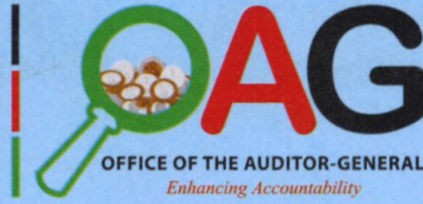


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KESSES
CONSTITUENCY**

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 17 FEB 2026

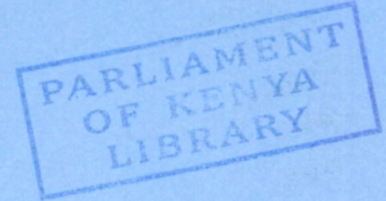
**DAY:
TUESDAY**

**TABLED
BY:**

**DEPUTY
MAJORITY LEADER**

**CLERK-AT
THE-TABLE:**

FINLAY



Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KESSES CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

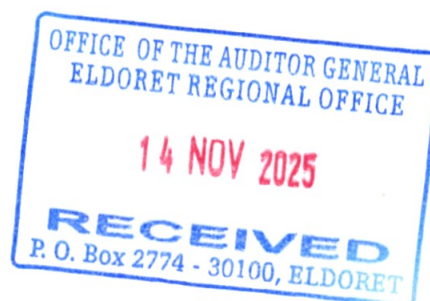


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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- 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 Kesses Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Gloria Keitany
2.	National Sub-County Accountant	Ronald Ambwaya Owele
3.	Chairman NGCDFC	Douglas Rono
4.	Member NGCDFC	Douglas Rono
5.	Member NG CDFC	Terryann Jebet Rono

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kesses 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.

(a) NGCDF Kesses Constituency Headquarters

P.O. Box 6742-30100
NGCDF Building
CHEPTIRET MOI UNIVERSITY ROAD
ELDORET CITY, KENYA.

(d) NGCDF Kesses Constituency Contacts

Telephone: (254) 0777674200/0202674200
E-mail: cdfkesses@ngcdf.go.ke
Website: www.ngcdf.go.ke

(a) NGCDF Kesses Constituency Bankers

1. Family Bank. (Operations Account).
085000114824
Eldoret Branch
P.O. Box 629 30100 Eldoret
2. Family Bank. (Deposit account).
085000114823
Eldoret Branch
P.O. Box 629 30100 Eldoret
3. Cooperative bank of Kenya (PMC Accounts)
Eldoret branch
P.O Box 2948-30100
Eldoret Kenya.
4. National bank of Kenya (PMC Accounts)
Moi university branch
p. o box 29
Eldoret Kenya.
5. Equity bank of Kenya (PMC Accounts)
Eldoret branch
p. o box
Eldoret Kenya.
6. Sidian Bank. (PMC Accounts)
Eldoret Branch
P.O. Box 25363-00100
7. Family Bank. (PMC Accounts)
Eldoret Branch
P.O. Box 629 30100 Eldoret
- 8.

(List all the banks where the PMC has accounts)

(b) Independent Auditor


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

(c) Principal Legal Adviser



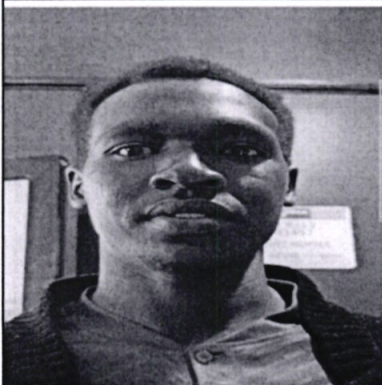

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

(provide details for all the NG CDFC members in the format below)

Name	Details
 Douglas Rono	DOB: 24/12/1991 Qualification: Secondary Level-Farmer
 Terryann Jebet	DOB: 17/09/2003 Qualification: Perioperative theatre technology
 Joyce J Cherop	DOB: 01/01/1976 Qualification: O level
 Hillary Bore	DOB: 01/01/1985 Qualification: O level

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

	DOB: 01/12/1982 Qualification: Form four level
	DOB: 08/02/1964 Qualification: O level
	DOB: 08/07/2001 Qualification: BSc Clinical medicine degree
	DOB: 17/06/1973 Qualification: Form four level

 <p>Lilian J. Lagat</p>	<p>DOB: 01/01/1977 Qualification: bachelors degree</p>
 <p>Gloria Keitany</p>	<p>DOB: 6/01/1989 Qualification: masters in strategic management</p>

