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Hon George Mung'era
On behalf of LOM.

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THE T. OF

Kanda T.

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - KIAMBU TOWN
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KIAMBU TOWN CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements



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

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committee	vii
4. NG-CDFC Chairman’s Report	ix
5. Statement of Performance against Predetermined Objectives for FY2024/25	xi
6. Governance Statement	xiv
7. Management Discussion and Analysis	xviii
8. Environmental and Sustainability Reporting	xxi
9. Statement of Management Responsibilities	xxv
10. Report Of the Independent Auditor on the NGCDF- Kiambu Town Constituency	xxvii
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement of Financial Position As At 30th June, 2025	2
13. Statement of Statement of Changes in Net Assets for the year ended 30 June 2025	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	7
16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025	9
17. Notes to the Financial Statements	13
18. Annexes	50

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

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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and

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

- 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 Kiambu Town Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	EDWIN KIBET ROTICH
2.	National Sub-County Accountant	ELIAS MBAU MUNGAI
3.	Chairman NGCDFC	LUCY WAMBUI NYOTA
4.	Member NGCDFC	MARGARET NYAGATHU NDUTA

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kiambu Town Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Kiambu Town Constituency Headquarters

P.O. Box 1767 - 00900
Kiambu NG-CDF Tower Building, 1st Floor
Kiambu Road
KIAMBU, KENYA

(e) NGCDF Kiambu Town Constituency Contacts

Telephone: (254) 725753171
E-mail: cdfkiambu.go.ke
Website: www.kiambungcdf.go.ke

(f) NGCDF Kiambu Town Constituency Bankers

1. Bank A. (Operations Account).

Equity Bank Kenya Limited (Kiambu National Government Constituencies Development Fund)
A/C Number: 0640261707042
Kiambu Branch
P.O.Box 783 - 00900
Kiambu, Kenya

2. Bank B. (Deposit account).

Equity Bank Kenya Limited (Kiambu National Government Constituencies Development Fund)
A/C Number: 0640261707042
Kiambu Branch
P.O.Box 783 - 00900
Kiambu, Kenya

(g) Independent Auditor

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





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

(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> Chairlady: Lucy Wambui Nyota Nominee of the Constituency Office Since 21st May, 2025 A holder of Certificate in Kasneb KATC Final level. </p>
	<p> Secretary: Margaret Nyagathu Nduta Female Youth Representative Since 21st May, 2025 </p>
	<p> Member 3: Gabriel Kaberia Karanja Male Youth Representative Since 21st May, 2025 </p>
	<p> Member 4 : Veronica Wanjiru Wambui Female Adult Representative Since 21st May, 2025 </p>
	<p> Member 5: Francis Ndungu Mbugua Representative of Persons Living With Disability Since 21st May, 2025 </p>

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

	<p>Member 6: Peter Wangai Muindo Nominee of the Constituency Office Since 21st May, 2025 A holder of Diploma in Mission and Evangelism</p>
	<p>Member 7: James Njoroge Itwika Co-opted Member A holder of Diploma in Computer Engineering</p>
	<p>Member 8: Joseph Kariuki Karanja Male Adult Representative since 21st May, 2025</p>
	<p>Fund Account Manager: Edwin Kibet Rotich Fund Account Manager, Kiambu Town Constituency.</p>

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

4. NG-CDFC Chairman's Report

The Kiambu Town NG-CDF committee is pleased to present the financial report for the current financial year ending 30th June 2025. The approved allocation stood at KES 170,469,857 and opening balances of KES 83,695,976 and outstanding balances from NGCDFB of KES 53,993,953, with actual expenditure of KES 262,182,241, representing an absorption rate of 85%. The performance across projects was mixed, with high-priority areas recording steady progress and notable utilization of funds. Notable projects implemented during the period include Ngegu Primary School, Kiambu Township Primary School, Ndumberi Secondary School, St. Peter's Ndumberi Secondary School and Kiamumbi Chief's Office. However, some projects experienced delays arising from delays in disbursement of funds and procurement processes.

	Original Budget	Final Budget	Actual on comparable basis	Budget utilization difference
<u>Revenue</u>				
Transfers From the NGCDF Board	170,469,857	308,149,786	262,182,241	45,967,545
Totals	170,469,857	308,149,786	262,182,241	45,967,545
<u>Expenses</u>				
Employee costs	4,431,304	5,915,017	3,782,837	2,132,180
Capacity Building	1,900,000	1,900,000	1,900,000	-
Committee expenses	4,964,095	5,275,095	3,327,100	1,947,995
Use of Goods and Services	4,046,887	5,791,419	5,713,127	78,292
Other Government Units Certified Works	66,300,000	157,842,873	78,297,129	79,545,744
Other Grants and Transfers	87,377,568	124,966,883	95,085,031	28,973,972
Digital Hubs Expenses	-			
Funds Pending Approval**	1,450,000	6,447,811	-	6,447,811
Total	170,469,854	308,139,098	188,105,224	120,033,874

Table 1: Budget Performance FY 2024-2025

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

Actual On Comparable Basis FY 2024-2025

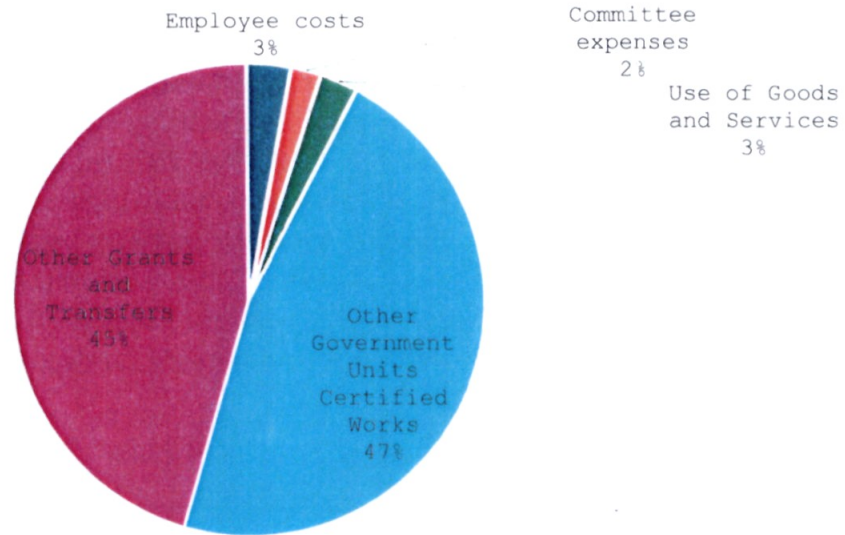


Fig. 1: Financial Performance FY 2024-2025

Despite these challenges, Kiambu Town NG-CDF successfully advanced key strategic projects and maintained improved absorption levels in critical service areas. The committee strengthened financial controls, commitment management practices and reporting processes, with regular production of budget execution to ensure adequate safeguards to public resources. This led to enhanced transparency and accountability. However, the implementation of various projects was not without difficulties. The delays in disbursement from the board disrupted work plans and, in some cases, slowed the delivery of services. To address these, the committee and the management has continued to engage the board on timely disbursement.

Kiambu Town NG-CDF remains committed to prudent financial management, timely delivery of projects and transparent reporting to stakeholders. Going forward, the committee will continue to oversee and support measures aimed at improving absorption, ensuring accountability and delivering value to the public.

.....
 LUCY WAMBUI NYOTA
 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 Kiambu Town Constituency 2021-2025 plan are to:

1. Enhance access to education
2. Enhance access to security and administrative services
3. To empower youth to participate and contribute to the socio-economic development
4. To enhance capacity for climate change adaptation and mitigation
5. Improve access to information

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:

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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 we increased number of usable primary school classrooms by 14. There was construction of additional 9 classrooms at Kiambu Township Primary, and renovations and cabro laying to other 6 institutions. - Bursary beneficiaries at all secondary school level 9100 students, and 4000 students at tertiary level.
Security	To enhance access to security and administrative services.	A safer environment, quicker access to police and administrative support, and greater trust between citizens and government institutions.	Number of functional security and administrative facilities constructed, e.g police posts and chiefs' office.	Ongoing construction of Kiamumbi Chief's Office and Kiamumbi Police Station.
Climate change mitigation activities	To enhance capacity for climate change adaptation and mitigation	Increased resilience through adoption of sustainable practices that reduce vulnerability to climate change impacts.	Number of learning institutions implementing climate-smart adaptation and mitigation measures e.g tree planting and clean energy use.	Allocation of funds to 5 learning institutions within the constituency for installation of solar panels to ease the burden of electricity bills in schools.

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

ICT and Youth Empowerment	To empower youth to participate and contribute to the socioeconomic development	Improved engagement of youths in social and technologically innovative programmes that can lead to improved socioeconomic status.	Number of usable ICT hubs with internet connectivity.	The ICT hub project implementation is currently underway at Ndumberi Youth Empowerment Center.
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6. Governance Statement

Appointment and Removal of NG-CDFC Members

The Kiambu Town National Government Constituency Development Fund Committee (NGCDFC) is constituted in accordance with the provisions of the NG-CDF Act, 2015. The seven persons referred to in subsection (2) (b), (c), (d) and (e) were selected in such manner and have such qualifications as the Board may, by regulations, prescribe. The names of the persons selected under subsection (3) were submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board, GAZETTE NOTICE NO. 6462 dated 21st May, 2025.

List of NG CDFC's and the categories they represent

Name	Category
Gabriel Kaberia Karanja	Male Youth Representatives
Joseph Kariuki Karanja	Male Adult Representative
Margaret Nyagathu Nduta	Female Youth Representative
Veronica Wanjiru Wambui	Female Adult Representative
Francis Ndungu Mbugua	Representative of Persons Living With Disability
Peter Wangai Muindo	Nominee of the Constituency Office (Male)
Lucy Wambui Nyota	Nominee of the Constituency Office (Female)

Members of the NGCDFC are removed in accordance with the provisions of the NG-CDF Act, 2015, and relevant regulations. Grounds for removal include:

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

Roles and Functions of the Committee

Kiambu Town NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

The duties and responsibilities of the NG-CDF Committee entail: -

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) 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.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.
- xi) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

Induction and Training of Members

Upon appointment, NGCDFC Members undergo a comprehensive induction program. This program equips Members with a thorough understanding of their roles, responsibilities, and ethical obligations. Training sessions are conducted regularly to keep Members updated on relevant laws, regulations, and best practices in governance, finance, and project management.

Number of Meetings held

The NG-CDFC held twelve NG-CDF regular meetings and twelve sub-committee meetings during the financial year to deliberate on NG-CDF matters, project progress, and financial issues. The Committee convened at least once every quarter, with additional meetings scheduled as necessary to address emerging issues and project needs. Kiambu Town NG-CDF maintained detailed minutes of these meetings to ensure transparency and accountability.

