.4 Special Needs	2,000,000	2,000		2,002,000	1,730,000	272,000
4.5 Social Security						
4.6 Education Support Programme	2,000,000			2,000,000	-	2,000,000
<b>Sub-total</b>	<b>55,000,000</b>	<b>2,207,063</b>		<b>57,207,063</b>	<b>54,297,313</b>	<b>2,909,750</b>
<b>5.0 Climate Change Mitigation</b>						
5.1 Sinoko Comprehensive School	300,000			300,000		300,000
5.2 Makuselwa Friends Secondary School	300,000			300,000		300,000
5.3 St. Teresa Special School	300,000			300,000		300,000
5.4 Bakisa DEB Comprehensive Schol	300,000			300,000		300,000
5.5 Mabele Baptist Comprehensive School	300,000			300,000		300,000
5.6 Murumba RC Primary School			56,500	56,500	47,176	9,324
5.7 Masindu Secondary School			56,500	56,500	1,025	55,475
5.8 Nzoia RC Primary School			56,500	56,500	1,151	55,349
5.9 Maraka PEFA Primary School			56,500	56,500	1.151	55,349

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.10 Masibayi Primary School			56,500	56,500	56,151	349
5.11 Wabukhonyi Assisant Chief Office			56,500	56,500	56,179	322
5.12 Nzoia Police Post			56,500	56,500	126	56,374
<b>Sub-total</b>	<b>1,500,000</b>		<b>395,500</b>	<b>1,895,500</b>	<b>162,959</b>	<b>1,732,542</b>
<b>6.0 Primary Schools Projects (List all the Projects)</b>						
6.1 Lugulu Boarding Primary School	6,000,000			6,000,000		6,000,000
6.2 Masibayi FYM Comprehensive School	3,000,000			3,000,000		3,000,000
6.3 Ondoti ADC Comprehensive School	4,500,000			4,500,000		4,500,000
6.4 Silungai FYM Comprehensive School	3,000,000			3,000,000		3,000,000
6.5 Njata CEB Comprehensive School	3,000,000			3,000,000		3,000,000
6.6 Misemwa Comprehensive School	9,000,000			9,000,000		9,000,000
6.7 Katumi CEB Comprehensive School	1,400,000			1,400,000		1,400,000
6.8 Manafwa FYM Comprehensive School	1,400,000			1,400,000		1,400,000
6.9 Holy Family Misikhu Girls Comprehensive School	1,400,000			1,400,000		1,400,000

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*Webuye East Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.10 Makemo RC Primary School	3,200,000			3,200,000		3,200,000
6.11 Bakisa SA Primary School	2,500,000			2,500,000		2,500,000
6.12 Mahanga PEFA Comprehensive School	3,000,000			3,000,000		3,000,000
6.13 Mulachi SA Comprehensive School	3,000,000			3,000,000		3,000,000
6.14 Mitukuyu FYM Comprehensive School	3,600,000			3,600,000		3,600,000
6.15 Lugusi FYM Comprehensive School	3,800,000			3,800,000		3,800,000
6.16 Lufwindiri Comprehensive School	4,500,000			4,500,000	1,025	4,498,975
6.17 Lwile Sambu Comprehensive	1,200,000			1,200,000		1,200,000
6.18 Muji FYM Comprehensive School	1,400,000			1,400,000		1,400,000
6.19 Bakisa SA Primary School		1,198,975		1,198,975	1,143,511	55,464
6.20 NG-CDF Academic Account		999,580		999,580	999,580	-
6.21 Kakimanyi SDA Primary School		166,109		166,109	166,109	-
6.22 Katumi CEB Primary School		270,841		270,841	270,841	-
6.23 Lufwindiri DEB Primary School		62,086		62,086	62,086	-
6.24 Lugulu Borading Primary		4,998,975		4,998,975	4,978,709	20,266