NG - CDFC members who exited upon expiry of their term;

1. Dennis kipkemei served up to May 2025
2. Priscah jepkemboi losuru served up to May 2025
3. Judith jepchumba served up to May 2025
4. Sammy rutto served up to May 2025
5. Rosemary jepchumba tanui served up to May 2025
6. Nicholas cheruiyot sitienei served up to May 2025
7. Leah wamaitha kariuki served up to May 2025
8. Noah ngetich served up to May 2025

4. NG-CDFC Chairman's Report



Mr. Douglas Rono

NG CDFC Chairperson, Kesses NG CDF

On behalf of NG-CDF Kesses Constituency Committee, I'm profoundly glad in presenting the FY 2024/2025 annual report and financial statements for the fund.

The NG-CDF Kesses Constituency Committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of the NG-CDF Kesses Constituency and ensure that all the approved projects meet the requirements of Sec24 of the NGCDF Act 2015, capacity building of the Project Management Committees (PMCs), monitoring and evaluation of the funded projects. As per the provision of the NGCDF Act 2015 (as amended in 2022), this was achieved mainly through timely disbursement of received funds to the PMCs, projects monitoring and regular NG-CDF meetings.

Budget Performance

In the financial year 2024/2025 NG-CDF Kesses budget performance against actual amounts for current year based on economic classification and programs, was not very impressive due to delay in disbursement of funds to the constituency by the NG-CDF Board,

In the financial year ended June 30th, 2025, NG-CDF Kesses had a cumulative approved budget of Kshs 170,469,857 and Eighty-Four Percent (84%) of the budget was disbursed to the constituency by the NG-CDF Board within the financial year.

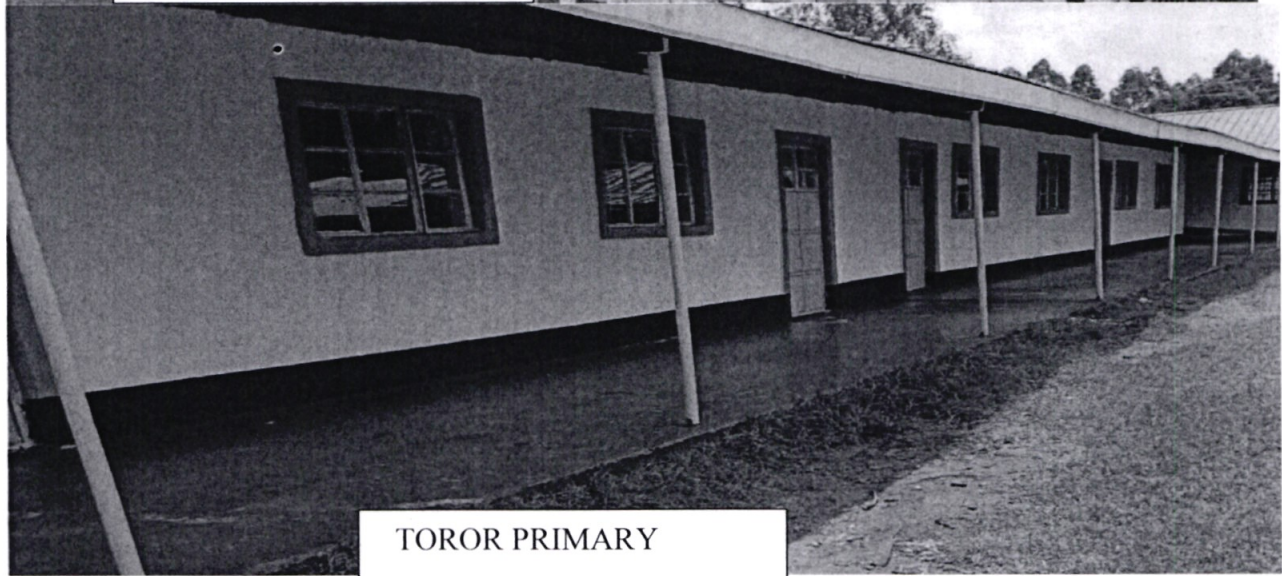
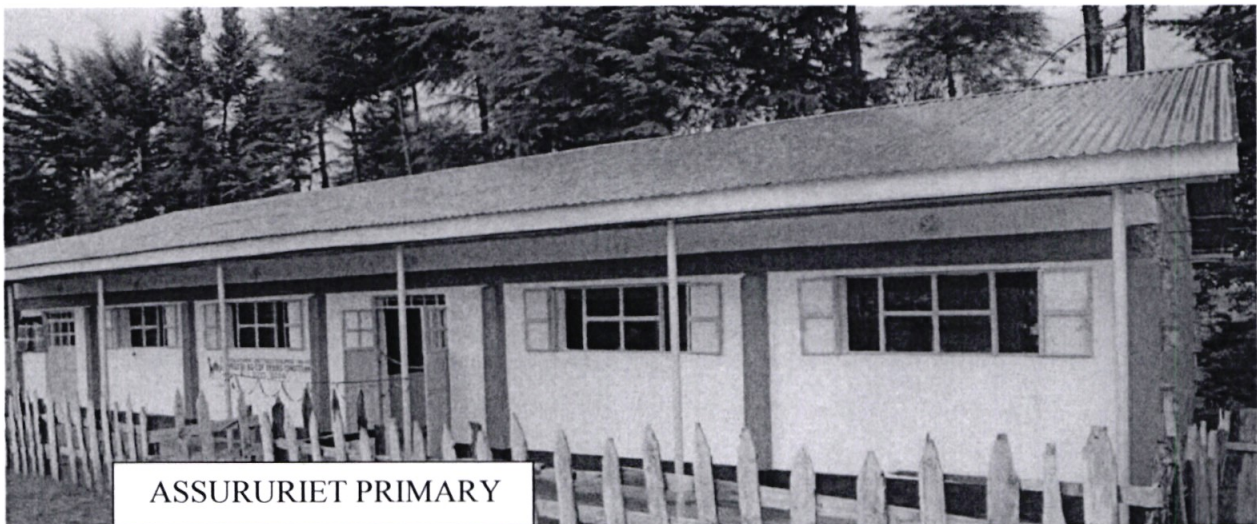
Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of change in the education sector i.e. JSS