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

Schedule of Meetings & Sub Committee Meetings

S. N O	Name	Designation	DATE									
			11/07/2024	25/07/2024	07/08/2024	21/08/2024	11/09/2024	25/09/2024	09/10/2024	23/09/2024	06/10/2024	04/12/2024
1	Lucy W.Nyota	Ng-Cdf Chairlady	√	√	√	√	×	×	×	×	×	×
2	Margaret Nduta	Ng-Cdf Secretary	√	√	√	√	√	×	√	√	√	√
3	Gabriel Karanja	Member	√	√	√	√	√	√	√	√	√	√
4	Veronica Wambui	Member	√	×	√	√	√	√	√	×	×	×
5	Peter Wangai muindo	Member	√	√	√	√	√	√	√	√	√	√
6	Francis Ndungu	Member	√	√	×	×	×	×	×	×	×	×
7	Joseph Karanja	Member	√	√	√	√	√	√	√	√	√	√
8	James Itwika	Member	√	√	√	×	√	×	√	√	×	×

Tenure of office

The tenure of the current committee members is set to expire in April 2027, following the successful completion of their two-year contract.

Disclosure Policy on Conflict of Interest

The NG-CDFC is committed to maintaining the highest standards of integrity and transparency. To address potential conflicts of interest, Members are required to disclose any personal, financial, or professional interests that may conflict with their responsibilities as NG-CDFC Members. In cases of conflicts, Members are expected to recuse themselves from relevant discussions and decisions, and these conflicts are duly recorded in the minutes of the meetings.

Members' Remuneration

NG-CDFC Members serve the constituency on a voluntary basis and do not receive monthly salaries. However, they receive sitting allowances when they attend committee meetings. This

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

ensures that their decisions and actions are guided solely by the best interests of the constituency and not influenced by personal gain.

Ethics and Conduct

The NG-CDFC is guided by a strict code of ethics and conduct that includes principles such as integrity, accountability, transparency, and professionalism. Members are expected to adhere to these principles in all their dealings related to NG-CDF matters.

Risk Management

The NG-CDFC recognizes the importance of risk management in the prudent utilization of NG-CDF funds. The Committee, in collaboration with relevant stakeholders, assesses and mitigates risks associated with project implementation, financial management, and governance. Regular risk assessments are conducted to identify potential threats and develop strategies to address them.

This governance statement reflects our commitment to ensuring responsible and effective governance of the Kiambu Town NG-CDF. It provides transparency and accountability to the constituents we serve and upholds the principles of good governance in all our activities.

7. Management Discussion and Analysis

Overview

The Kiambu Town National Government-Constituencies Development Fund (NG-CDF) finances grassroots development projects in line with the NG-CDF Act, 2015. The fund has consistently prioritized education, security, social infrastructure, ICT and climate change mitigation projects while adhering to the public finance and audit requirements.

Five-Year Operational and Financial Performance

Over the last five years, national policy, disbursement from the board timing, and macroeconomic conditions have influenced receipts and project delivery. Over the period under review, the Fund received total allocations of KSh 768.7 million, ranging from KSh 137.3 million in 2020/21 to KSh 170.4 million in 2024/25. Utilization followed the NG-CDF Board's policy framework:

- Administration (6%): averaging KSh 10.2 million annually, ensuring proper governance, office operations, and oversight of funded projects.
- Monitoring, Evaluation & Capacity Building (3%): averaging KSh 5.1 million annually, supporting training of Project Management Committees (PMCs), monitoring site visits, and compliance audits.
- Bursaries and Social Security (35–40%): approximately KSh 280 million over the five years, making this the single largest component. This funding enabled thousands of students in secondary, tertiary, and university institutions to access or continue education, easing the burden on households.
- Emergency Reserve (5%): averaging KSh 7.9 million per year, deployed to urgent constituency needs such as disaster response, community safety, and unforeseen social risks.
- Climate Change Projects (5%): also averaging KSh 6.5 million annually, directed toward environmental conservation, afforestation, and water harvesting initiatives.
- Other Major Development Projects (40–45%), distributed among:
 - ✓ Secondary Schools (approximately 26% of total allocations): investment in new classrooms, laboratories, dormitories, and learning resources.
 - ✓ Primary Schools (approximately 9%): upgrading classrooms, sanitation facilities, and playgrounds.

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

- ✓ ICT Hubs (approximately 4%): establishment and equipping of hubs to improve digital literacy and youth empowerment.
- ✓ Security Projects (approximately 4%): construction and rehabilitation of police posts and provision of security equipment.

This structured distribution has ensured a balanced approach between immediate social support and long-term infrastructure development.

Compliance with Statutory Requirements

The Fund has complied with statutory provisions, including:

- Administration expenditure capped at 6% of annual allocations.
- Bursary allocation maintained not more than the statutory floor of 40% of total funds.
- Annual financial statements prepared in compliance with IPSAS (Cash Basis) and submitted for audit by the Auditor-General.

Instances of audit queries on PMC bank balances and project documentation have been addressed through strengthened monitoring, training, and reconciliations.

Major Risks

The key risks facing the Fund include:

- Unpredictable cash disbursements from the Exchequer, which sometimes delay project implementation.
- Procurement and compliance risks, especially around PMC account management and contract execution.
- Macroeconomic challenges, particularly inflation and exchange rate fluctuations, which affect project costs.
- Environmental risks, such as droughts or heavy rains, which disrupt construction schedules and climate projects.

Mitigation measures include phased contracting, close monitoring of PMCs, and enhanced financial controls.

Material Arrears in Statutory and Other Obligations

As of the reporting period, no material arrears in statutory deductions or financial obligations were reported. However, historical issues with unclosed PMC accounts have been progressively addressed, and balances are being reconciled in compliance with the NG-CDF Act.

Review of the Economy

Kenya's GDP expanded by 4.7% in 2024 with easing inflation (averaging 3–4% in late 2024/early 2025). While the macroeconomic environment is stabilizing, rising costs of construction materials and currency pressures continue to pose challenges for project implementation.

Review of the Sector

In the education sector, which consumes the majority of the Fund's resources, Kiambu Town NG-CDF has financed both bursaries and physical infrastructure, directly improving access and quality of learning. Investments in ICT hubs align with national goals on digital literacy, while climate change projects reflect government policy on environmental sustainability. Security investments complement national policing efforts, enhancing community safety.

Future Developments

Looking ahead, the Fund will prioritize:

- Completion of ongoing school infrastructure and ICT projects.
- Sustained bursary funding to safeguard access for needy students.
- Expansion of climate resilience projects, including tree planting and water harvesting.
- Strengthened financial oversight, particularly around PMC accounts and project closeouts.
- Greater transparency through timely publication of allocations, disbursements, and project progress.


.....


Edwin Rotich
Fund Account Manager

8. Environmental and Sustainability Reporting

The Kiambu Town Constituency NG-CDF operates under the mandate of the NG-CDF Act, 2015, which seeks to promote equitable and sustainable development at the grassroots level through financing of education, infrastructure, security, and social welfare projects. In pursuing this mandate, the Fund adopts a sustainability strategy that emphasizes prudent financial management, responsible use of resources, and investments that create long-term value for the community. Sustainability, in this context, is the Fund's ability to consistently deliver essential services and development interventions to citizens over the long term, while integrating environmental stewardship, social inclusivity, and good governance practices into all its operations.

1. Sustainability strategy and profile –

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

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

2. Environmental performance

Kiambu Town NG-CDF is guided by the National Environmental Policy (2013), the Climate Change Act (2016), and NG-CDF Regulations that require 5% of annual allocations to climate change projects. This policy framework directs the constituency to integrate environmental sustainability into all funded activities, including education, infrastructure, and social welfare projects.

Over the reporting period, the Fund has achieved notable successes in environmental conservation through tree planting, water harvesting, and afforestation programs. Bursary-supported students participate in at least one tree-planting exercise per academic calendar year, strengthening awareness and ownership of conservation efforts. However, shortcomings remain, mainly the limited financial resources restricted to 5% of allocations and challenges in monitoring the long-term survival of planted trees.

To manage biodiversity and waste, project management committees (PMCs) ensure tree planting accompanies school infrastructure projects, and construction waste is disposed of responsibly following existing guidelines. Additionally, the Fund promotes the use of energy-efficient construction methods and locally available materials to minimize its environmental footprint.

Beyond environmental initiatives, the Fund supports youth and community sensitization forums on the dangers of drug and substance abuse, reinforcing the link between a healthy population and sustainable development. In parallel, the Fund has invested in security projects, including the construction and rehabilitation of police stations and posts, which enhance community safety and create a stable environment for education, economic activity, and environmental programs to thrive.

3. Employee welfare

We invest in providing the best working environment for our employees. Kiambu Town constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Kiambu Town constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Kiambu Town Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decisionmaking 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.

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

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.

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



.....
Edwin Rotich
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- Kiambu Town Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

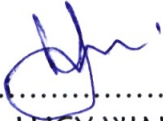
The Accounting Officer in charge of the NGCDF Kiambu Town Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

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

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

Approval of the financial statements

The NGCDF- Kiambu Town Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



.....
Name: LUCY WAMBUI NYOTA
Chairman – NGCDF Committee



.....
Name: EDWIN ROTICH
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Kiambu Town Constituency set out on

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

pages 1 to 64, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inconsistencies:

- i. The statement of financial position reflects property, plant and equipment balance of Kshs.3,938,041 which relates to additions for the year and Nil comparative opening balance. However, Note 23 to the financial statements reflects opening balance of Kshs.1,438,041 resulting to an unexplained variance of Kshs.1,438,041.
- ii. Budget execution by sectors and projects reflects budget utilization difference total amount of Kshs.120,044,562 which differs with the amount of Kshs.124,675,259 reflected in the reconciliation of the summary statement of appropriation to the statement of asset and liabilities resulting to an unexplained variance of Kshs.4,630,697.
- iii. Note 30 to the financial statements reflects cash generated from operations which includes changes in receivables of Kshs.4,963,026 which differs with the actual decrease of Kshs.8,026,408 reflected in the statement of financial position resulting to an unexplained variance of Kshs.3,063,382.
- iv. Annex 2 to the financial statements reflects Project Management Committee bank balances of Kshs.41,680,440 against a recasred balance of Kshs.45,676,339 resulting to an unexplained variance of Kshs.3,995,899.

- v. The statement of changes in net assets reflects assets and liabilities adjustments of Kshs.85,486,572 and Kshs.332,329 respectively, which are not supported with journal entry vouchers and an analysis on what they relate to. Further, an explanatory note was not included in the financial statements to disclose or explain the nature of the adjustments as required by IPSAS 3. In addition, the adjustments could not be traced or reconciled with the balances reported in the statement of financial position, casting doubt on the accuracy and completeness of the reserve balances.
- vi. Contingent liabilities in respect to outstanding taxes totalling Kshs.51,771 have not been disclosed in the financial statements.

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

2. Inaccuracies and Unsupported Cash and Cash Equivalents

The statement of financial position and Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.78,707,714 which includes Kshs.41,880,640 in respect to Project Management Committee (PMC) account balance while Annex 2 to the financial statements reflects a balance of Kshs.41,680,440 resulting to an unreconciled variance of Kshs.200,200. Further, the balance of Kshs.41,880,640 was not supported with cashbooks and bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.78,707,714 could not be confirmed.