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
School						
6.25Lugulu PAG Primary School		272,242		272,242	272,242	-
6.26Lutacho FYM Primary School		1,197,950		1,197,950	1,132,131	65,819
6.27Mabele Baptist Primary School		73,188		73,188	1,244	71,944
6.28Mahanga PEFA Primary School		1,198,975		1,198,975	1,198,975	-
6.29Manafwa FYMP Primary School		5,998,975	463,166	6,462,141	6,158,217	303,924
6.30Masindu FYM Primary School		470,858		470,858	470,858	-
6.31Mihuu FYM Primary School		5,998,975	463,167	6,462,142	6,462,142	-
6.32Misemwa Primary School		177,525		177,525	177,525	-
6.33Mukhuyu FYM Primary School		1,998,975	4,000,000	5,998,975	5,717,957	281,018
6.34Musa FYM Primary School		75,283		75,283	75,283	-
6.35Nabuyole PEFA Primary School		279,913		279,913	279,913	-
6.36 Nzoia RC Primary School		161,155		161,155	161,155	-
6.37Sango DEB Primary School		137,343		137,343	137,343	-
6.38Silungai FYM Secondary School		33,245		33,245	33,245	-
6.39Sirende SA Primary School		474,669		474,669	321,421	153,248
6.40Sirende SA Primary School		696,703		696,703	872	695,832
6.41 St. Joseph's RC Primary		1,198,975		1,198,975	1,149,606	49,369

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
School						
6.42Wandabwa FYM Primary School		62,831		62,831	57,431	5400
6.43Sipala FYM Primary School			3,463,167	3,463,167	3,112,379	350,788
6.44Malomonye Primary School			3,463,166	3,463,166	3,463,166	-
6.45Siyilila Primary School			1,200,000	1,200,000	1,041,403	158,597
6.46Investor Maasai	331,000	331,000	538,000	1,200,000	-	1,200,000
<b>Sub-total</b>	<b>59,231,000</b>	<b>28,535,346</b>	<b>13,590,666</b>	<b>101,357,012</b>	<b>39,046,367</b>	<b>62,310,644</b>
<b>7.0 Secondary Schools Projects (List all the Projects)</b>						
7.1Mikuva Secondary School	9,000,000			9,000,000		9,000,000
7.2Friends Secondary School Khamoto	3,000,000			3,000,000		3,000,000
7.3St. Cecilia Girls High School		8,223,190		8,223,190	7,613,324	609,866
7.4 Bakisa Girls Secondary School		10,673,231		10,673,231	9,759,664	913,567
7.5Bakisa Girls Secondary School		54,667		54,667	998	53,670
7.6Friends Secondary School Khamoto		200,732		200,732	200,732	-
7.7 Friends Secondary School Khamoto		242,753		242,753	373	242,381
7.8 Friends Secondary School Muji		10,307,871		10,307,871	9,303,900	1,003,971
7.9Friends High School Silungai		171,620		171,620	872	170,749
7.10Ndivisi Boys High School		357,817		357,817	872	356,946