Key Achievements

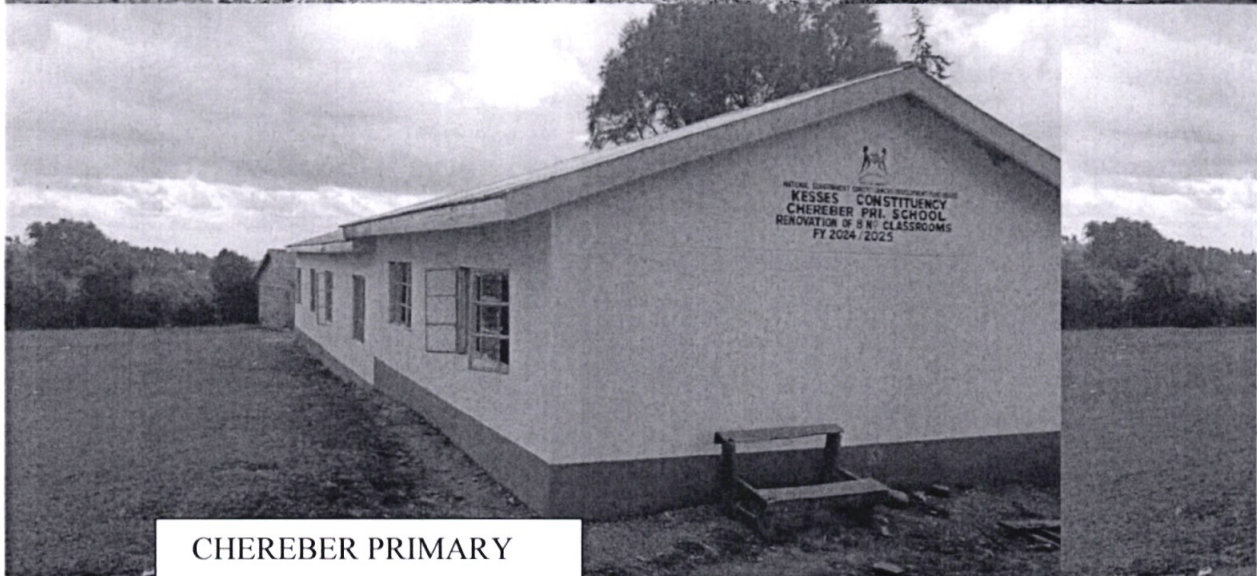
Kesses NG-CDF successfully completed construction of Classrooms, Toilet blocks in various primary School to ensure environment, and gave bursary to needy students. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress. Below are some of the projects implemented within the financial year.