3. Overstatement of Staff Costs

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects employee costs amount of Kshs.3,782,837. However, review of payroll records revealed overstatement in the reported employee costs as analyzed below;

	Financial Statements Amount (Kshs)	Payroll Amount (Kshs)	Variance (Kshs)
NGCDFC Basic Staff Salaries	2,495,524	2,148,789	346,735
House Allowance	0	583,000	(583,000)
Employer Contributions Compulsory National Social Security Schemes	263,304	131,652	131,653
Employer Contributions Compulsory Housing Levy	81,829	43,701	38,128
Total			66,495

In the circumstances, the accuracy and completeness of the employee costs totalling Kshs.3,782,837 could not be confirmed.

4. Misclassification of Expenditure

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects committee expenses amount of Kshs.5,227,100. However, review of payment vouchers, schedules and supporting documents revealed that transactions totalling Kshs.2,515,100 relating to transport, utilities, hire of public address, chairs, tents and subsistence allowance were misclassified under committee expenses.

Further, review of the ledgers for various expenditure items revealed that Management charged items to account codes contrary to the listing approved under the chart of accounts resulting to misclassification of expenditure totalling Kshs.1,566,962. However, authority to reallocate the funds was not provided for audit review.

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

5. Irregularity in Committee Expenses

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects committee expenses amount of Kshs.5,227,100. However, review of the governance statement in the report of management in the financial statements revealed that only ten (10) meetings and sub-committee meetings were conducted while payments were made for fifty-two (52) meetings.

In the circumstances, the accuracy, propriety and value for money for the committee expenses amount of Kshs.5,227,100 could not be confirmed.

6. Inaccuracies in Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents balance at the beginning of the year of Kshs.83,685,976 which differs with the balance of Kshs.77,928,652 disclosed in the statement of financial position and in Note 19 to the financial statements resulting to an unexplained variance of Kshs.5,757,324.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.308,149,786 and Kshs.183,126,962 respectively, resulting to an under-funding of Kshs.125,022,824 or 41% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the National Government Constituencies Development Fund - Kiambu Town Constituency in the financial year ended 30 June, 2025 revealed that the following matters remained unresolved;

	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unsupported Cash and Cash Equivalents
3	2023/2024	Unaccounted for Bursary Payments
4	2023/2024	Cash Purchases
5	2023/2024	Unsupported Committee Expenses
6	2023/2024	Unsupported Project Management Committee (PMC) Account Balances
7	2023/2024	Irregular and Unaccounted for Emergency Projects
8	2023/2024	Unsupported and Irregular Use of Cash to Procure Goods and Services
9	2023/2024	Unsupported and Irregular Expenditure on Sport Project
10	2023/2024	Budgetary Control and Performance
11	2023/2024	Failure to Open a Deposit Account
12	2023/2024	Irregular Payments of Bursary to Secondary Schools Students
13	2023/2024	Payment of Bursaries for Short Courses

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

	Financial Year	Audit Issue
14	2023/2024	Unutilized Funds
15	2023/2024	Failure to Return Unutilized Project Management Committee Balances
16	2023/2024	Youth Empowerment - ICT Hubs
17	2023/2024	Projects Budgeted but not Implemented
18	2023/2024	Irregular Imprest Management
19	2023/2024	Irregular Procurement of Primary and Secondary Projects
20	2023/2024	Irregularities in Committee Expense
21	2023/2024	Employment of Staff Without Following Due Process
22	2023/2024	Lack of an Approved Training Plan
23	2023/2024	Summary of Fixed Assets Register

Other Information

The Management is responsible for the Other Information set out on pages iii to xxvi which comprise of Key Constituency Information and Management, the NGCDF Committee, NGCDF 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 National Government Constituencies Development Fund - Kiambu Town Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Committee Meetings Exceeding Threshold

Review of the Fund's committee attendance registers and payment schedules for allowances revealed that the Committee members held fifty-two (52) meetings in the year under review. This was contrary to the requirement of a minimum of eight (8) and a maximum of twenty-four (24) in a year, therefore exceeded the required number of meetings by twenty-eight (28) contrary to Section 43(11) of the National Government Constituencies Development Act, 2015 and which resulted to extra payment of committee allowances totalling Kshs.1,176,000.

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

2. Project Implementation Status

Review of project implementation status as at 30 June, 2025 indicated that Management proposed to implement sixty-six (66) projects with total allocation of Kshs.170,469,856. However, only fifty-two (52) projects with total amount of Kshs.117,702,327 were completed during the year while five (5) projects worth Kshs.20,400,000 were on-going and nine (9) projects of a total amount of Kshs.32,367,529 had not been started. This was contrary to Section 25(1) of the National Government Constituencies Development Fund Act, 2015 which requires that any funding under this Act shall be for a complete project or a defined phase of a project and may include the acquisition of land and buildings.

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

3. Weaknesses in Payroll Management and Recruitment Process

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects employee costs amount of Kshs.3,782,837. However, review of employee records and payroll revealed the following anomalies;

3.1 Non-Compliance with Gender Balance Requirements

Review of employee records revealed that the staff engaged by the Fund comprised of four (4) officers, out of whom only one was male. This was contrary to Public Service Commission Act, 2017 and the Employment Act, 2007 on gender representation and equal opportunity. No evidence was provided to indicate that the Fund had taken measures to address the imbalance.

3.2 Failure to Carry Out Performance Appraisal

Review of contract agreement for the Fund's staff provided that salary increment will be based on the employee's appraisal of their performance annually. However, salary increment of five percent annually was evident without carrying out appraisals of staff.

3.3 Irregular Payment of House Allowance

Payroll records revealed that an amount of Kshs.583,000 was paid as house allowance to staff during the year. Review of the minutes of the Human Resource Sub-Committee meeting held on 15 July, 2024 revealed that five (5) office staff were entitled to house allowance payable on monthly basis. However, Management did not provide the applicable rates for each staff. Therefore, it was not possible to determine how the rates applied were adopted.

3.4 Non-Engagement of Accounts and Clerk of Works Officers

Review of staff employment records revealed that the Fund engaged four staff; office administrator, administrative assistant, information technology personnel and information technology assistant. It was observed that staff with qualifications in construction and basic accounting were not engaged as required under Section 45(1) of the National Government Constituencies Development Fund Act, 2015 which provides that the constituency committee may engage such staff as may be necessary for execution of its functions including persons with knowledge in information and communications technology, construction and basic accounting.

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

4. Irregular Procurements in Climate Change Mitigation Projects

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect other grants and transfers actual expenditure amount of Kshs.92,585,031 which further includes climate change mitigation projects expenditure of Kshs.7,500,000. The expenditure related to the installation of 20 solar panels (PVJAM-72S30 Half Cell Module B1 Facial 575W), one 12KW Hybrid Deye inverter single phase, roof-mounted panel, wind load fabricated galvanized hot dip inverter and battery storage cabinet, PV cables and MC4 connectors, armored cables for inter-house connections, and a biodigester installation for the following listed schools;

Name of School	Description	Allocated Amount (Kshs)
Ting'ang'a Secondary School	Installation of solar panels, inverters and batteries	1,200,000
Ndumberi Primary School	Installation of solar panels, inverters and batteries	1,200,000
St. Peters Ndumberi Secondary School	Installation of solar panels, inverters and batteries	1,200,000
St. Joseph's ACK Riabai Secondary School	Installation of solar panels, inverters and batteries	1,200,000

Name of School	Description	Allocated Amount (Kshs)
Ting'ang'a Secondary School	Construction and installation of a bio-digester, inspection chambers and soak pit including landscaping	1,500,000
Riabai Primary School	Installation of solar panels, inverters and batteries	1,200,000
Total		7,500,000

However, review of procurement records revealed the following anomalies;

- i. The payments were not supported with requisite procurement documents which include, the advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders and notifications and acceptance of awards.
- ii. The contract agreement binding the suppliers and the procuring entity was not provided.
- iii. Inspections and acceptance committee was not formed to inspect, review, accept or reject goods received and services to ensure compliance with the terms and specifications of the contract.
- iv. Stores records for the received solar items were not provided.
- v. Progress reports and technical supervision reports by the Project Management Committee (PMC) were not provided.
- vi. Invoices and delivery notes by the supplier were not provided.
- vii. Handover certificates confirming that the project was officially handed over to the beneficiary institutions were not provided.
- viii. Completion certificates were not provided.
- ix. Bills of quantities and technical specifications approved by a qualified engineer were not provided.
- x. Approved Architectural / Structural Drawings showing bio-digester design, inspection chambers, soak pit, and landscaping layout were not provided.

This was contrary to Section 68(2)(d)(iii) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer, for each tender, proposal or quotation that was submitted to maintain a summary of the proceedings of the opening of tenders,

evaluation and comparison of the tenders, proposals or quotations, including the evaluation criteria used as prescribed.

In the circumstances, the propriety and value for money for the projects could not be confirmed. In addition, Management was in breach of the law.

5. Irregular Payment of Internet Charges

Review of payment vouchers amounting to Kshs.260,764 in respect to provision of monthly internet services revealed the following anomalies;

- i. Management did not provide an approved requisition from user department to the head of procurement explaining the need for the service.
- ii. The payment was not supported with requisite procurement documents which include, the advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders.
- iii. Management did not provide a signed contract between the supplier and the Fund.
- iv. There was no bandwidth usage report to support the quantity billed.

This was contrary to Section 68(2)(d)(iii) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer, for each tender, proposal or quotation that was submitted to maintain a summary of the proceedings of the opening of tenders, evaluation and comparison of the tenders, proposals or quotations, including the evaluation criteria used as prescribed.

In the circumstances, the propriety and value for money for the expenditure amount of Kshs.260,764 could not be confirmed. In addition, Management was in breach of the law.

6. Irregular Provision of Security Guard Services

The Fund contracted a supplier and paid an amount of Kshs.779,540 for provision of security guard services in the financial year under review. However, the following anomalies were identified;

- i. There were no daily records, registers or checklists of the security guards and supervisors to support the payment made.
- ii. The payment was not supported with requisite procurement documents which include, the advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders. This was contrary to Section 68(2)(d)(iii) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer, for each tender, proposal or quotation that was

submitted to maintain a summary of the proceedings of the opening of tenders, evaluation and comparison of the tenders, proposals or quotations, including the evaluation criteria used as prescribed.

In the circumstances, the propriety and value for money for the expenditure amount of Kshs.260,764 could not be confirmed. In addition, Management was in breach of the law.

7. Emergency Reserve Reporting

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers actual expenditure amount of Kshs.92,585,031 which further includes an expenditure of Kshs.7,028,091 on emergency projects. However, there was no evidence provided to confirm that the emergency expenditure related to urgent and unforeseen need for expenditure that could not have been delayed until the next financial year without harming the public interest of the constituents. In addition, there was no evidence provided to confirm that the use of the emergency reserves was reported to the Board within thirty (30) days of occurrence. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the utilization of emergency reserve to be reported to the Board within 30 days of the occurrence of emergency in the format prescribed by the Board.