*National Government Constituencies Development Fund (NGCDF)*  
*Webuye East Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
		Kshs	Kshs	Kshs	Kshs	Kshs
7.11Ndivisi Girls High School		390,273		390,273	746	389,527
7.12Ndivisi Girls High School		3,500,000		3,500,000	3,338,610	161,390
7.13Sinoko Secondary School		5,196,287		5,196,287	5,196,287	-
7.14 St Johns Savanna RC Secondary School		2,213,517	800,000	3,013,517	2,113,193	900,324
7.15St Paul's Nzoia RC Secondary School		9,000,000		9,000,000	9,000,000	-
7.16St Paul's Nzoia RC Secondary School		1,200,591		1,200,591	240	1,200,351
<b>Sub-total</b>	<b>12,000,000</b>	<b>51,732,549</b>	<b>800,000</b>	<b>64,532,549</b>	<b>46,529,808</b>	<b>18,002,741</b>
<b>8.0 Tertiary institutions Projects (List all the Projects)</b>						
8.1 Makemo TTI		10,000,000		10,000,000	10,000,000	-
8.2						
8.3						
<b>Sub-total</b>		<b>10,000,000</b>		<b>10,000,000</b>	<b>10,000,000</b>	<b>-</b>
<b>9.0 Security Projects</b>						
9.1Assistant Chief's Office Sipala	1,000,00			1,000,000	-	1,000,000
9.2Namarambi Divisional Headquarters			8,000,000	8,000,000	7,603,272	396,728
9.3Misikhu Police Station		597,431		597,431	597,431	-
9.4Assistant Chief Office Wabukhonyi		194,267		194,267	194,267	-
9.5Nzoia Police Post		386,334		386,334	287,916	98,418
<b>Sub-total</b>	<b>1,000,000</b>	<b>1,178,032</b>	<b>8,000,000</b>	<b>10,178,032</b>	<b>8,682,886</b>	<b>1,495,146</b>
<b>10.0 Acquisition of assets</b>						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.1 Motor Vehicles (including motorbikes)		66,722		66,722	-	66,722
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers	331,000			331,000	330,805	195
10.5 Purchase of land						
10.6 Purchase of Laptop		116,000		116,000	115,600	400
<b>Sub-total</b>	<b>331,000</b>	<b>182,722</b>		<b>513,722</b>	<b>446,405</b>	<b>67,317</b>
11.0 Digital Hubs						
11.1 Innovation Hubs	4,401,082	-	2,045,687	6,446,769	-	6,446,769
<b>Sub total</b>	<b>4,401,082</b>		<b>2,045,687</b>	<b>6,446,769</b>	<b>-</b>	<b>6,446,769</b>
12.0 Others						
12.1 Matching Fund to Rural Electrification and renewable energy	5,000,000			5,000,000	-	5,000,000
<b>Sub – Total</b>	<b>5,000,000</b>			<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA		51,000		51,000		51,000
13.3 PMC Savings		3,419,316		3,419,316		3,419,316
<b>Sub-total</b>		<b>3,470,316</b>		<b>3,470,316</b>		<b>3,470,316</b>
<b>Total</b>	<b>161,497,759</b>	<b>113,507,915</b>	<b>24,876,552</b>	<b>299,882,226</b>	<b>185,232,578</b>	<b>114,649,648</b>

## 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 Webuye East Constituency principal activity is to promote socio-economic development at the constituency level and reduce poverty.

### 2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Webuye East has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement. The NG-CDF Webuye East has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> 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 cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not Applicable</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> 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>Not Applicable</p>

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not Applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1<sup>st</sup> 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"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not Applicable</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not Applicable</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not Applicable</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> 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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ol> <p><i>Not Applicable</i></p>

*iii. Early adoption of standards*

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

Not Applicable

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

###### Transfers from other government entities

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

##### ii) Revenue from exchange transactions

###### Sale of goods

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

###### Interest income

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

###### Rental income

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

**b) Budget information**

The original budget was approved by Parliament on 30<sup>th</sup> June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> 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 the entire risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**e) Intangible assets**

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

#### **f.) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net

assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

#### **Trade and other receivables**

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

#### **Fair value through surplus or deficit**

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

#### **Impairment**

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

#### **b) Financial liabilities**

##### **Classification**

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

##### **f) Inventories**

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

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

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

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

**g) Provisions**

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

**h) 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.

**i) 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.

**j) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **k) Employee benefits**

##### **Retirement benefit plans**

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

##### **l) Foreign currency transactions**

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

**m) Related parties**

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

**n) Cash and Cash Equivalents**

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

**o) Comparative figures**

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

**p) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

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

### **Useful lives and residual value**

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

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

### **Provisions**

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

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
<b>Total</b>	<b>161,497,759</b>

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	N/a
<b>Total</b>	<b>-</b>

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	N/a
<b>Total</b>	<b>-</b>

*(Provide a brief explanation for this revenue)*

9. Miscellaneous income

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

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,104,204
Personal allowances paid as part of salary	-
House Allowance	441,802
Transport Allowance	494,000
Leave allowance	40,000
Gratuity to contractual employees	832,056
Employer Contributions Compulsory national social security schemes	147,340
Employer Contributions Compulsory Housing levy	63,466
Employer contributions to National Industrial Training Authority	3,000
Other Specify	-
<b>Total</b>	<b>5,125,868</b>

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,197,960
Other Committee expenses	1,015,795
<b>Total</b>	<b>2,213,755</b>