Some of the projects we have been able to achieve are demonstrated below.





CHESEGEM PRIMARY



CHEREBER PRIMARY

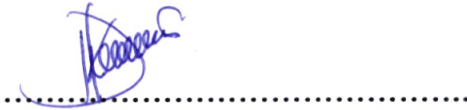
Implementation challenges

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.

3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.

Way forward

- The NG-CDF Board should consider revising or increasing the allocation to projects. The Board to increase the allocation to the bursary fund kitty.
- *List the implementation challenges and recommended way forward. (Ensure you include what the entity is doing to overcome the challenges noted).*



Name: Douglas Rono
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024-2025

Introduction

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

The key development objectives of the *NGCDF KESSES Constituency 2024-2025* plan are to:

- Improve access to education
- Improve infrastructure in learning institutions
- Improve academic performance in KCPE and KCSE
- Enhance and sustain security in the constituency
- Promote sustainable environment management practices
- Nurture and promote youth sporting talent
- Promote sustainable youth empowerment programmes
- Increase access to ICT infrastructure

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>	In FY 2024/25 - we were able to construct 50 classrooms in primary schools and 10 in secondary schools Purchased 2 ha land expansion to 2 schools and bought Ksh 52 million was disbursed to various students as per the attached schedules of students in secondary schools, in tertiary schools, and students in special schools.

<p>In FY 2024/25 - we increased number of security projects from 3 to 4 in the following: Matharu chiefs office Tulwet chiefs office Racecourse chiefs office Timboroa chiefs office</p>	<p>4 Projects</p>	<p>To enhance security in Kesses constituency</p>	<p>To improve and enhance security in the whole constituency</p>	<p>Security</p>
<p>In FY 2024/25 - we funded one school to plant 3,000 seedlings in Moi university secondary school</p>	<p>3,000 Tree seeds</p>	<p>Protect, restore and conserve the environment</p>	<p>To improve and conserve the environment</p>	<p>Climate change mitigation activities</p>
<p>In FY 2024/25 - we funded five schools in the following institutions: -state lodge - Mogochoret primary school - Tumoge primary school - Sigilai primary school - Kapyemit primary school</p>	<p>5 institutions</p>	<p>To improve development in the constituency</p>	<p>To cater for unforeseen occurrences in the whole constituency</p>	<p>Emergency</p>

6. Governance Statement

Section 43 of the NG-CDF Act provides:

1. Each constituency shall have a Constituency Development Fund Committee.
2. The Committee includes:
 - One national government official coordinating functions
 - Two nominated men (one must be a youth)
 - Two nominated women (one must be a youth)
 - One person with a disability, nominated by a local disability group
 - Two nominated by the constituency office (under the Parliamentary Service Act)
 - One Board officer (ex officio, no voting rights)
 - One co-opted member nominated by the Board
3. The seven members in (b), (d), and (e) are selected based on qualifications set by the Board.

Appointment of NG-CDF Constituency Committee

1. NG-CDF Committee is established in every constituency.
2. Members include:
 - One national government official
 - Two nominated men (one must be a youth)
 - Two nominated women (one must be a youth)
 - One person with disability (nominated by a local group)
 - One Board officer (non-voting member)
 - One co-opted by the Board
3. Members listed in (b)–(e) are selected based on qualifications set by the Board.
4. Their names and relevant regulations are submitted to the National Assembly for approval.
5. The Committee must meet within 120 days of a new parliamentary term or by-election.
6. Quorum is half the members.
7. Term is 2 years, renewable, and ends when a new Committee is appointed.

NG-CDF Kesses Process Summary

In December 2024, the Fund Account Manager (FAM) informed previous NG-CDFC members that their two-year term had expired, as per Section 43(8) of the NG-CDF Act

and Regulation 5(2)(a), which require new committee formation after a parliamentary term begins. Following this, FAM Kesses Constituency advertised for new committee applicants and appointed a selection panel. The panel reviewed applications and listed qualified candidates. The constituency manager also nominated members. The FAM submitted nominees to the NG-CDF Board CEO, and the approved members were gazette on 21st May 2025 (VOL.CXXVII-No.98).