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

8. Unsupported Training Expenses

The statement of financial performance and as disclosed in Note 12 to financial statements reflects use of goods and services amount of Kshs.5,713,127 which further includes training expenses amount of Kshs.2,645,170. However, review of payment vouchers revealed that the expenditure was not supported with the following documents;

- i. Approved training plan for the year.
- ii. Training needs assessment reports.
- iii. Attendance registers of all the trainings conducted.
- iv. Imprest register.
- v. Training approval letter or memo showing authorization for the workshops.
- vi. Evidence of travel.

This was contrary to Section 149(1) of the Public Finance Management Act, 2012 which requires an Accounting Officer to be accountable to the National Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized; and effective, efficient, economical and transparent.

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

9. Failure to Insure Buildings

It was established that the Fund did not have insurance cover to mitigate against losses in case of a disaster contrary to Section 79(2)(c) of the Public Finance Management Act, 2012 which requires a public officer within his area of responsibility to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property including application of best office to prevent any damage from being done to the financial interest of the National Government. Failure to secure insurance cover for the building exposed the Fund to potential losses and undermines the financial protection measures intended by the legislation.

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

10. Failure to Constitute Bursary Committee

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect other grants and transfers actual expenditure amount of Kshs.92,585,031 which further includes bursary expenditure amount of Kshs.69,319,500. However, review of records revealed the following anomalies:

- i. Management did not provide evidence of formation of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee whose core mandate is vetting of applicants.
- ii. Review of the application forms revealed no evidence of vetting by the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee.
- iii. The Chairman or the Secretary of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee did not sign the application form as proof of approval or rejection of the application.
- iv. The minutes of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee and the details of the successful applicants were not provided for audit review.

This was contrary to the National Government Constituencies Development Fund Board Circular No. NG-CDFB/CEO/BOARD CIRCULARS VOL II (021) dated 18 June, 2020 which directs that in conformity with Paragraph 7(6) of the National Government Constituencies Development Fund Regulations, 2016, NGCDF Committee in every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests.

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

11. Irregular Bursary Disbursements

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers actual expenditure amount of Kshs.92,585,031 which further includes bursary expenditure amount of Kshs.69,319,500.

However, review of records revealed the following anomalies:

11.1 Irregular Payment of Bursary to Special Schools

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect other grants and transfers actual expenditure amount of Kshs.92,585,031 which further includes bursary expenditure of Kshs.1,000,000 to special schools. However, review of supporting documents revealed that one hundred and sixty-three (163) students under the special schools category did not have disability registration numbers. Therefore, it was not possible to confirm authenticity of the bursary disbursements and eligibility for bursary under the special schools category.

11.2 Multiple Allocation of Bursaries

Review of bursary to tertiary and secondary institutions records revealed duplicate awards of bursary to students amounting to Kshs.161,000.

11.3 Failure to Disclose Beneficiaries Admission Numbers

Review of bursary records revealed that Management awarded bursaries to eighty-six (86) students in tertiary institutions totalling Kshs.517,000, secondary school disbursements to fifteen (15) students totalling Kshs.95,000 and special institutions disbursements to twenty-three (23) students totalling Kshs.145,000 all of which did not have admission numbers. Therefore, the authenticity of the disbursement and beneficiaries could not be confirmed.

11.4 Irregularity in Issuance of Bursary to Special Schools

The Fund awarded bursaries totalling Kshs.542,000 to schools which did not fall under the category of special schools.

11.5 Issuance of Bursary to Primary Schools

The Fund awarded bursaries totalling Kshs.146,000 to twenty-five (25) beneficiaries in primary schools. This was contrary to the Government policy of free primary education, resulting to double expenditure.

11.6 Admission Numbers Assigned to Multiple Students

Review of bursary data revealed that several students were awarded bursaries using same admission numbers in the same school amounting to Kshs.58,000. This occurred in several schools within the Constituency.

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

In the circumstances, the regularity and validity of bursary disbursements totalling Kshs.69,319,500 could not be confirmed.

12. Unsupported Transfer of Funds to SHIF

Review of payment records revealed that an amount of Kshs.737,440 was transferred to the Social Health Insurance Fund (SHIF) for the provision of annual medical cover to vulnerable families including orphans, vulnerable children, poor older persons, and persons with disabilities, in partnership with SHA. However, the transfer was not supported with a Memorandum of Understanding (MoU) or Partnership Agreement between the Fund and SHIF/SHA outlining roles, responsibilities, target beneficiaries, and reporting framework.

This was contrary to Section 99(3) of the Public Finance Management (National Government) Regulations, 2015 which requires every entry in the accounts to be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of the item or items to which it relates.

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

13. Lack of Value for Money for Implemented Projects

The statement of financial performance and as disclosed in Note 13 and Note 14 to the financial statements reflects other Government units actual expenditure and other grants and transfers amounts of Kshs.78,297,129 and Kshs.92,585,031 respectively, in respect to among others, security, sports, environment and emergency projects implemented during the year under review. However, field verification conducted in the month of October, 2025 revealed the following anomalies;

13.1 Kanunga High School

Contract for the construction of 2nd floor structure of a dormitory and ablution block under tender number KBU/NG-CDF/014/2023-2024 was awarded at a contract sum of Kshs.2,970,180 for a period of three (3) weeks ending on 25 February, 2025. Physical verification revealed that the project was complete and occupied by the students, however, the roof was leaking, the ceiling boards were chipping off, cracks were visible at the window joints and dismantled gutters at a section of the roof. In addition, the contract period of three (3) weeks for the construction may not have been sufficient.

13.2 Riabai High School

Contract for construction of phase 2 of storey dormitory under tender number KBU/NG-CDF/013/2023-2024 was awarded at a contract sum of Kshs.8,948,125 for a period of three (3) weeks ending on 25 February, 2025. Physical verification revealed the following anomalies;

- i. Poor workmanship was noted on the internal wall plaster and paint work, sink worktops, staircase finishes, flat roof finishes and toilet flash doors.
- ii. There was no proper rain disposal channel as rain water found its way inside the dormitory and leakages on the wall.
- iii. Labelling of the project was not done.
- iv. Contract period had lapsed without completion of works and no extension of time provided.
- v. Contractor was not on site at the time of verification.
- vi. Septic tank was not installed.
- vii. The contract period of three (3) weeks for the construction may not have been sufficient.

13.3 Riabai Primary School

The Fund paid a contractor a total amount of Kshs.1,200,000 for proposed installation of solar system under tender number KBU/NGCDF/004/2024-2025. However, the following anomalies were identified;

- i. The project had not been officially handed over by the Project Management Committee (PMC) to the beneficiary institution despite the full installation of the solar panels and the system being in use.
- ii. The converter and battery system were found not properly sheltered, exposing them to potential damage from adverse weather conditions such as rain and excessive heat.
- iii. Project was not labelled.

13.4 Chief Wandie Primary School

The Fund paid a contractor a total of Kshs.500,000 for proposed repair works of toilets that were about to sink under tender number KBU/NGCDF/034/20232024. However, the following anomalies were identified;

- i. Toilet labelling was not done.
- ii. Certificate of completion was not provided.
- iii. Poor workmanship on the concrete pavement since the floor had started chipping off and cracking.

13.5 Kiamumbi Police Station

The Fund paid a total of Kshs.6,000,000 for construction of an ongoing police station under tender number KBU/NGCDF/008/20232024. However, the following anomalies were identified;

- i. Poor workmanship was noted as evidenced by the paint which had started peeling off and wall damp due to moisture retention.
- ii. Deep structural cracks had formed on the walls below the windows.
- iii. There was no proper rain disposal channel since rain water found its way on the walls.
- iv. There were leakages from the roof.

13.6 Thindigua Primary School

The Fund paid a total of Kshs.400,000 for the purchase of water tanks vide tender number KBU/NGCDF/001/2024-2025. However, the following anomalies were identified;

- i. The tanks were delivered but not installed for use.
- ii. The project was not labelled.
- iii. Tanks were not safely stored since they were rested on a ground that was not levelled and with stones making it easy to be damaged.

This was contrary to Section 68(1) of the Public Financial Management Act, 2012 which requires an Accounting Officer for a National Government Entity to be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is lawful and authorized; and effective, efficient, economical and transparent.

In the circumstances, the propriety and value for money for the projects could not be confirmed. In addition, Management was in breach of the law.

14. Lack of Ownership Documents and Revaluation of Assets

Review of the asset register revealed assets totalling Kshs.3,938,041 which excluded land and buildings. In addition, the ownership document for the land was not provided for audit review while valuation was also not conducted. This was contrary to Section 139(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer of a National Government Entity to take full responsibility and ensure that proper control systems exist for assets.

In the circumstances, the ownership and valuation of land and buildings could not be confirmed.

15. Non-Compliance with the Public Procurement Capacity Building Levy Order of 2023

During the financial year under audit, the Fund and Project Management Committees carried out procurements, however, Management did not include the mandatory 0.03% public procurement capacity building levy as a separate line item in all procurement contracts for goods, works and services, local purchase orders (LPOs) and local service orders (LSOs) issued after 1 September, 2024. Therefore, the levy was not deducted for all contract awards, contrary to the Public Procurement Capacity Building Levy Order, 2023.

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

16. Failure to Return Unutilized Project Management Committee Account Balances

Annex 2 to the financial statements reflects Project Management Committee unutilized bank account balances of Kshs.41,680,440 which were not returned to the Constituency account after the closure of the financial year. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which require all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

17. Errors on Presentation and Disclosure of the Financial Statements

Review of the financial statements presented for audit revealed the following anomalies:

- i. The statement of changes in net assets reflects changes recorded in the reserve's column instead of accumulated surplus/deficit column.
- ii. The statement of management responsibilities, statements of financial performance, statement of financial position and statement of comparison of budget and actual amounts have been signed but not dated.
- iii. The amounts in the financial statements have not been rounded off to the nearest shilling.

