

REPUBLIC OF KENYA



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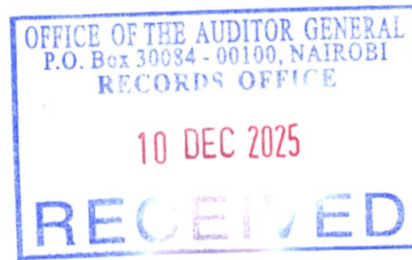
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
– RUARAKA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	07 APR 2026 DAY. Tuesday
TABLED BY:	Hon Samuel cheptera, MP
CLERK-AT THE-TABLE:	A. Shabuka



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

RUARAKA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

Transitional IPSAS Financial Statements

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Ruaraka 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:

1.	AIE holder	Aziz M. Juma
2.	National Sub-County Accountant	Antony Ngunjiri
3.	Chairman NGCDFC	Stephen Ogola
4.	Member NGCDFC	Ann Opondo
5.	Member NG CDFC	Leaky Onchari

(c) Fiduciary Oversight Arrangements

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

P.O. Box 10482-00100 NAIROBI
Ruaraka NGCDF Offices
Along Outering Road
Nairobi, KENYA.

(e) NGCDF Ruaraka Constituency Contacts

Telephone: (254) 722990010
E-mail: cdfruaraka@ngcdf.go.ke
Website: www.ruaraka.ngcdf.go.ke

(f) NGCDF Ruaraka Constituency Bankers

1. NGCDF Ruaraka Constituency Main Account

Bank Name: Equity bank
Branch: Kariobangi branch
Account Name: Ruaraka NG-CDF
Account Number: 0320261619654
Address: 75104, Nairobi

2. NGCDF Ruaraka Constituency Deposit Account

Bank Name: Equity bank
Branch: Kariobangi branch
Account Name: Ruaraka NG-CDF
Account Number: 0320286271541
Address: 75104, Nairobi

3. NGCDF Ruaraka Constituency PMC Accounts

Bank Name: Equity bank
Branch: Kariobangi branch
Account Name: Ruaraka NG-CDF
Address: 75104, Nairobi

(g) Independent Auditor






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




(h) Principal Legal Adviser

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

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3. NGCDF Committee

Name	Details
<p>Stephen Ogolla Oduor – Chairperson</p> 	<p>Date of birth – 5th March 1983 Professional Qualification- Registered Property Manager Work Experience - 11 years</p>
<p>Leakey Onchari Nyaburi- Male youth representative</p> 	<p>Date of birth – 3rd December 1999 Professional Qualification- Work Experience - 5 years</p>
<p>Jim Africa Owino – Member- Male Adult representative</p> 	<p>Date of birth – 16th March 1981 Professional Qualification- Driver Work Experience - 12 years</p>
<p>Pauline Amondi Opiyo- Female Adult representative</p> 	<p>Date of birth – 1st January 1988 Professional Qualification- Teacher Work Experience - 10 years</p>
<p>Ann Achieng Opondo- Secretary</p> 	<p>Date of birth – 22 April 1974 Professional Qualification- Pharmacist Work Experience - 11 years</p>
<p>Brenda Atieno – Female Youth representative</p>	<p>Date of birth – 30th September 1991 Professional Qualification- Journalist Work Experience - 2 years.</p>

	
Kennedy Odhiambo Ayuka- Persons with Disability representative	Date of birth - 12 th August 1976 Professional Qualification- Certified Public Accountant Work Experience - 15 years
	
David Otieno Odungu – co-opted Member	Date of birth - 1 st January 1978 Professional Qualification- Business Development Officer Work Experience - 10 years
Aziz Masoud Juma - Fund Account Manager	Date of birth – 28 th May 1973 Professional Qualification- Project Management Work Experience - 15 years
	

Winnie Migoya – Served 2 years and exited at the end of her term.

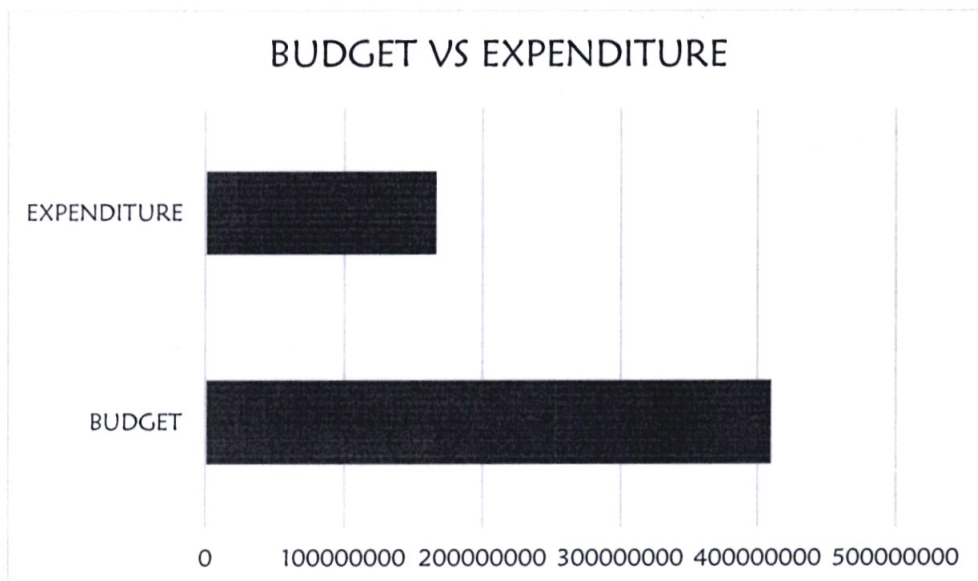
4. NG-CDFC Chairman's Report

Ruaraka Constituency is constituency number 281 out of the 290 elective constituencies in Kenya and one of the 17 Constituencies in Nairobi County. The Constituency borders Embakasi North Constituency to the East and south, Kasarani and Roysambu Constituencies to the North while Mathare Constituency to the west. It covers a total area of 7.2 square kilometers. Ruaraka constituency is divided into five wards namely: Lucky Summer, Mathare North, Korogocho, Baba Dogo and Utalii. The wards are further sub divided into four locations namely Ruaraka, Utalii, Korogocho and Lucky summer. Ruaraka Constituency falls under Kasarani Sub- County.