Removal of NG-CDFC Members

Members may be removed under Section 43(13) of the NG-CDF Act, 2015 for reasons including:

- Violating the Constitution or law
- Lack of integrity or competence
- Unethical conduct or damaging committee reputation
- Causing internal conflict

At least 5 members must vote for removal after a fair hearing. The vacancy is filled per Section 10, and meeting minutes must record the change.

In Kesses NG CDF:

- Public complaints trigger a special NG-CDFC meeting and If valid, the fund manager writes to the Board with minutes
- The nominee's name is submitted for gazettment and the member receives a termination letter

Roles of the committee;

The functions of a Constituency Committee shall be to; -

1. Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
2. Consider all project proposals from all wards in the Constituency and any other
3. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

4. Consult with relevant government departments to ensure that cost estimates for projects are realistic in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
5. Rank projects proposals in order of priority while ensuring that on-going projects take precedence

Number of meetings:

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

In Kesses Constituency, the NG-CDF Committee conducted eight (8) meetings.

National Government Constituencies Development Fund (NGCDF)
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Names Of Committee Members								
	16-07-24	26-07-24	13-12-24	19-05-25	26-02-25	17-06-25	20-06-25	24-06-25
Sammy Kiplagat Rutto	√	√	√	√	√			
Nicholas Cheruiyot Sitienei	√	√	√	√	√			
Jepchumba Rosemary Tanui	√	√	√	√	√			
Dennis Kipkemei	√	√	√	√	√			
Priscah Jepkemboi	√	√	√	√	√			
Noah Kipsang Mengich	√	√	√	√	√			
Leah Wamaitha Kariuki	√	√	√	√	√			
Judith Jepchumba	√	√	√	√	√			
Douglas Rono Chairperson						√	√	√
Terryann Chebet -Secretary						√	√	√
Nicholas too						√	√	√
Joseph yego						√	√	√
Kiprop kimoroso						√	√	√
Joyce J cherop						√	√	√
Elvina j. Cheres						√	√	√
Hillary Bore						√	√	√

Policy on conflict of interest;

The act specifies that any member with interest shall resign from the committee.

None of the NG-CDFC members declared conflict of interest within the course of the year.

Remuneration of members;

The NG-CDFC members are to meet at least 6 meetings and not more than 24 meetings in a financial year. Members are to be facilitated at a rate of Kshs. 5,000 and the chairperson Kshs. 7,000 per sitting.

Ethics and good conduct;

Regulation 6 requires that for one to serve as a member of the NG-CDF Committee, he or she must be:

- a) A citizen of Kenya.
- b) Ordinarily resident and a voter in the constituency:
- c) Able to read and write, and to communicate in English and Kiswahili.
- d) Meet the requirement of Chapter six of the Constitution of Kenya.

During the nomination of members, the FAM and selection panel made sure members met the requirements of chapter 6 of the constitution and were of good conduct.

Risk management;

It the responsibility of each committee member to be versed with the constituency risks and put in place measures to prevent and control them.

7. Management Discussion and Analysis

(Two-to- three pages)

(Under this section, the management gives a report on the operational and financial performance of the Fund for the past five (5) years, the Fund's key projects implemented or ongoing, the Fund's compliance with statutory requirements, major risks facing the Fund, material arrears in statutory and other financial obligations, review of the economy, review of the sector, future developments and any other information considered relevant to the users of the financial statements.)

The NG-CDF Kesses Constituency Committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of the NG-CDF Kesses Constituency and ensure that all the approved projects meet the requirements of Sec24 of the NGCDF Act 2015, capacity building of the Project Management Committees (PMCs), monitoring and evaluation of the funded projects. As per the provision of the NGCDF Act 2015 (as amended in 2022), this was achieved mainly through timely disbursement of received funds to the PMCs, projects monitoring and regular NG-CDF meetings.

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Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of change in the education sector i.e. JSS

Key Achievements

Kesses NG-CDF successfully completed construction of Classrooms, Toilet blocks in various primary School to ensure environment, and gave bursary to needy students. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress. Below are some of the projects implemented within the financial year.

Some of the projects we have been able to achieve are demonstrated below.

Implementation challenges

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.

Way forward

- The NG-CDF Board should consider revising or increasing the allocation to projects.

The Board to increase the allocation to the bursary fund kitty.