In the circumstances, the financial statements do not comply with the Public Sector Accounting Standards Board Reporting requirements.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and the Fund Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

10 December, 2025

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

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

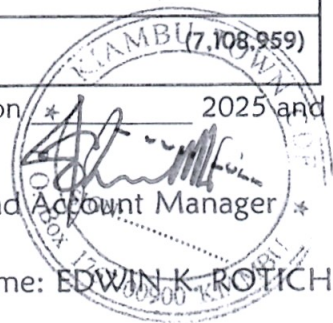
	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	178,496,265
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		178,496,265
Expenses		
Employee costs	10	3,782,837
Committee expenses	11	5,227,100
Use of Goods and Services	12	5,713,127
Other Government Units Actual expenditure	13	78,297,129
Other Grants and Transfers Actual expenditure	14	92,585,031
Depreciation and amortization expense	15	
Digital Hubs Actual expenditure	16	-
Total expenses		185,605,224
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(7,108,959)

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

Chairman NG-CDF
 Committee
 Name: LUCY W. NYOTA

National Sub-County
 Accountant
 Name: ELIAS M. MUNGAI
 ICPAK M/No:15267

Fund Account Manager
 Name: EDWIN K. ROTICH



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

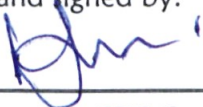
12. Statement of Financial Position As At 30th June, 2025

	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	78,707,714	77,928,652
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	45,967,545	53,993,953
Prepayments	22	-	-
Total Current Assets		124,675,259	131,922,605
Non-Current Assets			
Property, Plant and Equipment	23	3,938,041	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		3,938,041	-
Total Assets (A)		128,613,300	131,922,605
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	-	332,329.00
Total Current Liabilities		-	332,329.00
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		-	332,329.00
Net Assets (A-B)		128,613,299.65	131,590,276
Represented by:			

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

Revaluation Reserves		128,613,299.65	131,590,276
Accumulated Surplus			
Total Net Assets		128,613,299.65	131,590,276

The Constituency financial statements set out on pages 1 to 8 approved by NG CDFC on _____
 2025 and signed by:





 Chairman NG-CDF Committee

 National Sub-County Accountant Fund Account Manager

Name: LUCY W. NYOTA

Name: ELIAS M. MUNGAI

Name: EDWIN K. ROTICH

ICPAK M/No:15267

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	46,436,033	-	46,436,033
Adjustments: (to recognize assets and liabilities)			
Add Assets	85,486,572		85,486,572
Less Liabilities	332,329		332,329
As at July 1, 2024	131,590,276		131,590,276
Surplus/(Deficit) For the Period	(7,108,959)		(7,108,959)
Adjustment of previous year bank totals	4,131,983	-	4,131,983
As at 30th June (current year)	128,613,300		128,613,300

Note:

- 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.
- Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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

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

	Notes	Period ended June, 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		183,126,962
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		183,126,962
Payments		
Employee costs		3,782,837
Committee expenses		5,227,100
Use of Goods and Services		5,713,127
Other Government Units Certified Works		78,297,129
Other Grants and Transfers		92,585,031
Digital Hubs Expenses		-
Total Payments		185,605,224
Net Cash Flows from/ (used in) Operating Activities	30	(2,478,262)
Cash flows From Investing Activities		
Purchase of PPE		(2,500,000)
Purchase of Intangible assets		
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		(2,500,000)
Net increase/(decrease) in cash & Cash equivalents		(4,978,262)
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		
Cash and cash equivalents at Period Start	19	83,685,976

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

Cash and cash equivalents at Period End	19	78,707,714
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(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024-2025	FY 2024-2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	83,685,976	53,993,953	308,149,786	183,126,962	125,022,824	59
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	83,685,976	53,993,953	308,149,786	183,126,962	125,022,824	59
Expenses							
Employee costs	4,431,304	1,483,713	-	5,915,017	3,782,837	2,132,180	64
Committee expenses	6,864,095	311,000	-	7,175,095	5,227,100	1,947,995	73
Use of Goods and Services	4,046,887	1,744,532	-	5,791,419	5,713,127	78,292	99
Other Government Units Certified Works	66,300,000	48,396,001	37,400,233	152,096,234	78,297,129	73,799,105	51
Other Grants and Transfers	83,160,039	29,250,730	11,595,909	124,006,678	92,585,031	31,421,647	75
Digital Hubs Expenses	-	-	-	-	-	-	
Acquisition of Asset	4,217,529	2,500,000	-	6,717,529	2,500,000	4,217,529	37
Funds Pending Approval**	1,450,003	-	4,997,811	6,447,814	-	6,447,814	0
Total Expenditure	170,469,857	83,685,976	53,993,953	308,149,786	188,105,224	120,044,562	61

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Surplus for the period					(4,978,262)	4,978,262	0
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**Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.

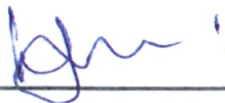
Explanatory Notes.

The noted underutilization of funds associated with late disbursement of funds from the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	124,675,259
Less undisbursed funds receivable from the Board as at period 30th June, 2025	45,967,545
Cash and Cash Equivalents at the end of the 30 th June 2025	78,707,714

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 _____ 2025 and signed by:



Chairman NG-CDF
Committee
Name: LUCY W. NYOTA



National Sub-County
Accountant
Name: ELIAS M. MUNGAI
ICPAK M/No:15267



Fund Account Manager
Name: EDWIN K. ROTICH

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
			Kshs		Kshs	
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,431,304	1,483,713		5,915,017	3,782,837	2,132,180
1.2 Committee allowances	1,750,000			1,750,000	1,527,000	223,000
1.3 Use of goods and services	4,046,887	1,744,532		5,791,419	5,713,127	78,292
Sub-total	10,228,191	3,228,245	-	13,456,436	11,022,964	2,433,472
2.0 Monitoring and evaluation						
2.1 Capacity building	2,125,000	311,000		2,436,000	2,000,000	436,000
2.2 Committee allowances	915,282			915,282	500,100	415,182
2.3 Use of goods and services	2,073,813			2,073,813	1,200,000	873,813
Sub-total	5,114,095	311,000	-	5,425,095	3,700,100	1,724,995
4.0 Emergency						
CHIEF WANDIE PRIMARY SCHOOL					1,328,820	-
KAMITI ANMER PRIMARY SCHOOL					2,759,114	-
KIAMUMBI CHIEFS OFFICE					200,000	-
THINDIGUA PRIMARY SCHOOL					348,167	-
TINGANGA SECONDARY SCHOOL					2,810,350	-
MUNGAI CHENGECHA PRIMARY SCHOOL					-	-
NGEGU POLICE POST					-	-
unutilized	8,972,097	7,518,091		16,490,188	7,446,451	9,043,737
Sub-total	8,972,097	7,518,091	-	16,490,188	7,446,451	9,043,737
5.0 Bursary and Social Security						
5.1 Primary Schools						

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

5.2 Secondary Schools	29,300,412	4,038,965	1,095,909	34,435,286	-	34,435,286
5.3 Tertiary Institutions	35,887,530	632,151		36,519,681	-	36,519,681
5.4 special needs	1,000,000			1,000,000	1,000,000	-
5.5 Education Support Programmes				-		-
5.6 Social Security	2,000,000			2,000,000	737,440	1,262,560
Sub-total	68,187,942	4,671,116	1,095,909	73,954,967	1,737,440	72,217,527
7.0 Environment /CLIMATE CHANGE				-		
RIABAI PRIMARY SCHOOL	1,200,000	42		1,200,042	-	1,200,042
ST. JOSEPH RIABAI HIGH SCHOOL	1,200,000	575		1,200,575	-	1,200,575
ST. PETERS NDUMBERI HIGH SCH	1,200,000	270,711		1,470,711	1,200,000	270,711
NDUMBERI PRIMARY SCHOOL	1,200,000			1,200,000	1,200,000	-
TINGANGA SECONDARY SCHOOL		8,210	1,500,000	1,508,210	593,100	915,110
MUNGAI CHENGECHA PRIMARY			750,000	750,000	-	750,000
CHIEF WANDIE PRIMARY			750,000	750,000		750,000
HGM TINGANGA PRIMARY	1,200,000		750,000	1,950,000	-	1,950,000
BENSON NJAU PRIMARY			750,000	750,000		750,000
				-		-
Sub-total	6,000,000	279,538	4,500,000	10,779,538	2,993,100	7,786,438
8.0 Primary Schools Projects				-		
GICHOCHO PRIMARRY SCHOOL	6,000,000	2,001,572		8,001,572	1,969,415	6,032,157
KANGOYA PRIMARY SCHOOL	300,000	4,934,977		5,234,977	4,089,431	1,145,546
KARUNGA PRIMARY SCHOOL	4,500,000	7,000,512		11,500,512	10,537,938	962,574
KIAMBU PRIMARY SCHOOL	3,000,000			3,000,000		3,000,000
KONGO PRIMARY SCHOOL		947,794		947,794	892,834	54,960
RIARA COMPREHENSIVE SCHOOL	300,000			300,000		300,000
LORETO PRIMARY SCHOOL		5,000,233		5,000,233	2,000,115	3,000,118
MARY IMMACULATE PRIMARY SCHOOL		115,425		115,425	76,000	39,425
MUNGAI CHENGECHA PRIMARY SCHOOL	3,800,000	7,538,791		11,338,791	5,897,200	5,441,591
NDUMBERI PRIMARY SCHOOL	2,700,000			2,700,000		2,700,000
NDUMBERI PRIMARY SCHOOL	7,000,000			7,000,000		7,000,000

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

NDUMBERI PRIMARY SCHOOL		7,021,622	7,400,233	14,421,855	10,832,823	3,589,032
NGEGU PRIMARY SCHOOL	3,800,000	236,759	7,400,233	11,436,992	5,967,843	5,469,149
KIU RIVER PRIMARY SCHOOL	2,700,000	3,568,208		6,268,208	5,979,021	289,187
TINGANGA MODEL PRIMARY SCHOOL	300,000			300,000		300,000
TINGANGA HGM PRIMARY		3,430,987	4,599,767	8,030,754	2,013,250	6,017,504
RIABAI PRIMARY SCHOOL	1,500,000			1,500,000		1,500,000
RIABAI PRIMARY SCHOOL	3,300,000			3,300,000		3,300,000
THINDIGUA PRIMARY SCHOOL		6,000,775		6,000,775	6,000,000	775
RIABAI PRIMARY SCHOOL	8,000,000			8,000,000		8,000,000
MACHIRI PRIMARY SCHOOL	300,000			300,000		300,000
KIAMBU PRIMARY SCHOOL	3,000,000	1,648,159	6,000,000	10,648,159	8,080,949	2,567,210
KAMITI ANMER PRIMARY	200,000			200,000		200,000
KASARINI PRIMARY SCHOOL	300,000			300,000		300,000
ACK KIU RIVER PRIMARY	300,000			300,000		300,000
HGM TINGANGA PRIMARY	3,000,000			3,000,000		3,000,000
HGM TINGANGA PRIMARY	6,500,000			6,500,000		6,500,000
				-		-
Sub-total	60,800,000	49,445,814	25,400,233	135,646,047	64,336,819	71,309,228
9.0 Secondary Schools Projects (List all the Projects)						
KANUNGA HIGH SCHOOL		1,092,525	3,000,000	4,092,525	-	4,092,525
KASARINI SECONDARY SCHOOL		110,641		110,641	100,086	10,555
KIAMBU TOWNSHIP SECONDARY SCH	3,000,000.00			3,000,000		3,000,000
RIABAI HIGH SCHOOL		493,540	9,000,000	9,493,540	5,310,959	4,182,581
RIARA SECONDARY SCHOOL	2,500,000.00			2,500,000		2,500,000
ST. ANNE AND JOAKIM SECONDARY		3,000,120		3,000,120	3,000,000	120
						-
						-
						-
Sub-total	5,500,000	4,696,826	12,000,000	22,196,826	8,411,045	13,785,781
10.0 Tertiary institutions Projects (List all the Projects)						

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

					-	-
					-	-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
GICHOCHO CHIEFS OFFICE		1,017,892		1,017,892	1,000,000	17,892
KIAMUMBI POLICE STATION		304	4,000,000	4,000,304	-	4,000,304
KIHINGO CHIEFS OFFICE		1,006,065		1,006,065	1,000,000	6,065
THINDIGUA POLICE STATION		2,000,200	2,000,000	4,000,200	4,000,000	200
TINGANGA POLICE STATION		3,000,200		3,000,200	3,000,000	200
KIAMUMBI CHIEFS OFFICE		4,000,000		4,000,000	3,996,420	3,580
	-		-	-		-
					-	
Sub-total	-	11,024,661	6,000,000	17,024,661	12,996,420	4,028,241
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-	-	-
12.2 Purchase of furniture and fittings		2,500,000		2,500,000	-	2,500,000
12.2 Construction of CDF office	4,217,529			4,217,529		4,217,529
Sub-total	4,217,529	2,500,000	-	6,717,529	-	6,717,529
13.0 Others						
Sub-total						
Funds pending approval**						
unapproved projects	1,450,000	-	4,997,811	6,447,811		6,447,811
AiA	-			-		-
Sub-total	1,450,000	-	4,997,811	6,447,811	-	6,447,811
Total	170,469,857	83,685,976	53,993,953	308,149,786	188,105,224	120,044,562

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

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

Constituency principal activity is implementation of projects.