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

In the financial year 2024/25 the NG-CDF Ruaraka was allocated Ksh **179,441,954**. During the year we received Kshs. 246,762,317 out of which Ksh. **126,000,000** was for the current year and Kshs. 120,762,317 was from the previous financial year's balances. By the end of the financial year an amount of **Kshs. 53,441,954** was yet to be received from the Board. The fund was utilized as shown in the figure below.

The below figure shows the total funds available for use Kshs. **410,216,836** compared to the utilisation within the year Kshs. **166,782,022** representing 41%.



Emerging issues

1. Introduction of competency-based curriculum (CBC) led to need for more education support facilities such as classrooms, laboratories etc. with this the support of NGCDF fund is greatly required.
2. Security challenges, Ruaraka constituency is 90% slam based and therefore there is high risk of insecurities.
3. Rise of school fees especially in tertiary and university institutions and reduction in issuance of Helb loans to students has led to increase in demand for bursaries.

Key Achievements

The following are some of the key projects that have been undertaken

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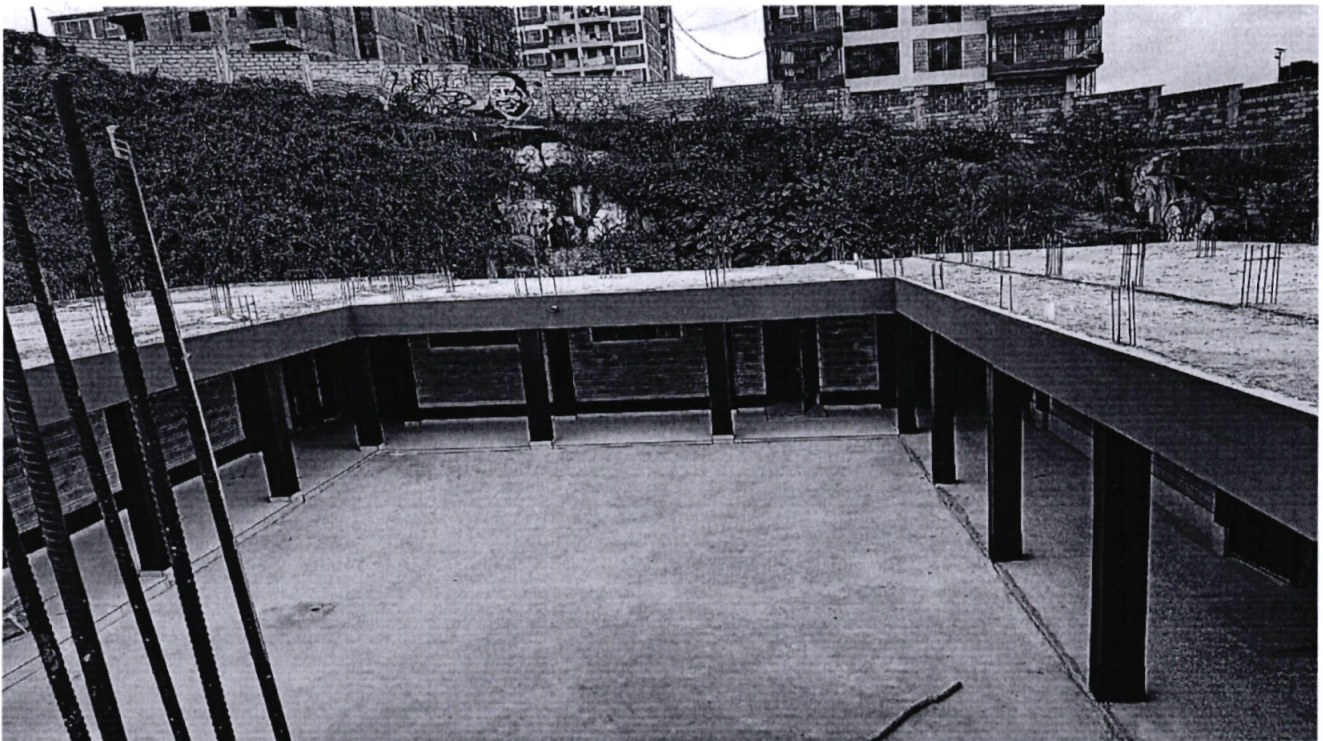
Construction of 7no. classrooms at Heide Marie Primary School.



Construction of 24no. classrooms at TJ Kajwang Mathare North Secondary School.



Construction of 4no. classrooms at GSU Secondary School.



Construction of 6no. classrooms at Lucky summer Primary School.

Implementation Challenges

The delay in implementing of the projects was due to the delayed disbursement for the project funds.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Otherwise, the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer in order to impact more lives in Kenya.

Solutions

1. More allocation of funds to enable Ruaraka NGCDF achieve various mandates such as construction of more classrooms to support CBC programs, construction of more police stations to Help curb the rise in insecurity and as well has increase its bursary allocations to support needy students.



.....

**Name: Stephen Ogola
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 Ruaraka Constituency 2022-2027* plan are to:

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25</i> Construction of 24 classrooms at TJ Kajwang Mathare North Sec Sch, construction of seven classrooms at Heide Marie Primary School, construction of 4 classrooms at GSU Sec Sch, Construction of 4 classrooms at Lucky summer primary school - Issued bursary to beneficiaries at all levels
Security	<i>Equip, facilitate and enhance capacity of</i>	<i>Develop and enhance provincial administration</i>	<i>Number of usable physical infrastructure built in locations, sub</i>	Construction to completion of perimeter wall at Utalii Police Station,

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	<i>provincial administration and other security organs in order to improve service delivery</i>	<i>and other security organs infrastructure to enhance service delivery</i>	<i>locations and police stations</i>	<i>purchase and supply of furniture at Utalii police station, Assistant county commissioner's office and Lucky summer chief's office</i>
<i>Climate change mitigation activities</i>	<i>Improve access to clean water and a more sustainable, conserved environment through natural resources conservation initiatives, tree planting</i>	<i>Equip schools with good energy saving Jikos, water tanks, Water points, trees, and Installation of metallic dustbins</i>	<i>Number of water tanks and metallic dustbins installed</i>	<i>Installation of water tanks, water points and metallic dustbins in several schools.</i>
<i>Emergency</i>	<i>Improve the mechanism used in handling disasters</i>	<i>Reduce loss of live and properties</i>	<i>Emergency cases only</i>	<i>There was no emergency occurrence during the year</i>

6. Governance Statement

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment shall be selected by members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

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The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed shall be a mandatory signatory to the Constituency account

In Ruaraka NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicised in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

Out of the total 14 applicants, the selection panel developed a shortlisting criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Ruaraka Constituency Office as per the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Jim Africa Owino	Male (Adult)	Mathare north ward
2.	Leakey Onchari	Male (Youth)	Mathare north ward
3.	Anne Achieng Opondo	Female (Adult)	Lucky summer
4.	Brenda Atieno Rawer	Female (Youth)	Utalii
5.	Pauline Amondi Opiyo	Female (adult)	Utalii
6.	Stephen Ogola Oduor	Male (adult)	Baba Dogo

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Kennedy Ayuka	Mathare north 4A people with special needs.	Physical	Lucky summer

Upon further consultation with the panel and the Constituency Office, members agreed to recommend for co-option by the NG-CDF Board.