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	185,169
Communication, supplies and services	283,728
Domestic travel and subsistence	2,412,205
Printing, advertising and information supplies & services	200,799
Office Rent	-
Training expenses	1,527,332
Hospitality supplies and services	444,855
Insurance costs	123,779
Specialized materials and services	51,900
Office and general supplies and services	438,598
Fuel, oil & lubricants	1,113,062
Bank charges	56,392
Routine maintenance – vehicles and other transport equipment	606,502
Routine maintenance – other assets	87,900
Strategic plan expenses	115,000
Other operating expenses	75,110
<b>Total</b>	<b>7,722,330</b>

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	38,273,682
Secondary Schools Actual expenditure	43,368,222
Tertiary Institutions Actual expenditure	10,000,000
<b>Total</b>	<b>91,641,904</b>

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	31,523,063
Bursary – tertiary institutions	21,044,250
Bursary – special schools	1,730,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	8,267,800
Climate change mitigation projects	162,959
Emergency projects Actual expenditure	11,010,438
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>73,738,509</b>

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

Description	2024/2025
	Kshs
Property, Plant and Equipment	N/a
Intangible Assets	-
<b>Total Gain/loss on Sale of Assets</b>	-

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

18. Impairment Loss

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

*(Provide brief explanation on assets impairment loss)*

19. Cash and Cash Equivalents

Name Of Bank and Account No.	30 <sup>th</sup> June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>KCB Webuye Branch, AC No. 1147722935 (Operations account)</i>	48,570,538	30,605,267
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>KCB Webuye Branch, Ac No.1329859340. (Deposit account)</i>	5,395,286	1,310,751
<i>KCB Webuye Branch, (PMC accounts)</i>	53,483,824	80,663,297
<b>Total</b>	<b>107,449,648</b>	<b>112,579,315</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
		Kshs		Kshs
Transfers from NGCDFB		7,200,000		24,876,552
Outstanding imprest		-		-
<b>Total</b>		<b>7,200,000</b>		<b>24,876,552</b>
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Statement 1 <sup>st</sup> July 2024	% of the total
Less than 1 year	7,200,000	100%	Kshs	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>7,200,000</b>	<b>100%</b>	<b>24,876,552</b>	<b>100%</b>

22. Prepayments

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
		Kshs		Kshs
Prepaid Rent		-		-
Prepaid Insurance		99,728		111,505
Prepaid Electricity Costs		-		-
Other Prepayments ( <i>Specify</i> )		-		-
<b>Total</b>		<b>99,728</b>		<b>111,505</b>

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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 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	446,405	-	-	446,405
Disposals	(-)	(-)	-	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	-	-	(-)	(-)	-	(-)
As At 30 <sup>th</sup> June 2025	-	-	-	-	<b>446,405</b>	-	-	446,405
Depreciation And Impairment								
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	(-)	(-)	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	-	-	(-)	-	(-)
Transfer/Adjustment	-	-	(-)	(-)	-	(-)	(-)	-
As At 30 <sup>th</sup> June 2025		-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	-	-	-	<b>446,405</b>	-	-	<b>446,405</b>

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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 30<sup>th</sup> June 2020). These amounts were adopted on xxx.

**23 b) Property, Plant and Equipment at Cost**

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	446,405	-	446,405
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>446,405</b>	<b>-</b>	<b>446,405</b>

*Depreciation was not charged for the year since the assets were acquired on 27<sup>th</sup> June 2025.*

**24. Intangible Assets**

Description	Insert Current FY
	Kshs
<b>Cost</b>	
Opening balance at 1 <sup>st</sup> July 2024	-
Additions	-
Disposal	(-)
<b>At end of the 2025</b>	<b>-</b>
<b>Amortization and impairment</b>	
At beginning of the year	-
Amortization	-
<b>At end of the year</b>	<b>-</b>
Impairment loss	-
<b>At end of the year</b>	<b>-</b>
<b>NBV at July 1<sup>st</sup> 2024</b>	<b>-</b>

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NBV at June 30<sup>th</sup> 2025

25. Right-of use assets

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

26. Trade and Other Payables

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

27. Third-Party deposits

	2024/2025	2023/2024
	KShs	Kshs
Retention as at 1 <sup>st</sup> July (A)	8,486,751	
Retention held during the year (B)	4,810,721	8,486,751
Retention paid during the Year (C)	8,974,935	
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	4,322,537	8,486,751

Retentions aging analysis.