2. Statement of Compliance and Basis of Preparation

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

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

The NG-CDF Kiambu Town has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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 (include any other applicable

legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1 st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. Not applicable

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Not applicable</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</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 o</p>

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.

	<p>IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, undermaintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
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National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles 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>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</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>

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

IPSAS 49: Retirement Benefit Plans	Applicable 1 st January 2026 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. Not applicable
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1 st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. Not applicable

i. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably. To the extent that there is a related condition attached that would

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

d) Leases

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

m) Foreign currency transactions

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

n) Related parties

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

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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, 20xx

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

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

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.

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

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY 2024-2025)	178,496,265
B228659	12,000,000
B234504	17,496,265
B229542	10,500,000
B229648	1,500,000
B230529	9,000,000
B229737	23,000,000
B278642	43,000,000
B329303	20,000,000
B278864	21,000,000
B327636	21,000,000
Total	178,496,265

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

10. Employees cost

Description	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,495,524
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	871,493
Employer Contributions Compulsory national social security schemes (NSSF)	263,304

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Employer Contributions Compulsory Housing levy	81,829
Employer contributions to National Industrial Training Authority	2,850
Other Specify (NHIF)	67,837
Total	3,782,837

11. Committee Expenses

Description	2024-2025
	Kshs
Sitting allowance	2,480,600
Other Committee expenses	2,746,500
Total	5,227,100

12. Use of Goods and services

Description	2024-2025
	Kshs
Utilities, supplies and services	800,000
Communication, supplies and services	260,764
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	355,000
Office Rent	-
Training expenses	2,645,170
Hospitality supplies and services	506,198
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	351,000
Fuel, oil & lubricants	-
Bank Charges	15,475

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Internet expenses	779,520
Total	5,713,127

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	66,297,129
Secondary Schools Actual Expenditure	12,000,000
Tertiary Institutions Actual Expenditure	-
Total	78,297,129

14. Other Grants and transfers Actual expenditure

Description	2024-2025
	Kshs
Bursary – secondary schools	34,150,000
Bursary – tertiary institutions	34,169,500
Bursary – special schools	1,000,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	737,440
Security projects Actual Expenditure	8,000,000
Climate change mitigation projects	7,500,000
Emergency projects Actual Expenditure	7,028,091
Roads projects	-
Others specify	-
Total	92,585,031

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

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

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

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	36,827,074	46,436,033
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	-	-
Name of Bank, account No. (PMC's account)	41,880,640	31,492,619
Total	78,707,714	77,928,652
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

(Provide a schedule of all reconciled PMC bank balances as at the end of the period)

20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
Less: impairment allowance	(-)	(-)
Total receivables	-	-
a. Current receivables	-	-

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	100%	-	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	-	100%	-	100%

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Transfers from NGCDFB	45,967,545	53,993,953
Outstanding imprest	-	-
Total	45,967,545	53,993,953

Ageing analysis for Non exchange receivables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	45,967,545	100%	53,993,953	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	45,967,545	100%	53,993,953	100%

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

22. Prepayments

Description	2024-2025	Opening Statement
	Kshs	1st July 2024 Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%		20%		30.00%			
Cost	Kshs	Kshs	25.00% Kshs	Kshs	12.50% Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	151,541	1,286,500	-	-	1,438,041
Additions	-	-	-	-	2,500,000	-	-	-	2,500,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	2,651,541	1,286,500	-	-	3,938,041
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	0	0	-	-	0

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	151,541	1,286,500	-	-	1,438,041
As At 30th June, 2025	-	-	-	-	2,651,541	1,286,500	-	-	3,938,041

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Valuation

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

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	1,286,500	-	1,286,500
Office Equipment, Furniture, And Fittings	2,651,541	-	2,651,541
Total	3,938,041	-	3,938,041

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

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

24. Intangible Assets

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions—internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 th June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-

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

As at 30th June 2025	-	-	-	-
Carrying Amount				
As at 30th June 2025	=	-	=	=

26. Trade and Other Payables

Description	2024- 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Trade payables	-	-
Employee payables	-	-
Other payables	-	-
Total trade and other payables	-	-

Aging analysis: (Trade and other payables)	Current FY 2024-2025	% of the Total	1 st July 2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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

27. Third-Party deposits

	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	
Retention held during the period (B)	-	-
Retention paid during the period (C)	-	-
Closing Retention as at period xx, D= A+BC	-	-

Retentions aging analysis.

	2024-2025 Y	% of the total	2023-2024	% of the total
Less than 1 year	-	100%	-	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	332,329	-
Gratuity held during the period (B)	539,164	332,329
Gratuity paid during the period (C)	871,493	-
Total Gratuity provision as at period 30 th June 2025 D=(A+B-C)	-	332,329

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

30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	(7,108,959)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	-
Changes in inventory	-
Changes in receivables	4,963,026
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	(332,329)
Changes in payments received in advance	-
Net cash flow from operating activities	(2,478,262)

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

31. Financial Risk Management

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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
As at 30 th June FY 2024-2025				
Receivables from exchange transactions		-	-	-
Receivables from non-exchange transactions	45,967,545	45,967,545	-	-
Bank balances	78,707,714	78,707,714	-	-
Total	-	-	-	-
As at 30 June FY 2023-2024	-		-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	53,993,953	53,993,953		-
Bank balances	83,685,976	83,685,976	-	-
Total	-	-	-	-

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

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

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 none. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated. ii)

Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 th June (Current FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30 th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

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

Current 2024/ 2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025 (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Net Foreign Currency Asset/(Liability)	-	-	-
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Foreign currency sensitivity analysis

Current 2024 /2025

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

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.

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 endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (Current FY: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (Current FY – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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	FY2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	128,613,299.65	131,590,276
Retained Earnings	-	-
Capital Reserve		
Total Funds	128,613,299.65	131,590,276
Total Borrowings	-	-
Less: Cash and Bank Balances	78,707,714	77,928,652
Net Debt/(Excess Cash And Cash Equivalentents)	51,530,927	53,661,624
Gearing	%	%

Related Party Disclosures

32.

	FY2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	5,227,100	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	178,496,265	-
Total	183,727,365	-

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

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

(Give details)

Contingent Liabilities

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

35. Capital Commitments

Capital Commitments	Insert Current FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/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				
Transport equipment				

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

Office equipment, furniture, and fittings		3,938,041		3,938,041
ICT Equipment and Other ICT Assets				
Other Machinery and Equipment				
Intangible assets				
Total		3,938,041		3,938,041

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

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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

KIAMBU NG-CDF PROJECT MANAGEMENT COMMITTEE (PMC) ACCOUNTS - BANK BALANCES AS AT 30TH JUNE 2025

NO	PROJECT MANAGEMENT COMMITTEE ACCOUNT NAME	BANK	ACCOUNT NUMBER	BANK BALANCE AS AT 30TH JUNE 2025	BANK BALANCE AS AT 30TH JUNE 2024
1	ACK RIABAI SECONDARY SCHOOL	EQUITY	0640 261649215	1,200,570.00	
2	CHIEF WANDIE PRIMARY SCHOOL	EQUITY	0640 266316347	372,878.00	1,211,811.00
3	GICHOCHO CHIEFS OFFICE	EQUITY	0640 280989421	17,892.00	1,017,892.00
4	GICHOCHO PRIMARY SCHOOL	EQUITY	0640 262890132	32,157.00	2,001,572.00
5	KAMITI ANMER PRIMARY SCHOOL	EQUITY	0640 280077985	6,124.00	555,238.00
6	KANGOYA PRIMARY SCHOOL	EQUITY	0640 271101163	845,546.00	434,977.00
7	KANUNGA HIGH SCHOOL	EQUITY	0640 279022742	4,092,525.00	1,092,525.00
8	KARUNGA PRIMARY SCHOOL	EQUITY	0640 262914038	462,574.00	512.00
9	KASARINI SECONDARY SCHOOL	EQUITY	0640 262104265	10,554.00	110,640.50
10	KIAMBU NG-CDF TOWER	EQUITY	0640 264558705	2,294,191.00	1,218,865.00
11	KIAMBU PRIMARY SCHOOL	EQUITY	0640 270186102	5,567,210.00	1,648,159.00
12	KIAMUMBI CHIEFS OFFICE	EQUITY	0640 282209954	303,580.00	4,000,000.00
13	KIAMUMBI POLICE STATION	EQUITY	0640 268740946	6,000,304.00	148,304.00
14	KIHINGO CHIEFS OFFICE	EQUITY	0640 280988844	6,065.00	1,006,065.00

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

15	KIU RIVER PRIMARY SCHOOL	EQUITY	0640 284460490	289,187.00	568,208.00
16	KONGO PRIMARY SCHOOL	EQUITY	0640 280990828	54,960.00	947,794.00
17	LORETO PRIMARY SCHOOL	EQUITY	0640 271101147	3,000,118.00	5,000,233.00
18	MARY IMMACULATE PRIMARY SCHOOL	EQUITY	0640 284480989	39,425.00	115,425.00
19	MUNGAI CHENGECHA PRIMARY SCHOOL	EQUITY	0640 266428706	1,641,591.00	441,895.00
20	NDUMBERI PRIMARY SCHOOL	EQUITY	0640 263841367	4,789,032.00	21,622.00
21	NGEGU PRIMARY SCHOOL	EQUITY	0640 266315725	1,669,149.00	236,759.00
22	RIABAI HIGH SCHOOL	EQUITY	0640 280062532	4,182,581.00	493,540.00
23	RIABAI POLICE STATION	EQUITY	0640 284460829	257,125.00	431,815.00
24	RIABAI PRIMARY SCHOOL	EQUITY	0640 266233156	1,200,042.00	
25	ST PETERS HIGH SCHOOL	EQUITY	0640 261645097	1,470,711.00	
26	ST. ANN AND JOAKIM SECONDARY SCHOOL	EQUITY	0640 284420475	5,120.00	3,000,000.00
27	THINDIGUA POLICE STATION	EQUITY	0640 284462480	200.00	2,000,000.00
28	THINDIGUA PRIMARY SCHOOL	EQUITY	0640 279891202	52,608.00	
29	TINGANGA POLICE STATION	EQUITY	0640 284462479	200.00	3,000,000.00
30	TINGANGA HGM PRIMARY SCHOOL	EQUITY	0640 263334109	3,912,202.00	
31	TING'ANG'A SECONDARY SCHOOL	EQUITY	0640 280123022	1,508,210.00	
32	NGEGU POLICE POST	EQUITY	640281021153.00	391,708.00	