S/N	Name	Gender	Ward
1.	David Otieno odungu	Male	Korogocho

The NGCDFC members were gazetted via gazette notice Vol. CXXV11-No. 98 dated 21st May 2025.

The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson -Mr. Stephen Ogola ID No. 23742686
2. Secretary -Mrs. Ann Opondo ID No. 12686247

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board.

The three subcommittee are as follows:

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- i. Bursary Sub Committee
- ii. Complaints Resolution Sub Committee
- iii. Monitoring and Evaluation Sub Committee

The following were appointed to the different committee

a. Bursary committee

- | | |
|-------------------------------------|-----------|
| 1. Stephen Ogola | Chairman |
| 2. Anne Opondo | Secretary |
| 3. David Otieno Odungu | Member |
| 4. Brenda Rawer | Member |
| 5. James Yagan | Member |
| 6. Aziz Juma (Fund Account Manager) | Member |
| 7. Pauline Amondi Opiyo | Member |
| 8. Jim Africa Owino | Member |
| 9. Leakey Onchari Nyaburi | Member |
| 10. Kennedy Ayuka | Member |

b. Complaints Resolution Committee

- | | |
|------------------|-----------|
| 1. Kennedy Ayuka | Chairman |
| 2. Stephen Ogola | Member |
| 3. Anne Opondo | Secretary |
| 4. James Yagan | Member |

c. Monitoring and Evaluation Sub Committee

- | | |
|-------------------------------------|-----------|
| 1. David Otieno Odungu | Chairman |
| 2. Brenda Rawer | Secretary |
| 3. Kennedy Ayuka | Member |
| 4. Anne Opondo | Member |
| 5. James Yagan | Member |
| 6. Aziz Juma (Fund Account Manager) | Member |
| 7. Pauline Amondi Opiyo | Member |

8. Jim Africa Owino	Member
9. Leakey Onchari Nyaburi	Member
10. Stephen Ogola	Member

The chairperson and the secretary are members of all the committees, while all NGCDFC members are all members of bursary subcommittee and monitoring and evaluation subcommittee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations are;

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member.
- Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

NGCDF Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practises

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- (vi) causing disharmony within the committee;
- (vii) physical or mental infirmity.

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

In Ruaraka the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Ruaraka.

Number of Meetings Held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. In the financial year 2024/2025 Ruaraka Constituency Held a total of 8 meetings as per the table below.

NO.	NG-CDFC COMMITTEE MEMBERS	8 th July 2024	20 th August 2024	30 th Sept 2024	8 th Oct 2024	18 th Oct 2024	29 th Nov 2024	4 th Dec 2024	8 th Jan 2025	27 th may 2025	3 rd June 2025	26 th June 2025
1	Stephen Ogola - chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ann Opondo- Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Leakey Onchari - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	David Otieno- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Pauline Amondi - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Jim Africa Owino- Member	✓	x	x	✓	✓	✓	✓	✓	✓	✓	✓

7	Brenda atieno- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Kennedy Ayuka- Member	✓	✓	✓	✓	✓	✓	✓		x	✓	✓
9	Aziz Juma Masoud - FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	James yagan- ACC	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NGCDFC Ruaraka adhered to the above ethical issues.

Members Remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Ruaraka contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Ruaraka has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Management Discussion and Analysis

Kenya's progress has been greatly aided by the National Government Constituency Development Fund. Due to the fact that since its establishment, it has distributed billions of shillings to different members. This is a summary of Ruaraka NG-CDF's financial and operational results throughout the last five years.

Financial Year	Amount Allocated (Ksh.)	Amount Disbursed (Ksh.)
2024/2025	179,441,954	126,000,000
2023/2024	241,227,872	241,227,872
2022/2023	145,087,603	145,087,603
2021/2022	137,088,879	137,088,879
2020/2021	137,088,879	137,088,879

Operational Performance:

Ruaraka NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. **Education:** Funding schools, classrooms and bursaries
- b. **Security:** Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.
- c. **Infrastructure Development:** Supporting various infrastructural projects.
- d. **Climate Change Mitigation:** Improving the constituency's afforestation and conservation.

Key projects implemented or On-going.

1. TJ Kajwang Mathare North Secondary school

- Construction of 24 Classrooms
- Construction of laboratory and supply of laboratory equipment.
- Purchase and Delivery of Lockers and Chairs.

2. Lucky summer primary school

- Construction of 18 classrooms
- Supply of school furniture
- Construction of perimeter wall

3. Utalii police station

- Construction of Utalii police station
- Construction of retainer wall
- Supply of office furniture

4. Baba dogo secondary

- Construction of administration block
- Purchase and installation of 10,000 Litres tank

5. GSU secondary school

- Construction of 4no classrooms
- Purchase and installation of 10,000 Litres tank

6. Heide Marie primary school

- Construction of 7NO classrooms
- Supply of school furniture
- Purchase and installation of 10,000 Litres tank

Anticipated Project Impact

- Increased security in Ruaraka Constituency with the operationalization of the DCCs Office
- Decongestion of the existing infrastructures within the institution hence improvement in the learning environment.
- Increased intake of learners in the institutions as a result of the additional classrooms done.

Compliance with statutory requirements

Ruaraka NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Ruaraka NG-CDF has been able to fulfill its responsibilities, such as paying taxes like Pay as you Earn tax and VAT withholding tax, and the constituency is determined to continue operating legally going forward.