	2024/2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year	4,322,537	100%	-	%
1-2 years	-	-	-	%
2-3 years	-	-	-	%
Over 3 years	-	-	-	%
<b>Total</b>	<b>4,322,537</b>	<b>100%</b>	<b>-</b>	

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

28. Lease Liabilities

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

**Maturity Analysis**

Period	Amount
Year 1	N/a
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	(-)
	-

**Analysed as:**

Description	Amount
Current	N/a
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	2024/2025	2023/2024
	Kshs	Kshs.
Gratuity at the beginning of the year 1 <sup>st</sup> of July	1,310,751	
Gratuity held during the year	832,056	1,310,751
Gratuity paid during the year	94,826	
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>2,047,981</b>	<b>1,310,751</b>

### 30. Cash Generated from Operations

	Insert Current FY
	Kshs
Surplus/Deficit for the year	(18,944,607)
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	(-)
<b>Working capital adjustments</b>	
Increase/decrease in receivables	17,688,329
Increase/decrease in payables	737,230
Increase/decrease in third party deposits	(4,164,214)
<b>Net cash flow from operating activities</b>	<b>(4,683,262)</b>

### 31. Financial Risk Management

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

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2024/25)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	7,200,000	7,200,000	-	-
Bank balances	107,449,648	107,449,648	-	-
<b>Total</b>	<b>114,649,648</b>	<b>114,649,648</b>	-	-
<b>As at 30 June (Previous FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	24,876,552	24,876,552	-	-
Bank balances	30,605,267	30,605,267	-	-
<b>Total</b>	<b>55,481,819</b>	<b>55,481,819</b>	-	-

## Financial Risk Management

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

### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	4,322,537	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	832,056	-
<b>Total</b>	-	-	<b>5,154,593</b>	-
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	9,797,502	-
Deferred income	-	-	-	-

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>9,797,502</b>	-

**iii) Market risk**

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

**a) Foreign currency risk**

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

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2024/2025

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

Foreign currency sensitivity analysis

2024/2025

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

## 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
<b>2024/25</b>	N/a		
Euro	10%	-	-
USD	10%	-	-
<b>2023/24</b>			
Euro	10%	-	-
USD	10%	-	-

### b) Interest rate risk

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

#### Management of interest rate risk

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

#### Sensitivity analysis

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

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

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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

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

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Total	-	-	-	-
As at 30 <sup>th</sup> June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

**iv) Capital Risk Management**

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

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	108,691,341	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	107,449,648	(-)
Net Debt/(Excess Cash And Cash Equivalents)	1,241,693	-
<b>Gearing</b>	1.14%	%

### 32. Related Party Disclosures

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,197,960	230,963
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	179,174,311	30,605,267
<b>Total</b>	<b>180,372,271</b>	<b>30,836,230</b>

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 20xx
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	N/a	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Contingent Liabilities**

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

**35. Capital Commitments**

Capital Commitments	2024/2025	<i>Opening Statement 1<sup>st</sup></i> <i>July 2024</i>
	Kshs	Kshs
Authorised for	n/a	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

**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 Webuye East 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				
Buildings and structures	33,399,830	-	-	33,399,830
Transport equipment	8,434,240	-	-	8,434,240
Office equipment, furniture, and fittings	1,128,343	-	-	1,128,343
ICT Equipment and Other ICT Assets	1,100,966	446,405	-	1,547,371
Other Machinery and Equipment	1,169,257	-	-	1,169,257
Intangible assets		-	-	-
<b>Total</b>	<b>45,232,636</b>	<b>446,405</b>	<b>-</b>	<b>45,679,041</b>

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Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025

PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
Assistant Chiefs Office Wabukhonyi	KCB – Webuye	1338580086	322	0
Assistant Chiefs Office Wabukhonyi	KCB – Webuye	1292247142	0	194,267
Bakisa DEB Primary School	KCB – Webuye	1340096811	1,700,000	0
Bakisa Girls Secondary School	KCB – Webuye	1318133408	112,734	10,673,231
Bakisa Girls Secondary School	KCB – Webuye	1276943849	53,670	54,667
Bakisa SA Primary School	KCB – Webuye	1329710851	0	1,198,975
Education Day	KCB – Webuye	1319507298	0	999,580
Friends Secondary School Khamoto	KCB – Webuye	1317226445	0	200,732
Friends Secondary School Muji	KCB – Webuye	1317784375	113,513	10,307,871
Friends Secondary School Silungai	KCB – Webuye	1133906893	170,749	171,620
Holy Family Misikhu Girls Primary School	KCB – Webuye	1341530892	1,400,000	0
Investor Masai Primary School	KCB – Webuye	1339535610	331,000	0
Kakimanyi SDA Primary School	KCB – Webuye	1317395999	0	166,109
Katumi CEB Primary School	KCB – Webuye	1318117623	0	270,841
Khamoto Secondary School	KCB – Webuye	1290514607	242,380	242,753
Lufwindiri DEB Primary School	KCB – Webuye	1317070186	0	62,086
Lufwindiri DEB Primary School	KCB – Webuye	1340867346	4,498,975	0

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
Lugulu Boarding Mixed Primary School	KCB – Webuye	1327743027	20,266	4,998,975
Lugulu PAG Primary School	KCB – Webuye	1318638488	0	272,242
Lugusi FYM Primary School	KCB – Webuye	1341489159	3,800,000	0
Lutacho FYM Primary School	KCB – Webuye	1329841719	65,819	1,197,950
Lutacho Secondary School	KCB – Webuye	1340061317	1,799,395	0
Mabele Baptist Primary School	KCB – Webuye	1125609753	71,944	73,188
Mahanga PEFA Primary School	KCB – Webuye	1330063821	0	1,198,975
Mahanga PEFA Primary School	KCB - Webuye	1341325695	2,000,000	0
Makemo RC Primary School	KCB – Webuye	1341603458	3,200,000	0
Manafwa FYM Primary School	KCB – Webuye	1329842308	0	5,998,975
Manafwa FYM Primary School	KCB – Webuye	1341325814	1,400,000	0
Maraka PEFA Primary School	KCB – Webuye	1338734148	455,349	0
Masibayi FYM Primary School	KCB – Webuye	1337752428	349	0
Masibayi FYM Primary School	KCB – Webuye	1341624242	2,000,000	0
Masindu FYM Primary School	KCB- Webuye	1339960109	694,660	0
Masindu Friends School	KCB – Webuye	133938657	55,475	0
Masindu FYM Primary School	KCB – Webuye	1316831140	0	470,858
Mihuu FYM Primary School	KCB – Webuye	1329730046	0	5,998,975
Misikhu Police Station	KCB – Webuye	1318128552	0	597,431

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
Misemwa Primary School	KCB – Webuye	1319689752	0	1,135
Misemwa FYM Primary School	KCB – Webuye	1341271897	3,000,000	0
Mitukuyu Primary School	KCB – Webuye	1341325822	3,600,000	0
Mukhuyu FYM Primary School	KCB – Webuye	1329858727	0	1,998,975
Mulachi SA Primary School	KCB – Webuye	1341489809	2,000,000	0
Murumba RC Primary School	KCB – Webuye	1338579908	9,324	0
Musa FYM Primary School	KCB – Webuye	13192870392	0	75,283
Nabuyole FYM Primary School	KCB – Webuye	1326798111	0	3,448,975
Nabuyole PEFA Primary School	KCB – Webuye	1315376946	0	279,913
Namarambi Divisional HQ	KCB – Webuye	1332301479	19,235	0
Ndivisi Boys High School	KCB – Webuye	1296560015	356,946	357,817
Ndivisi Girls Secondary School	KCB – Webuye	1329595521	0	3,500,000
Ndivisi Girls Secondary School	KCB – Webuye	1145377793	389,527	390,273
Njata CEB Primary School	KCB – Webuye	1341431010	2,000,000	0
Nzoia Police Post	KCB – Webuye	1314813463	154,792	386,334
Nzoia RC Primary School	KCB – Webuye	1317980786	0	161,155
Nzoia RC Primary School	KCB – Webuye	1337860492	55,349	0
Ondoti ADC Primary School	KCB – Webuye	1341074757	4,500,000	0
Sango DEB Primary School	KCB – Webuye	1316994120	0	137,343