.....

Name Gloria Keitany
Fund Account Manager

8. Environmental and Sustainability Reporting

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion. The Constituency has partnered with institutions of learning to ensure sustainability of the program.

1. Sustainability strategy and profile -

To ensure sustainability of Kesses NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

2. Environmental performance

The Kesses NG-CDF intends to support students carry out environmental conservation activities e.g. planting trees once in an academic calendar

Ensure Sensitization of youth/ community on the impact of drugs after by construction of Chiefs Offices and police stations supported NG-CDF.

3. Employee welfare

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

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

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

4. Marketplace practices-

Kesses Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Kesses Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

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

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

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



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

The Accounting Officer in charge of the NGCDF- Kesses 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- Kesses Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kesses 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- Kesses Constituency financial statements were approved and signed by the Accounting Officer on 13th Nov 2025.



.....
Name: Douglas Rono
Chairman – NGCDF Committee



.....
Name: Gloria Keitany
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund – Kesses Constituency set out on pages

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

1 to 80, which comprise of the statement of financial position as at 30 June, 2025 and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.146,465,216 and the corresponding Note 19 to the financial statements disclosed a balance of Kshs.146,730,887 resulting to a variance of Kshs.265,671 which was not explained or reconciled. In addition, it was noted that the comparative opening balance for cash and cash equivalents was Kshs.60,333,106. However, the audited accounts for 2023/2024 financial year had a closing balance of Kshs.58,387,772 resulting to an unexplained variance of Kshs.1,945,334.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.146,465,216 could not be confirmed.

2. Unconfirmed Project Management Committee (PMC) Bank Accounts

Note 19 to the financial statements reflects Project Management Committee accounts balance of Kshs.77,461,649 in respect to seventy-three (73) bank accounts which had not been utilized at the end of the financial year. However, cashbooks, certificates of bank balance, bank reconciliation statements and board of survey reports supporting the bank balances were not provided for audit review.

Further, it was noted from the audited accounts of 2023/2024 financial year that the closing balance for PMC balance was Kshs.18,313,333 and the opening balances in 2024/2025 was reported as Kshs.30,738,198 resulting to an unexplained variance of Kshs.12,424,865.

In addition, annex 2 to the financial statements for the year under review does have totals for the PMC account balances.

In the circumstances, the presentation, accuracy and completeness of the respective PMC balances of Kshs.77,461,649 could not be confirmed.

3. Inaccuracies in Statement of Cash Flows

The statement of cash flows reflects transfer from the NGCDF Board of Kshs.181,252,124 and the statement of financial performance reflects transfers from the NGCDF Board of Kshs.170,469,857 resulting to an unexplained variance of Kshs.10,782,267. Further, net cash flows from operating activities in the statement of cash flows totalled to Kshs.55,698,911 which differs with cash generated from operations amount of Kshs.55,830,534 in Note 30 to the financial statements resulting to an unexplained variance of Kshs.140,623.

In the circumstances, the accuracy and completeness of the amounts for transfers from the NGCDF Board of Kshs.181,252,124 and net cash flows from operating activities of Kshs.55,698,911 in the statement of cash flows 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 - Kesses 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 for the year reflects final receipts budget and actual on a comparable basis amount of Kshs.322,593,286 and Kshs.272,323,428, respectively, resulting in an under-funding of Kshs.50,269,858 or 16% of the budget. Similarly, the Fund incurred recurrent expenditure of Kshs.125,858,213 against an actual receipts of Kshs.272,323,428 resulting to an under-expenditure of Kshs.146,465,215 or 54% of the actual receipts.

The underfunding and under absorption of the budget may have negatively affected implementation of the planned programmes and thus adversely affecting service delivery by the constituency.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the issues have remained outstanding. See **Appendix 1**

Other Information

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. 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. Long Outstanding Taxes from NGCDF Operations

Review of NG-CDF board letter dated 16 September, 2025 on feedback to the Decentralized Funds Accounts Committee of the National Assembly and Kenya Revenue Authority letter dated 17 June, 2025 on enforcement of outstanding taxes owed by National Government Constituency Development Funds revealed that Kesses NG-CDF had tax arrears totaling Kshs.17,430 made up of outstanding PAYE of Kshs.1,287; withholding VAT Kshs.4,641 and withholding income tax of Kshs.11,502 contrary to Section 92 of the Income Tax Act (Cap 470) which stipulates that tax charged in any

assessment shall be due and payable. Failure to remit these taxes can result in penalties, with unremitted taxes being recovered from the respective Constituency accounts.