Major Risks facing the Fund

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
3. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

Fund's Review on Economy

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

Future Development of the Fund

With an increasing emphasis on digital literacy and sustainable development, NG-CDF in Kenya is anticipated to keep concentrating on important sectors including infrastructure, economic empowerment, and education.

Through projects like constituency innovation hubs at ward-level, the fund will broaden its scope in order to provide access to online opportunities and boost productivity through automation.

The tree-planting initiatives that NG-CDF participates in demonstrate the increased emphasis on environmental sustainability.

Initiatives like building police stations, offering scholarships through bursaries, and constructing school facilities show a dedication to community development, enhance security, aid in kids' education, and enhance public service.

In order to help the government achieve its goals of universal health care, it also collaborates with the Social Health Authority to offer health insurance to households that are at risk.



.....
Name: Aziz M. Juma
Fund Account Manager

8. Environmental and Sustainability Reporting

As outlined in its service charter, Ruaraka NG-CDF is dedicated to reducing the effects of climate change and protecting the environment.

In response to sustainable environmental protection, the constituency, through the NG-CDFC, provided adequate funding for various environmental related projects in the majority of public institutions.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** The Ruaraka Constituency's strategy to assist talented and underprivileged students from each ward is firmly rooted in its emphasis on human capital for constituency development. The goal is to empower the constituents so that, in the future, the secondary school beneficiaries will have transferred to tertiary institutions, and the tertiary level beneficiaries will have entered the workforce as employers or employees, both of which will have a positive impact on the constituency's economic growth. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** One of the main pillars of NG-CDF is security, which is prioritized in order to create a secure constituency and a better working environment for the security providers in the region. The plan aims to improve community involvement in security initiatives by adopting a long-term collaborative working approach. By improving the working conditions for law enforcement organizations and working in trust with the community on security issues, this aims to eventually eradicate crime and vices.
- c. **Climate change mitigation:** The Constituency is aware that every action it does affects the environment. The NG-CDF has set aside a portion of its budget for climate change mitigation initiatives such afforestation, reforestation, grassroots sensitization, and tree seedling production in recognition of the Sustainable Development Goals.

2. Environmental performance

Environmental issues are related to reducing the effects of climate change, which has been proposed as a government priority. This goal is being met through the NGCDF Fund thanks to the recent amendment of the NG-CDF Act 2015, which increased the amount allotted to climate change mitigation efforts from 2% to 5%. throughout its 2024–2025 budget, Ruaraka NG-CDF set aside money to install tanks throughout the constituency to promote water conservation and enhance hygiene.

3. Employee welfare

We make investments to give our workers the greatest possible working conditions. Recruitment for the Ruaraka constituency is governed by the Employment Act, the NG-CDF Act, and other laws that are periodically enacted. The Constituency respects the one-third gender rule and special groups while providing equal opportunity to everyone in accordance with the law and regulations. Additionally, we honor and value our staff members for their exceptional work. Performance evaluation serves as the foundation for the system of rewards and penalties.

Workers are supported and encouraged to continuously improve their knowledge and abilities. The Ruaraka constituency funds employee capacity-building initiatives. These include ongoing education on cross-cutting concerns and technical competency courses tailored to each employee.

The committee has a safety policy that complies with the Occupational Safety and Health Act of 2007 (OSHA) and has made sure that everyone, including those with disabilities, may move around and access the office. In addition, the Constituency has installed disaster-reduction tools, such as fire extinguishers and easily accessible escape routes.

4. Marketplace practices-

The Ruaraka Constituency is dedicated to moral and just business operations.

All participants are given equal opportunity through a transparent and competitive bidding process used to procure products and services. To help them financially, we assist neighborhood vendors who are chosen from the constituency. Value for money on all purchased goods and services is guaranteed by our ethical market practices. Additionally, we are dedicated to maintaining positive relationships with our suppliers, which are strengthened by arranging forums for awareness-raising on ethical and legal issues related to procurement. We are committed to upholding all agreements and making timely payments.

NG-CDF 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-

Through corporate social responsibility (CSR) and, when needed, enlisting local suppliers and contractors, Ruaraka Constituency has worked to maintain community involvement. Through community projects, we have also kept the community involved.

Public Participation in Project Identification, Implementation, and Monitoring

After reviewing project proposals from each ward, Ruaraka Constituency determined which would benefit the constituents the most, taking into account both the constituency's strategic development plan and national development goals and policies. In compliance with the Act, the NG CDF Board received the defined list of priority projects, both short-term and long-term.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

In order to determine which students were in need of the bursary, the NG-CDFC worked with community leaders to involve the community during the program.

Public Awareness

This covers procedures for conducting community-based needs assessments, public awareness campaigns, and community meetings, as well as for collaborating and participating with local, regional, and national authorities.

In all of the wards within the constituency, Ruaraka Constituency has consistently engaged the public in the process of identifying projects and gathering proposals.



.....
Name: Aziz M. Juma
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-Ruaraka 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 which have been prepared on the Transitional IPSAS Financial Statements , using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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-Ruaraka 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- RuarakaConstituency 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 Ruaraka Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

Approval of the financial statements

The NGCDF- Ruaraka Constituency financial statements were approved and signed by the Accounting Officer on 9/12/ 2025.



.....
Name: Stephen Ogola
Chairman – NGCDF Committee



.....
Name: Aziz Juma
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RUARAKA 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 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 aim to address the Auditor-General's statutory roles and responsibilities 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 - Ruaraka Constituency set out on pages 1 to 43, 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 effects of the matter 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 - Ruaraka Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

Inaccuracies in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.189,992,860 which as disclosed in Note 13 to the financial statements includes Project Management Committee (PMC) balances of Kshs.31,413,053 which further include amounts totalling Kshs.459,637 whose projects were complete and the amounts not deposited back to Ruaraka NG-CDF as at 30 June 2025 as shown below;

PMC	Bank Balance
	(Kshs)
Daniel Comboni Primary School PMC	80,957
Baba Dogo Primary School PMC	33,816
Drive In Primary School PMC	2,004
Ngunyumu Primary School PMC	21,409
Chandaria Primary School PMC	22,525
Mathare North Police Station PMC	6,093
Baba Dogo Sec School PMC	54,462
Mathare North Primary School PMC	59,179
Ruaraka Police Station PMC	69,174
GSU Headquarters PMC	3,500
Lucky Summer Police Station	25,495
Lucky Summer Chiefs Office PMC	6,633
Lucky Summer Ass Chiefs Office PMC	2,788
Ruaraka High School PMC	13,445
Utalii Police Post PMC	28,017
Korogocho Police Station PMC	7,800
GSU Sec School PMC	20,340
Mathare North ACC'S office PMC	2,000
Total	459,637

No explanation was provided for failure to refund the funds.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.189,992,860 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 - Starehe Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totaling Kshs.410,216,836 and Kshs.356,774,882 respectively resulting to an under funding of Kshs.53,441,954 or 13% of the budget. Similarly, the statement reflects actual expenditure of Kshs.166,782,022 against actual receipts of Kshs.356,774,882 resulting to an under expenditure of Kshs.189,992,860 or 53% of the actual receipts.