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
Silungai FYM Primary School	KCB – Webuye	1317395778	0	33,245
Silungai FYM Primary School	KCB - Webuye	1341617009	2,000,000	
Sinoko Secondary School	KCB – Webuye	1317896890	0	5,196.287
Sipala FYM Primary School	KCB – Webuye	1330438159	164,348	0
Sipala Friends Secondary School	KCB – Webuye	1341669245	396,000	0
Sirende SA Primary School	KCB – Webuye	1293273880	695,832	696,703
Sirende SA Primary School	KCB – Webuye	1317092910	153,248	474,669
Siyilila DEB Primary School	KCB – Webuye	1334319766	158,597	0
St. Cecilia Girls Secondary School	KCB – Webuye	1124426515	368,951	0
St. John’s Savannah RC Secondary School	KCB – Webuye	1208229915	900,324	2,213,517
St. Joseph’s RC Primary School	KCB – Webuye	1329593820	0	1,198,975
St Paul’s Nzoia Secondary School	KCB – Webuye	1177915839	1,200,351	1,200,591
St Paul’s Nzoia Secondary School	KCB- Webuye	1329806514	0	9,000,000
Wandabwa FYM Primary School	KCB – Webuye	1317271203	5,400	62,831
Wandabwa FYM Primary School	KCB – Webuye	1327156830	0	4,498,975
<b>Total</b>			<b>46,314,824</b>	<b>80,663,297</b>

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The PMC Transfers of the five projects had not been deposited to their respective PMC account as at 30<sup>th</sup> June 2025.

Bakisa SA Primary School	2,500,000
Katumi CEB Comprehensive School	1,400,000
Muji FYM Comprehensive School	1,400,000
Investor Masai Primary School	869,000.
Assistant Chiefs Office Sipala	1,000,000
<b>TOTAL</b>	<b>7,169,000</b>