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

○	TOTAL			41,680,440.00	30,703,851.50
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National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

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 audit	Management Comments	Status (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>I. INACCURACIES IN THE FINANCIAL STATEMENTS</p> <p>During the audit of the Financial Year under review, it was observed that:</p> <ul style="list-style-type: none"> i. The date of signing the financial statements by the Chairman, fund manager and accountant is blank. ii. The payee descriptions in the ledgers do not match those in the payment vouchers, cash book, and bank statement for committee expenses and goods and services expenses totaling Kshs.14,208,816. The ledgers record the account charged instead of the actual recipient of the funds. iii. The statement of assets and liabilities reports nil balances under accounts payables for retention and gratuity. However, the fund employs contract staff entitled to gratuity at the end of their contracts and withholds retention amounts from contractors, which have not been disclosed as payables. iv. The ledgers for bursaries to secondary schools and tertiary institutions lack detailed statements specifying the payee, cheque numbers, and corresponding amounts. Upon breaking down the summarized amounts as per the cheques, it was noted that some payments 	<ul style="list-style-type: none"> i. The above anomalies in 1(one) above have been noted and amended as per the attached edited annual report and financial statements provided for the year ended 30th June 2024 – ANNEX 1 ii. In regard to the payee descriptions in the ledgers not matching those in the payment vouchers, cash book, and bank statement for committee expenses and goods and services expenses, the Management will ensure that going forward the financial statements presented are free from errors, that the ledgers record the account charged instead of the actual recipient of the funds and that we presents reliable accounts that are accurate in such a way that they reflect the activities of the NGCDF Kiambu Constituency. iii. On the issue of reporting nil balances in the statement of assets and liabilities reports under accounts payables for retention and gratuity, I would wish to state that, this was an error of omission and going forward we will ensure that the Kiambu NG-CDF financial statements present fairly the financial position, financial performance and cash flows of the Constituency. iv. In regard to ledgers for bursaries to secondary schools and tertiary institutions lacking detailed statements specifying the payee, cheque numbers, and corresponding amounts, we have attached a detailed list of bursary beneficiaries specifying the payee, cheque numbers and corresponding amounts for your attention and going forward we will ensure we produce accurate and reliable accounts free from errors. – ANNEX 2 v. On the payments intended for bursary-tertiary institutions but charged to the 		

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

	<p>intended for bursary-tertiary institutions were erroneously charged to the bursary-secondary schools account, resulting in misclassification between the two categories.</p> <p>v. Annex 5 of the financial statements reflects PMC balances as at 30 June, 2024. However, bank balances for the PMCs for the comparative year are not indicated.</p> <p>Recommendation</p> <p>Financial statements should be amended and supporting documents provided for audit.</p>	<p>bursary-secondary schools account, this was necessitated by the large number of secondary applicants who applied for bursary. Going forward, we will consider allocating more funds to bursary for secondary schools because by the look of things, Kiambu constituency has more needy cases in secondary schools compared to tertiary institutions. However the anomaly is highly regrettable and the management will ensure that they presents reliable accounts free from errors.</p> <p>vi. The management regrettably noted that they erroneously omitted the bank balances for the PMCs for the comparative year (FY 2022/2023). However, the same has been provided for your attention and going forward we will ensure that we produce accurate and reliable accounts free from errors – ANNEX 3</p>																						
	<p>2. BUDGETARY CONTROL AND PERFORMANCE</p> <p>It was observed that, the summary statement of appropriation reflects budgeted receipts totaling Kshs.278,535,169 against actual receipts of Kshs.224,541,216 resulting in a revenue shortfall of Kshs.53,993,953 or 19%. Similarly, the Fund had a total payment budget of Kshs.278,535,169 against actual payments of Kshs.178,105,183 resulting in under expenditure of Kshs.100,429,986 or 36%.</p> <p>Recommendation</p> <p><i>Management to explain the failure to achieve the set targets</i></p>	<p>To clear the air on this one, I would wish to notify you that the revenue shortfall of Kshs.53,993,953 or 19% was necessitated by the delays in disbursements of funds by the NG-CDF Board since the allocation for financial year 2023/2024 was received as follows;</p> <table border="1" data-bbox="662 1272 1153 1579"> <thead> <tr> <th colspan="4">TOTAL ALLOCATION FOR FY 2023/2024 =</th> </tr> </thead> <tbody> <tr> <td>1st AIE</td> <td>15.01.2024</td> <td>B 225060</td> <td>30,000,000</td> </tr> <tr> <td>2nd AIE</td> <td>06.03.2024</td> <td>B 226048</td> <td>30,000,000</td> </tr> <tr> <td>3rd AIE</td> <td>13.05.2024</td> <td>B214767</td> <td>60,000,000</td> </tr> <tr> <td>4th AIE</td> <td>24.07.2024</td> <td>B228659</td> <td>12,000,000</td> </tr> </tbody> </table> <p>About the under expenditure of Kshs.100,429,986 or 36% , the constituency was unable to fully implement and operate within the budget as approved by the board since there were delays in preparation of projects Bill of Quantities and Drawings. However, it is imperative to note that most of the projects meant to benefit from the aforesaid fund have since been implemented, completed and operational. Nevertheless, the auditor's recommendation has been well noted</p>	TOTAL ALLOCATION FOR FY 2023/2024 =				1st AIE	15.01.2024	B 225060	30,000,000	2nd AIE	06.03.2024	B 226048	30,000,000	3rd AIE	13.05.2024	B214767	60,000,000	4th AIE	24.07.2024	B228659	12,000,000		
TOTAL ALLOCATION FOR FY 2023/2024 =																								
1st AIE	15.01.2024	B 225060	30,000,000																					
2nd AIE	06.03.2024	B 226048	30,000,000																					
3rd AIE	13.05.2024	B214767	60,000,000																					
4th AIE	24.07.2024	B228659	12,000,000																					

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

		and going forward we will comply to achieve the set targets.		
	<p>B. CASH AND CASH EQUIVALENTS - UNSUPPORTED CASH AND CASH EQUIVALENTS BALANCE</p> <p>The statement of assets and liabilities and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.46,436,033. However, the following was noted:</p> <p>i. Review of the bank reconciliation statement as at 30 June, 2024 provided for audit revealed that payments in cash book not yet recorded in the bank statement (unpresented cheques) totaled Kshs.3,142,747 out of which cheques totaling Kshs.62,000 had gone stale. The cheques date back to 18 April, 2023 and no evidence was provided to show that the cheques have been reversed.</p> <p>ii. Review of the bank reconciliation statement as at 30 June, 2024 revealed payments in cashbook not yet recorded in the bank statement (unpresented cheques) totaling to Kshs.700,000 which dated 19 April, 2024 which includes Kshs.239,000 cheques which are stale as at 31 October, 2024. Management did not provide explanation for non-reversal in the cashbook.</p> <p>iii. The bank confirmation certificate and bank statement for the month of June were not submitted for audit review.</p> <p>iv. Review and sample analysis of the cashbook revealed that Kiambu NGCDF management made cash withdrawals totaling Kshs.12,069,800 for the</p>	<p>i. For issue 1& 2 above, I would wish to notify you that the stale cheques has since been reversed and issued to other very needy students in the constituency as per the attached. – ANNEX 4</p> <p>ii. The bank confirmation certificate / Certificate of Bank Balance and bank statement for the month of June has been provided for audit review. – ANNEX5</p> <p>iii. Going forward, the Kiambu NGCDF management will ensure that all cash withdrawals for procurement of goods and services as well as payment of allowances are conducted in electronic transfers or cheques as stipulated by the Public Finance Management (PFM) Act, 2012. The management will also ensure that they maintain a memorandum cashbook to record the use of cash withdrawn</p> <p>iv. The Kiambu NG-CDF bank reconciliation statement was reviewed, checked, and approved as per the attached bank reconciliation statement for the period ending 30th June 2024. – ANNEX 6</p> <p>v. The management of Kiambu NG-CDF will ensure that our cashbook is free from cancellations and in case there is, they will be counter signed as required.</p>		

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

	<p>procurement of goods and services as well as payment of allowances. These transactions were conducted in cash instead of electronic transfers or cheques, as stipulated by the Public Finance Management (PFM) Act, 2012. Further, the Fund did not maintain a memorandum cashbook to record the use of cash withdrawn, further compromising accountability and transparency.</p> <p>v. Review of the bank reconciliation statement revealed that it was not reviewed, checked, and approved as required.</p> <p>vi. Review of cashbook shows numerous cancellations which had not been counter signed as required.</p> <p>Recommendation <i>Management to explain and provide evidence on the status of unrepresented cheques and uncredited balances</i></p>			
	<p>4. FAILURE TO OPEN A DEPOSIT ACCOUNT</p> <p>During the year under review, the Fund did not open and maintain a deposit account for holding third party monies as stipulated by the law despite carrying out construction work such as construction of CDF office.</p> <p>Recommendation <i>Management to please provide an explanation why the Fund does not maintain a deposit account.</i></p>	<p>The Management has since opened and is maintaining a deposit account for holding third party monies as per the attached evidence provided – ANNEX 7</p>		
	<p>5. FAILURE TO SUBMIT MONTHLY BANK RECONCILIATION STATEMENTS FOR AUDIT</p> <p>During the financial year, Management did not submit monthly bank reconciliation statements to the Office of the Auditor-General contrary to Section</p>	<p>The anomaly has been noted well and going forward the Management will adhere to laws and regulations by ensuring that copies of bank reconciliations are submitted to the office of the auditor general as required by law</p>		