The under-funding and under-utilization 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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources, respectively. Review of the status during audit of National Government Constituencies Development Fund - Ruaraka Constituency in 2024/2025 revealed that the following matters remained unresolved:

	Financial Year	Audit Issue
1.	2023/2024	Unsupported PMC Bank Balances
2.	2023/2024	Inaccuracies in Cash and Cash Equivalents
3.	2023/2024	Budgetary Control and Performance
4.	2023/2024	Unresolved Prior Audit Matters
5.	2023/2024	Non-Compliance with Set Criteria in Awarding Bursaries
6.	2023/2024	Renovation of Six Classrooms at Mathare North Primary School
7.	2023/2024	Non-Compliance with Reporting Requirements for Emergency Expenditure

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiii which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Managements 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 - Ruaraka Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. I have nothing to report in this regard.

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. Failure to Deduct Public Procurement Capacity Building Levy

The statement of financial performance and Note 11 to the financial statements reflects an amount of Kshs.135,711,736 for other Government units' actual expenditure. Review

of sampled payment vouchers provided for audit revealed that the Fund made payments amounting to Kshs.88,132,521 to various suppliers under public procurement contracts. However, these payments were not subjected to the mandatory Public Procurement Capacity Building Levy as required by PPRA Circular No. Ref: PPRA/6/5/VOL.II (224) dated 30 August 2024 amounting to Kshs.22,793.

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

2. Non-Adherence to Ethnicity Rule and Inclusivity of Persons with Disability

The statement of financial performance and Note 8 to the financial statement reflects employee costs totalling Kshs.5,786,685. Review of employee records for the Fund revealed that the dominant ethnic community employed by the Fund constitutes 80% or eight (8) out of the total population of ten (10) staff. This was above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community. Further, the audit noted that the NG-CDF did not employ any person with disabilities against the provisions of the Persons with Disability Act, 2025 which requires inclusion and integration of persons with disability in the public service and by ensuring that at least five per centum (5%) of the employment positions are filled by persons with disability.

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

3. Lack of User-Friendly Facilities for Persons with Disabilities (PWDs)

The statement of financial performance and Note 11 to the financial statements reflects an amount of Kshs.135,711,736 for other Government units' expenditure. Field verification carried out on 4 November, 2025 revealed that M.M Chandaria Primary School, with a project on construction of an ablution block did not meet the specifications for use by Persons with Disabilities (PWDs). The ablution block lacked grab bars for support in case of mobility issues and was not spacious to accommodate those in wheelchairs. Further, the Ruaraka NG-CDF offices are not easily accessible to PWDs, lacking the ramps or escalators for convenience by Persons with Disabilities to access the services provided by the Fund. This poses the risk of inaccessibility of services to PWDs.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Disaster Recovery Plan

Review of the Fund's ICT environment revealed that there was no IT disaster recovery plan in place that would reduce impact on operations in case of outage or if disruption to ICT systems occurs. Further, the Fund may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems.

In the circumstances, the security and reliability of the Fund's management of information system and data could not be confirmed and Fund is ill-prepared to handle any would be disaster and risks losing critical data.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, 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.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


11 December, 2025

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

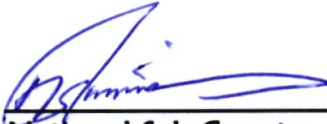
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June 2025
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Miscellaneous income	7	45,000
Total revenue		179,486,954
Expenses		
Employee costs	8	5,786,685
Committee expenses	9	3,315,000
Use of Goods and Services	10	9,055,250
Other Government Units Actual expenditure	11	135,711,736
Other Grants and Transfers Actual expenditure	12	16,000,931
Total expenses		169,869,602
Surplus/(Deficit) for the year		9,617,352


The Constituency financial statements were approved by the NGCDFC on 9/12/2025 2025 and signed by:



Chairman NG-CDF
Committee
Name: Stephen Ogola



National Sub-County
Accountant
Name: Antony Ngunjiri
ICPAK M/No: 15171




Fund Account Manager
Name: Aziz Juma

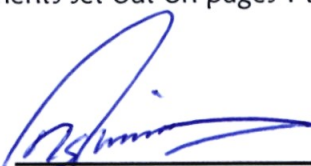
*National Government Constituencies Development Fund (NGCDF)
Ruaraka Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*


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

		30th June 2025 Khs	Opening Statement of July 2024 Khs
Assets			
Current Assets			
Cash And Cash Equivalents	13	189,992,860	109,967,565
Receivables from Non-Exchange Transactions	14	53,441,954	120,762,317
Total Current Assets		243,434,814	230,729,882
Total Assets (A)		243,434,814	230,729,882
Liabilities			
Current Liabilities			
Trade and Other Payables	15	303,651	-
Third-Party Deposits	16	2,831,083	651,654
Gratuity provision	17	604,500	-
Total Current Liabilities		3,739,234	651,654
Total Liabilities (B)		3,739,234	651,654
Net Assets (A-B)		239,695,580	230,078,228
Represented by:			
Revaluation Reserves		239,695,580	230,078,228
Accumulated Surplus			
Total Net Assets		239,695,580	230,078,228

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 9/12/ 2025 and signed by:


Chairman NG-CDF
Committee
Name: Stephen Ogola


National Sub-County
Accountant
Name: Antony Ngunjiri
ICPAK M/No: 15171


Fund Account Manager
Name: Aziz Juma

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

Description	Kshs.		
Fund Balance as at 30th June 2024	95,439,569		95,439,569
Adjustments			
Recognition of Assets	135,290,313		135,290,313
Recognition of Liabilities	(651,654)		(651,654)
As at July 1, 2024	230,078,228		230,078,228
Surplus/(Deficit) For the Period		9,617,352	9,617,352
As at June 30, 2025	230,078,228	9,617,352	239,695,580

Note:

1. Recognition of Assets relate to prior year adjustments of Kshs.135,290,313. They include of PMC banks accounts Kshs.14,527,997 and Kshs.120,762,317 receivables from non-exchange transactions.
2. Recognition of liabilities relates to prior-year adjustments amounting to Kshs.651,654 in respect of third-party deposits accounted for under the cash basis.