**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.	<p><b>Misstatement of Net Increase in Cash and Cash Equivalent</b>                      The statement of cash flows reflects net decrease in cash and cash equivalents amounting to Ksh.21,631,238. However, the re-computation of the amount applying opening cash balance of Ksh 53,547,256 and closing cash balance of Kshs.30,605,267 results in an net amount of Kshs.22,941,989 resulting to an unreconciled variance of Kshs. 1,310,752.                      In the circumstances, the accuracy and completeness of the net increase in cash and cash equivalents amount of Kshs. 21,631,238 could not be confirmed.</p>	<p>The variance is the staff gratuity figure which was wrongly stated. The Financial Statement has been rectified and corrected of all material misstatements. The corrected FS is attached in <b>Annex 1</b> for review.</p>	Unresolved	31.12.2025
2.	<p><b>Misstatement of Compensation of Employees</b>                      The statement of receipts and payments and Note 4 to the financial statements reflects compensation of employees' payments of Kshs 5,347,731. However, the payments include unpaid gratuity to contractual employees amounting to Ksh.</p>	<p>All inaccuracies of the Financial Statements have been corrected. See <b>Annex 1</b></p>	Unresolved	31.12.2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1,310,751 contrary to International Public Sector Accounting Standards (Cash Basis) accounting framework which requires that payments should be recognized when event occurs and cash has been paid out of the entity.                      In the circumstances, the accuracy and completeness of compensation of employees' payments of Kshs. 5,347,731 could not be confirmed.</p>			
3.	<p><b>Unsupported Bursary Payments</b>                      The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers amount of Kshs. 70,082,270. The amount include bursary payments to secondary schools, tertiary institutions and special schools amounting to Kshs.29,556,130 , Kshs. 17,577,140, Kshs. 2.873.000 respectively. However, bursary payments amounting to Kshs. 5,972,000 were not supported by acknowledgment receipts from the beneficiary institutions.</p>	<p>The management has tried as much as possible to receive acknowledgement from all Bursary beneficiaries but it's not tenable. Sample of acknowledgements is provided for your review in <b>Annex 2</b></p>	Unresolved	31.12.2025
4.	<p><b>Unconfirmed Project Management Committee Bank Balances</b>                      Note 19.4 and Annex 5 to the financial statements</p>	<p>The variance of Kshs.1,198,593 is as a result of discovery of a</p>	Unresolved	31.12.2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>reflect Kshs. 80,663,161 in respect to Project Management Committee (PMC) bank balances. This amount relates to fifty two (52) projects. However, bank confirmation certificates for the forty-two (42) bank accounts were not provided for audit review. Further, Note 19.4 to the financial statements in respect to PMC account balances indicates a comparative balance of Kshs. 15,812,920 for 2022/2023 financial year, while audited financial statements for the year ended 30 June, 2023 reflect Kshs. 14,614,327, resulting to unreconciled variance of Kshs. 1,198,593. In the circumstances, the accuracy and completeness of PMC bank balances totaling Kshs. 80,663,161 could not be confirmed.</p>	<p>PMC account which was not declared in the previous financial year. The account for St. Paul's Nzoia RC Secondary was discovered later after preparation of the financial statements. The account balance at the end of 30<sup>th</sup> June 2023 was Kshs. 1, 200, 592 as shown in the attached statement in <b>Annex 4</b>. There is also a noted computational error in the previous financial year figure. The correct PMC totals should have been Kshs.14,612,328.</p>		
5.	<p><b>Emphasis of Matter</b>  <b>Budgetary Control and Performance</b>  The statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 265,291,637 and Kshs. 240,084,085 respectively, resulting to an under-funding of</p>	<p>The under-funding and under-spending are due to late exchequer releases. Attached are copies of AIEs of funds that were disbursed close</p>	Resolved	31.12.2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	<p>Kshs. 25,207,552 or 10% of the budget. Further the fund spent an amount of Kshs. 209,478,818 against actual receipts of Kshs. 240,084,085 resulting to an under-utilization of Kshs. 30,605,267 or 13% of the actual receipts. In the circumstances, the under – funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to public.</p> <p><b>Other Matter</b>  <b>Unresolved Prior Year Matters</b>  <b>1. Delay Implementation of Projects</b>  <b>1.1 Completion of a Tuition Block at Bakisa Girls Secondary School</b>                      The statement of receipts and payments and Note 7 to the financial statement reflect transfers to other Government units amount of Kshs.114,210,000, which includes transfers to secondary schools amounting to Kshs.68,500,000. The transfers to secondary schools further include a disbursement of Ksh. 18,500,000 to Bakisa Girls Secondary School for construction to completion of a storey tuition block comprising of four (4) classrooms and a staff room. A contract agreement with a local contractor was signed on 29 January, 2024 for a contract sum of Kshs.</p>	<p>to and later than 30<sup>th</sup> June 2024. <b>Annex 3</b></p>	Unresolved	31.12.2025
		<p>Both projects are ongoing and could have been completed but the construction process was interrupted by a number of factors including the Kenya National Examinations which took place from late October to Late November 2024. The management is pushing the contractor to complete the works in the shortest time possible. As at the time of response, the Contractor has resumed</p>	Unresolved	31.12.2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>8,419,070 with a start date of 4 January , 2024 and completion date of 6 July, 2024 for the construction of this project.            However, physical inspection of the project conducted on 6 December 2024 revealed that electrical works totaling to Kshs 322,500, painting works totaling to Kshs 618,000 installation of doors and other steel works totaling to Kshs. 621,400 had not been carried out five (5) months after the expiry of the contract.            In the circumstances, the value for money for the construction of classrooms at Bakisa Secondary School of Kshs. 18,419,070 could not be confirmed.</p> <p><b>1.2 Completion of a Tuition Block at Friends Secondary School Muji</b>            The statement of receipts and payments and Note 7 to the financial statements reflects transfers to other Government units amount of Kshs. 114,210,000, which includes transfers to Secondary Schools amounting to Ksh. 68,500,000. The transfers to secondary schools include a payment of Kshs. 18,500,000 to Friends Secondary School Muji for construction to completion of a storey tuition block building</p>	<p>site and close to completion. The contractors' request for extension attached in Annex 6</p>		

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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)
	<p>containing four offices and a staff room at a contract sum of Kshs. 18,434,070. The contract commenced on 6 January, 2024 and had a revised completion date of 25 September, 2024. However, the physical inspection conducted on 6 December, 2024 revealed that rain water gutters and Ramp works involving flooring, steel works had not been done. In the circumstance, the value for money was not achieved in respect to the amount spent on the project.</p>			



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Name KODII K DUNCAN  
 Fund Account Manager.