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

	<p>90(1) of the Public Finance Management Act, 2012.</p> <p>Recommendation <i>Management to explain the failure to submit monthly bank reconciliation statements for audit.</i></p>		
	<p>6. IRREGULAR PAYMENTS OF BURSARY TO SECONDARY SCHOOLS STUDENTS</p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers of Kshs.93,761,309 out of which Kshs.50,332,412 relates to bursary for secondary schools. Review of records provided revealed the following:</p> <p>i. The bursary application register, vetting forms, vetting minutes, bursary application list (database) detailing the number of applicants and status of their applications and vetting and awarding criteria and cheque dispatch register were not provided for audit.</p> <p>ii. Review of bursary records and schedules supporting financial statements revealed that the committee paid Kshs.25,016,910 for many students notwithstanding their financial need in secondary schools studying in Kiambu Constituency. However, review of the expenditure revealed that the bursary allocation and disbursements was not done as per the NGCDF Regulations, 2016 that requires the committee to vet all applicants for bursary consideration in accordance with guidelines issued by the Board.</p> <p>iii. According to Fourth Schedule of the Constitution of Kenya, secondary school education is a function of the National Government. By paying school fees for all students in secondary schools, it appears the NGCDF Kiambu Constituency is funding a National Government function without an agreement between the NGCDF Kiambu and Ministry of Education.</p> <p>iv. For bursary to secondary schools, the names of the students with class</p>	<p>➤ The bursary application register, vetting forms, vetting minutes, bursary application list detailing the number of applicants and status of their applications and vetting and awarding criteria and cheque dispatch register has been provided for audit review - – ANNEX 2</p> <p>➤ I would wish to notify you that all the day secondary students who benefited with Kshs.25,016,910 were all needy students. The committee visited all the day schools in the constituency and noted that the students were extremely needy and financially down and it's while putting this into consideration that it was agreed that all students in day schools will pay ksh. 2,000 per term and Ksh. 6,000 per year and the rest will be paid from bursary. However, the management has noted the auditor's recommendations and will always ensure that bursary disbursements are done as per the NG-CDF Regulations.</p> <p>➤ The Kiambu NG-CDF management will have a sitting with the ministry of Education and deliberate on this issue of paying school fees for all students in day secondary schools</p> <p>➤ The management has provided the names of the students with class and admission numbers from the day secondary schools for audit review - attached - ANNEX 8</p> <p>➤ We have provided acknowledgement receipts for bursary paid directly to high schools amounting to Kshs.10,831,500 and tertiary schools bursary amounting to Kshs.3,679,500 - attached - ANNEX 9</p>	

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

	<p>and admission numbers from the schools were not submitted for audit review.</p> <p>v. Kshs.10,831,500 out of the bursary paid directly to high schools was not acknowledged by the schools. Similarly, bursaries amounting to Kshs.3,679,500 to tertiary schools were not acknowledged making a total of Kshs.14,511,000 of unacknowledged bursary through official receipts or acknowledgement letters by the beneficiary institutions</p> <p>ii. Bursary amounting to Kshs.2,246,000 relating to tertiary institutions was recorded under payment to secondary schools..</p> <p>iii. The list of students awarded bursary in tertiary schools does not show the class of each beneficiary while Kshs.1,206,535 was paid to students with no admission number. However, it was not ascertained if the beneficiaries were existing students.</p> <p>Recommendation</p> <p>a) Management should provide an explanation on how the secondary schools bursaries were awarded to various beneficiaries.</p> <p>b) Management should provide all supporting documents used in the bursary application process.</p>	<ul style="list-style-type: none"> ➤ Bursary amounting to Kshs.2,246,000 relating to tertiary institutions was recorded under payment to secondary schools because the number of needy applicants in secondary school over flew thus forcing the committee to record bursary payments relating to tertiary institutions under payment to secondary schools. Going forward, the management will seek for authority to reallocate the same from NG-CDF Board. ➤ The list of students awarded bursary in tertiary schools does not show the class of each beneficiary because while keying in the students details, the same was omitted /not captured. However, the issue in question has been well noted and during our next bursary issuing exercise the same will be captured. For Kshs.1,206,535 said to be paid to students with no admission number, I would wish to state that, the students admission were there as per the attached list. The committee will adhere to the laid down regulations to ensure that they effectively and efficiently award education bursary as per the guidelines issued by the Board. – ANNEX 2 ➤ The Management has provided all supporting documents used in the bursary application process – attached – ANNEX 10 	
	<p>7. PAYMENTS OF BURSARY TO TERTIARY INSTITUTIONS</p> <p>a. Unaccounted for Bursary Payments</p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers of Kshs.93,761,309 out of which Kshs.15,940,500 relates to bursary for tertiary schools. However, the bursary application register, vetting forms, vetting minutes, awarding criteria and cheque dispatch register were not provided.</p> <p>In addition, review of bursary records and schedules supporting financial statements revealed that the names of the students with class and admission numbers from the beneficiary schools were not submitted for audit review.</p>	<ul style="list-style-type: none"> ➤ The bursary application register, vetting forms, vetting minutes, bursary application list detailing the number of applicants and status of their applications and vetting and awarding criteria and cheque dispatch register has been provided for audit review ANNEX 2 ➤ The Management has provided the supporting documents used in the bursary application process – copies of bursary application forms attached ANNEX 11 ➤ The management has provided a receipt showing the service provider who was engaged to offer short courses had a valid business permit – attached ANNEX 12 	

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

<p>Further, Kshs.1,952,000 bursaries paid to tertiary institutions remains unacknowledged through official receipts or acknowledgement letters by the beneficiary institutions.</p> <p style="text-align: center;">b. <u>Bursary for Short Courses</u> <u>- Kshs.11,962,500</u></p> <p>The Fund paid Kshs.11,962,500 on 20 June, 2024 to a service provider for offering short courses to 870 students in areas such as plumbing and artisan training. However, several anomalies were noted;</p> <p>i. The beneficiaries of the program were not identified through the bursary committee vetting process, and Management did not provide documentation or an explanation of the criteria or process used for selecting the beneficiaries. This raises concerns about transparency and fairness in the allocation of funds.</p> <p>ii. The service provider was engaged through direct procurement, which contravenes procurement regulations as the amount exceeds the threshold for quotation bidding. Only three quotations were provided for review, and there was no evidence of advertising for bids, maintaining a prequalified list of suppliers, or preparing minutes of the opening and evaluation process. Further, key procurement documentation, including the award letter, regret letters, and a signed contract agreement, were not provided for audit.</p> <p>iii. The bidder was required to have a valid business permit, however, the provided documentation did not include a valid permit. Further, there was a discrepancy in the information regarding training</p>		
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National Government Constituencies Development Fund (NGCDF)
Kiambu Town Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

	<p>facilities. Management indicated that the students were trained at various centers within the Constituency, including the CDF offices, while the bidder stated that they had leased offices in Limuru.</p> <p>iv. There was no evidence of monitoring and reporting on the program's progress. Key documentation, such as progress reports on students, details of exams undertaken, completed courses, the mode of learning, and the duration of the training, was not maintained. Moreover, no receipt or acknowledgment letter from the service provider confirming receipt of the funds, along with a detailed list of the beneficiaries, was availed for review.</p> <p>Recommendation</p> <ul style="list-style-type: none"> ➤ <i>Management should provide an explanation on how the tertiary bursaries were awarded to various beneficiaries.</i> ➤ <i>Management should provide all supporting documents used in the bursary application process</i> 			
	<p>B. NON-MAINTENANCE OF FINANCIAL AND ACCOUNTING RECORDS FOR THE PROJECT MANAGEMENT COMMITTEE BANK ACCOUNTS</p> <p>During audit, it was observed that, records of the bank accounts held by the various Project Management Committees and quarterly reports to the constituency committee were not maintained by NGCDF Kiambu office. No PMC's cash books were maintained, subsequently,</p>	<p>Going forward, the management will adhere to the National Government Constituencies Development Act, 2015 and its Regulations of 2016 by ensuring that they maintain records of the bank accounts held by the various Project Management Committees on quarterly basis, prepare reports of the constituency committee, maintain PMC's cash books and prepare PMCs accounts reconciliations</p>		

National Government Constituencies Development Fund (NGCDF)

Kiambu Town Constituency

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

<p>no reconciliations were done for the PMCs accounts.</p> <p>It was therefore, not possible to ascertain whether the funds or grants disbursed to the PMCs were properly managed.</p> <p>Recommendation</p> <p><i>Please adhere to the National Government Constituency Development Act, 2015 and its regulation, 2016 stated above.</i></p>			
<p>9. UNUTILIZED FUNDS</p> <p>Annex 3 and Note 19.3 to the financial statements reflects unutilized funds amounting to Kshs.100,429,986. However, Management did not provide the measures it has put in place to address the increase in unutilized funds and the recurring situation over the years.</p> <p>In the circumstances, it was not possible to ascertain whether the Fund's budget is realistic and whether it has the capacity to implement the overlapping projects.</p> <p>The Management was required to explain measures taken to manage the funds operations to avoid the increase in unutilized funds.</p> <p>Recommendation</p> <p><i>Management to Please explain measures taken to manage the funds operations to avoid the increase in unutilized funds</i></p>	<p>On the above issue, I would wish to state as follows;</p> <p>That the unutilized funds amounting to Kshs.100, 429,986 as at 30th June 2024 were still intact in the project management committee accounts.</p> <p>That the implementation of projects meant to benefit with Kshs.100, 429,986 has since started and 70% of the projects are complete and 30% are ongoing.</p> <p>On the issue of not able to ascertain whether the Fund budget is realistic and whether it has the capacity to implement the overlapping projects, I would wish to notify you that the money allocated to these projects are budgeted to implement the project to completion except for a few projects which has been receiving funds in the subsequent years.</p> <p>The measures taken to manage the funds operations to avoid the increase in unutilized funds is: we are sensitizing PMC on project implementation to ensure that once funds have been disbursed implementation should immediately follow</p>		
<p>10. YOUTH EMPOWERMENT - ICT HUBS</p> <p>The statements of receipts and payments includes other payments amount of Kshs.6,000,000. Included in the amount is Kshs.4,000,000 that was spent on ICT Hubs. Review of the records indicate that the payment of Kshs.1,000,000 to</p>	<p>➤ On the issue of payments of Kshs.1,000,000 to Kihingo Youth Centre and Kshs.1,000,000 to Gichocho Chiefs Office Youth centre whose funds were transferred to these 2 PMCs respectively on 17 July, 2023. I would wish to notify you that these projects funds were and are still intact in the project</p>		

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

<p>Kihingo Youth Centre Ndumberi and Kshs.1,000,000 to Gichocho Chiefs Office Youth was transferred to these 2 PMCs respectively on 17 July, 2023. However, the project was not executed as at the time of audit in November, 2024. Further, the Fund has not returned the unutilized funds of Kshs.2,000,000 contrary to NGCDF regulation requirements.</p> <p>The Management was required to ensure proper reconciliation is effected on the variances and other inaccuracies in the financial statements.</p> <p>Recommendation</p> <p><i>Management to ensure proper reconciliation is effected on the variances and other inaccuracies in the financial statements.</i></p>	<p>management committee accounts – bank statements attached. ANNEX 13</p> <p>➤ On the same note, I would wish to notify you that the NG-CDF Committee has since agreed to reallocate Kshs.1,000,000 for Kihingo Youth Centre and Kshs.1,000,000 for Gichocho Chiefs Office Youth centre to other projects in the constituency as per the attached reallocation letter sent to the NG-CDF Board. ANNEX 13</p> <p>✓ Going forward, the management will ensure that they return all unutilized funds for projects not executed as required by NGCDF regulation and also ensure proper reconciliation is effected on the variances and other inaccuracies in the financial statements.</p>		
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Name **Edward Rotuit**
Fund Account Manager.