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

	Notes	Period as at June 2025 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		246,762,317
Miscellaneous income		45,000
Total Receipts		246,807,317
Payments		
Employee costs		4,878,534
Committee expenses		3,315,000
Use of Goods and Services		9,055,250
Other Government Units Certified Works		133,681,917
Other Grants and Transfers		15,851,321
Total Payments		166,782,022
Net Cash Flows from/ (used in) Operating Activities	18	80,025,295
Cash flows From Investing Activities		-
Cash Flows from Financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		80,025,295
Cash and cash equivalents at 1 July	13	109,967,565
Cash and cash equivalents at 30 June	13	189,992,860

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

	Original Budget Kshs	Adjustments Kshs		Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs	% of Utilization
	a	b	c	C=(a+b)	d	e=(c-d)	
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	179,441,954	109,967,565	120,762,317	410,171,836	356,729,882	53,441,954	87%
Miscellaneous income	-	45,000	-	45,000	45,000	-	100%
Totals	179,441,954	110,012,565	120,762,317	410,216,836	356,774,882	53,441,954	87%
Expenses							
Employee costs	3,306,440	4,838,152	-	8,144,592	4,878,534	3,266,058	60%
Committee expenses	3,042,000	1,840,418	-	4,882,418	3,315,000	1,567,418	68%
Use of Goods and Services	9,801,364	4,848,546	-	14,649,910	9,055,250	5,594,660	62%
Other Government Units Certified Works	76,550,000	47,221,543	118,762,317	242,533,860	133,681,917	108,851,943	55%

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	Original Budget KShs a	Adjustments KShs b		Final Budget KShs C=(a+b)	Actual on comparable basis KShs d	Budget utilization difference KShs e=(c-d)	% of Utilization f=d/c*100
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Other Grants and Transfers	60,083,891	50,924,906	2,000,000	113,008,797	15,851,321	97,157,476	14%
Funds Pending Approval**	26,658,259	339,000	-	26,997,259	-	26,997,259	100%
Total Expenditure	179,441,954	110,012,565	120,762,317	410,216,836	166,782,022	243,434,814	41%
Surplus for the period				-	189,992,860		

***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.

- (a) The Unapproved projects represent the projects that are conditionally approved by the Board and the AIE raised from sale of Tender that is not yet approved by the Board.
- (b) Employee costs were underutilized due to planned promotions and recruitments that were not affected during the year under review.
- (c) Committee expenses were not fully utilized due to cost-cutting measures implemented during the year.
- (d) Use of Goods and Services, Other Government Units Certified Works and Other Grants and Transfers were underutilized due to delays in the release of funds.

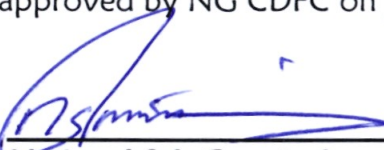
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	243,434,814
Less undisbursed funds receivable from the Board as at 30 th June 2025	53,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	189,992,860

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 9/12/ 2025 and signed by:



Fund Account Manager

Name: Aziz Juma



National Sub-County Accountant

**Name: Antony Ngunjiri
ICPAK M/No: 15171**



Chairman NG-CDF Committee

Name: Stephen Ogola

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,306,440	4,838,152		8,144,592	4,878,534	3,266,058
1.2 Committee allowances	1,692,000	1,050,745		2,742,745	1,859,000	883,745
1.3 Use of goods and services	5,768,077	2,045,348		7,813,425	4,512,450	3,300,975
Sub-total	10,766,517	7,934,245	-	18,700,762	11,249,984	7,450,778
2.0 Monitoring and evaluation						
2.1 Capacity building	2,900,000	1,593,439		4,493,439	2,693,800	1,799,639
2.2 Committee allowances	1,350,000	789,673		2,139,673	1,456,000	683,673
2.3 Use of goods and services	1,133,287	1,209,759		2,343,046	1,849,000	494,046
Sub-total	5,383,287	3,592,871	-	8,976,158	5,998,800	2,977,358
3.0 Emergency						
3.1 Unutilized	9,444,313	1,569,269		11,013,582		11,013,582
Sub-total	9,444,313	1,569,269	-	11,013,582	-	11,013,582
4.0 Bursary and Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	36,000,000	10,204,317		46,204,317	509,400	45,694,917

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.3 Tertiary Institutions	8,860,488	20,681,261		29,541,749	952,000	28,589,749
4.4 Universities				-		-
4.5 Social Security				-		-
Sub-total	44,860,488	30,885,578	-	75,746,066	1,461,400	74,284,666
5.0 Climate Change Mitigation						
5.1 Climate Mitigation change: Sensitization			425,000	425,000		425,000
5.2 Hede Marie Primary School	315,000		157,500	472,500		472,500
5.3 Drive inn Primary School	315,000		157,500	472,500		472,500
5.4 Chandaria Primary School	315,000		157,500	472,500		472,500
5.5 Daniel Comboni Primary School	315,000		157,500	472,500		472,500
5.6 Ngunyumu Primary School	315,000		157,500	472,500		472,500
5.8 Mathare North Primary School	315,000		157,500	472,500		472,500
5.9 Baba Dogo primary School	315,000		157,500	472,500		472,500
5.10 TJ Kajwang Mathare North Sec Sch	315,000		157,500	472,500		472,500

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Programme/AIS programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.11Baba Dogo Sec Sch	315,000		157,500	472,500		472,500
5.12 Ruaraka High School	315,000	720,589	157,500	1,193,089		1,193,089
5.13 Lucky Summer Primary School	315,000			315,000		315,000
5.14 GSU Secondary School	315,000			315,000		315,000
5.15 Ruaraka Police Station	315,000			315,000		315,000
5.16 Lucky Summer Police Station	315,000			315,000		315,000
5.17 Utalii Police	315,000					
Sub-total	4,725,000	720,589	2,000,000	7,1575.89	-	7,1575.89
6.0 Sports						
6.1 Sports activities		2,931,976		2,931,976	-	2,931,976
Sub-total	-	2,931,976	-	2,931,976	-	2,931,976
7.0 Primary Schools Projects (List all the Projects)						
Daniel Comboni Primary School PMC		4,620,605		4,620,605	4,539,648	80,957
Baba Dogo Primary School PMC	10,850,000	625,366		11,475,366	591,550	10,883,816

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Drive In Primary School PMC		4,608,117		4,608,117	4,407,761	200,356
Ngunyumu Primary School PMC	10,000,000	817,527		10,817,527	796,118	10,021,409
MM Chandaria Primary School PMC		4,613,975		4,613,975	4,391,755	222,220
Lucky Summer primary school Pmc	32,200,000	17,174,057	17,823,529	67,197,586	25,886,110	41,311,476
HEIDE MARIE PRY SCH PMC		-	17,442,533	17,442,533	16,817,750	624,783
Mathare North Primary School PMC		4,818,910		4,818,910	598,000	4,220,910
Sub-total	53,050,000	37,278,557	35,266,062	125,594,619	58,028,692	67,565,927
8.0 Secondary Schools Projects (List all the Projects)						
Ruaraka High School PMC	5,500,000	113,094		5,613,094	99,649	5,513,445
Baba Dogo Sec School PMC	6,500,000	3,983,487		10,483,487	3,889,025	6,594,462
TJ MATHARE NORTH SEC PMC	11,500,000	5,846,405	73,496,255	90,842,660	62,184,024	28,658,636
GSU SEC SCHOOL PMC		-	10,000,000	10,000,000	9,480,527	519,473
Sub-total	23,500,000	9,942,986	83,496,255	116,939,241	75,653,225	41,286,016
9.0 Security Projects						
Mathare North Police Station PMC		6,093		6,093	-	6,093
Ruaraka Police Station PMC		69,173		69,173	-	69,173
GSU Headquarters PMC		3,500		3,500	-	3,500

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Programme/sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Lucky Summer Police Station		25,495		25,495	-	25,495
Lucky Summer Chiefs Office PMC		328,513		328,513	321,879	6,634
Lucky Summer Ass Chiefs Office PMC		2,788		2,788	-	2,788
Utalii Police Post PMC		4,033,100		4,033,100	4,005,083	28,017
KOROGOCHO POLICE STATION PMC		3,000,000		3,000,000	2,842,590	157,410
MATHARE NORTH ACCS PMC		300,000		300,000	298,000	
Sub-total	-	7,768,662	-	7,768,662	7,467,552	110,895
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office		15,312		15,312		15,312
10.3 Purchase of furniture and equipment		30,618		30,618		30,618
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total	-	45,930	-	45,930	-	45,930
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>						
Sub total						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.0 Others						
12.1 Strategic Plan		2,902	-	2,902		2,902
12.2 Construction of CDF office perimeter wall & Landscaping	1,054,090	7,000,000	-	8,054,090	6,922,369	1,131,721
Sub total	1,054,090	7,002,902	-	8,056,992	6,922,369	1,134,623
13.0 Funds pending approval**						
13.1 Unapproved projects	26,658,259			26,658,259		26,658,259
13.2 AIA		339,000		339,000		339,000
13.3						
Sub-total	26,658,259	339,000	-	26,997,259	-	26,997,259
Total	179,441,954	110,012,565	120,762,317	410,216,836	166,782,022	243,244,599

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Ruaraka Constituency principal activity is the implementation of NG CDF funded projects.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Ruaraka 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 Ruaraka has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to 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 made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Miscellaneous income

Description	Period ended June 2025
	Kshs
Income from sale of tenders	45,000
Total	45,000

8. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	3,195,345
Gratuity to contractual employees	2,293,380
Employer Contributions Compulsory national social security schemes	194,640
Employer Contributions Compulsory Housing levy	97,320
Employer contributions to National Industrial Training Authority	6,000
Total	5,786,685

9. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	1,859,000
Other Committee expenses	1,456,000
Total	3,315,000

10. Use of Goods and services

<i>Period ended June</i>	
<i>2025</i>	
<i>Kshs</i>	
Utilities, supplies and services	65,000
Communication, supplies and services	62,000
Training expenses	2,693,800
Hospitality supplies and services	295,000
Office and general supplies and services	3,989,300
Bank charges	1,150
Routine maintenance – other assets	100,000
Other operating expenses	1,849,000
Total	9,055,250

11. Other Government Units Actual expenditure

<i>Period ended June</i>	
<i>2025</i>	
<i>Kshs</i>	
Primary Schools Actual expenditure	59,559,378
Secondary Schools Actual expenditure	76,152,358
Total	135,711,736

12. Other Grants and transfers Actual expenditure

<i>Period ended June 2025</i>	
<i>Kshs</i>	
Bursary – secondary schools	509,400
Bursary – tertiary institutions	952,000
Security projects Actual expenditure	7,617,162
Others specify	6,922,369
Total	16,000,931

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13. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended	Opening
	June 2025	Statement 1 July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Ruaraka NGCDF</i>	157,975,307	95,439,569
<i>Ruaraka NGCDF Deposit account</i>	604,500	-
<i>Name of Bank, account No. (PMC accounts)</i>	31,413,053	14,527,996
Total	189,992,860	109,967,565

14. Receivables from Non-Exchange Transactions

Description	Period ended	Opening Statement		
	June 2025	1 July 2024		
	Kshs	Kshs		
Transfers from NGCDFB	53,441,954	120,762,317.00		
Outstanding imprest	-	-		
Total	53,441,954	120,762,317		
Ageing Analysis- Receivables from non-exchange transactions	Period ended	% of the	Opening	% of the
	June 2025	total	Balance	total
Less than 1 year	53,441,954	100%	120,762,317	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	53,441,954		120,762,317	

15. Trade and Other Payables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs	Kshs	Kshs	Kshs
Trade payables	-	-	-	-
Employee payables	303,651	-	-	-
Other payables	-	-	-	-
Total trade and other payables	303,651	-	-	-
Aging analysis: (Trade and other payables)	<i>Period ended June 2025</i>	% of the Total	1st July 2024	% of the Total
Under one year	303,651	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	303,651		-	

16. Third-Party deposits

	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs	Kshs	Kshs	Kshs
Retention as at start of the period (A)	651,654	-	-	-
Retention held during the period (B)	3,914,782	-	651,654.00	-
Retention paid during the period (C)	1,735,353	-	-	-
Closing Retention, D= A+B-C	2,831,083	-	651,654	-

16 (b) Retention's aging analysis.

	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	2,831,083	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	2,831,083		-	

17. Gratuity Provision

Description	Period ended June 30, 2025 Kshs	Opening Statement 1st July 2024 Kshs
Gratuity at the beginning of the period (A)	-	-
Gratuity held during the period (B)	604,500	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	604,500	-

18. Cash Generated from Operations

	Kshs
Surplus for the period before tax	9,617,352
Adjusted for:	
Working capital adjustments	
Decrease in receivables	67,320,363
Increase in Third party deposits	2,179,429
Increase in Trade and other Payable	303,651
Increase in gratuity provision	604,500
Net cash flow from operating activities	80,025,295

19. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	53,441,954	53,441,954	-	-
Bank balances	189,992,860	189,992,860	-	-
Total	243,434,814	243,434,814	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	120,762,317	120,762,317	-	-
Bank balances	109,967,565	109,967,565	-	-
Total	230,729,882	230,729,882	-	-

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 entity. 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	Up to 12 months	Over 12 months	Total
	KSh	KSh	KSh
As at 30th June (Current FY)			
Trade payables	-	-	-
Current poportion of borrowings	-	-	-
Provisions	-	-	-
Deferred income	-	-	-
Gratuity Provision	-	-	604,500.00
Total	-	-	604,500.00
As at 30th June (Previous FY)			
Trade payables	-	-	-
Current portion of borrowings	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has 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

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market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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

iv) Capital Risk Management

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	239,695,580	230,078,228
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	239,695,580	230,078,228
Total Borrowings	-	-
Less: Cash and Bank Balances	(189,992,860)	(109,967,565)
Net Debt/(Excess Cash And Cash Equivalents)	49,702,720	120,110,663
Gearing	21%	52%

20. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,315,000	3,721,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	246,762,317	174,553,158



21. Events after the Reporting Period

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

22. Ultimate And Holding Entity

The Ruaraka-NG CDF 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.

23. 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	20,984,688			20,984,688
Transport equipment	6,000,000			6,000,000
Office equipment, furniture, and fittings	1,540,749			1,540,749
ICT Equipment and Other ICT Assets	-			-
Other Machinery and Equipment	2,197,000			2,197,000
Intangible assets	-			-
Total	30,722,437			30,722,437

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

	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Daniel Comboni Primary School PMC	Equity	0320279838374	80,957	20,605
Baba Dogo Primary School PMC	Equity	0320279434917	883,816	25,366
Drive In Primary School PMC	Equity	0320279836663	200,356	8,117
Ngunyumu Primary School PMC	Equity	0320279836559	37,809	217,527
Chandaria Primary School PMC	Equity	0320280646616	222,220	13,975
Mathare North Police Station PMC	Equity	0320280961962	6,093	6,093
Baba Dogo Sec School PMC	Equity	0320280479825	54,462	321,278
Mathare North Primary School PMC	Equity	0320279438245	4,220,910	218,910
Ruaraka Police Station PMC	Equity	0320280001159	69,174	69,173
GSU Headquarters PMC	Equity	0320282341518	3,500	3,500
Lucky Summer Police Station	Equity	0320282347807	25,495	25,495
Lucky Summer Chiefs Office Pmc	Equity	0320281759579	6,633	28,513
Lucky Summer Ass Chiefs Office Pmc	Equity	0320281759623	2,788	2,788
Ruaraka High School PMC	Equity	0320284756705	13,445	113,094
TJ Mathare North Secondary Sch PMC	Equity	0320282829981	17,158,636	1,146,405
Utalii Police Post PMC	Equity	0320284756739	28,017	1,533,100
Lucky Summer Primary School PMC	Equity	0320284329160	7,111,476	10,774,057
Korogocho Police Station PMC	Equity	0320285618829	157,410	

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Heide Marie Primary school PMC	Equity	0320285970478	624,783	
GSU sec school PMC	Equity	0320285978005	519,473	
Mathare North ACC'S office PMC	Equity	0320286350924	2,000	
Total			31,413,053	14,527,996

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AOG/NRO/NGCDF/RUARAKA/2023/2024 (11)	<p>Budgetary control and performance – The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 365,749,235 and Kshs 244,986,918 respectively resulting to underfunding of Kshs 120,762,317(33%) of the budget. Similarly, the statement reflects actual expenditure of Kshs 149,547,349 against actual receipts of Kshs 244,986,918 resulting to under expenditure of Kshs 95,439,569 (39%) of the actual receipts</p>	<p>It is true the statement of appropriation revealed a final expenditure budget of Kshs. 365,749,235 against actual expenditure of Kshs.149,547,349 resulting in budget under-utilization of Kshs.95,439,569. This is due to late disbursement of funds from NGCDF board and long procurement procedures. Ruaraka NGCDF received its funds towards the end of the financial year.</p>	Not resolved	30 th June 2026
	<p>Unsupported PMC bank balances- The pmc bank balance reflects a total balance of kshs 14,527, 996 as at 30th June,2024. However, it was noted that the cashbook and the reconciliation statements were</p>	<p>It is true that PMC bank balance in reflects Kshs.14,527,996 as at 30 June, 2024. Bank confirmation certificate and bank statement for all the PMC accounts are available</p>	Not resolved	30 th June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	not provided for audit. The circularization of the bank confirmation statement was also not provided for audit as requested	as the supporting documents explaining the balance.		
	Inaccuracy in cash and cash equivalents- stale cheques- The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs 95,439,569. However, review of bank reconciliation statements revealed payments in cashbook not in the bank statement, out of which a total of kshs 4,159,400 were stale cheques that had been outstanding for more than six months as at the time of audit in November 2024	The said cheques were written towards the end of financial year i.e. may and June 2024 and they remained unrepresented at the end of financial year but they were later presented at the bank and therefore at the time of audit in November 2024 the said cheques were not stale. Bank statements for the period of July to November clearly shows the presented cheques.	Not resolved	30 th June 2026



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Name: AZIZ JUMA
Fund Account Manager.