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

2. Unutilized Funds

Review of the report on Budget Execution by Sectors and Projects for the year reflects total budget under-absorption of Kshs.197,040,073 which translates to 61% of the final budget of Kshs.322,593,286. However, there was no explanation or disclosure on why the funds were not utilized by the National Government Constituencies Development Fund - Kesses Constituency.

In the circumstances, value for money was not obtained on unutilized funds.

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

Failure to Carry out Staff Appraisals

The Fund had a total of ten (10) employees who were evaluated at the end of the financial year. Review of the Fund's appraisal system and process revealed that the Fund did not have in place individual employee work plans linked to the Fund's strategic plan to inform priority objectives from which individual performance targets will be derived at the beginning of the financial year. Further, the Fund Account Manager did not meet with staff under her direct supervision to discuss, agree on and set performance targets corresponding with performance indicators for each employee prior to the beginning of the financial year under review.

It was also noted that Management carried out performance evaluation of all the ten (10) employees. However, in the absence of the aforementioned workplan, performance targets and performance indicators, the basis on which the appraisal evaluations were performed was not clear.

In addition, the performance appraisal forms provided for audit review had sections for approvals by authorized office (Fund Account Manager), comments and proposed mitigation actions by appraisee, recommendation for rewards or sanctions by the Fund Committee including other interventions as necessary signed by Constituency Development Fund Committee as per the approved Staff Appraisal Performance Report Template/Guidelines for National Government Constituencies Development Fund revised in 2016. However, these sections were left blank by respective parties implying the failure to adequately document appraisal outcome.

In the circumstances, employee appraisal process at the Fund was faulty, unprocedural, irregular and ineffective defeating the purpose of conducting the employee appraisal evaluation exercise.

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

01 December, 2025

Appendix 1: Unresolved Prior Year Audit Matters

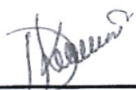
No.	Issue
	Report on the Financial Statements
1	Presentation, Accuracy and Disclosure of the Financial Statements
2	Unsupported Bursary Funds Disbursement
	Report on Lawfulness and Effectiveness in the Use of Public Resources
3	Construction of Kesses Police Station
4	Irregular Appointment of Contract Staff
5	Irregular Procurement of Strategic Plan

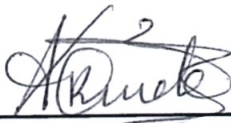
*National Government Constituencies Development Fund (NGCDF)
Kesses Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*


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

	Note	Period ended June
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	5,088,858
Committee expenses	11	1,691,000
Use of Goods and Services	12	6,361,115
Other Government Units Actual expenditure	13	44,444,947
Other Grants and Transfers Actual expenditure	14	69,588,174
Depreciation and amortization expense	15	91,500
Digital Hubs Actual expenditure	16	-
Total expenses		127,265,594
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		43,204,263

The Constituency financial statements were approved by the NGCDFC on 13th Nov 2025 and signed by:


Chairman NG-CDF
Committee
Name: Douglas Rono


National Sub-County
Accountant
Name: Ronald Ambwaya
Owele
ICPAK M/No:


Fund Account Manager
Name: Gloria Keitany

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

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


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


	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	146,465,215.54	91,071,304.31
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	50,269,857.48	61,052,124.00
Prepayments	22	131,623.25	-
Total Current Assets		196,866,696.27	152,123,428.31
Non-Current Assets			
Property, Plant and Equipment	23	213,500.00	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		213,500.00	-
Total Assets (A)		197,080,196.27	152,123,428.31
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	963,812.30	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,452,936.40	664,244.00
Total Current Liabilities		2,416,748.70	664,244.00

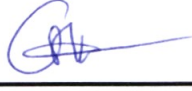
National Government Constituencies Development Fund (NGCDF)
Kesses Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,416,748.70	664,244.00
Net Assets (A-B)		194,663,447.57	151,459,184.31
Represented by:			
Revaluation Reserves		194,663,447.57	151,459,184.31
Accumulated Surplus			
Total Net Assets		194,663,447.57	151,459,184.31

The Constituency financial statements set out on pages 1 to 6 approved by NG CDFC on 13th Nov 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Douglas Rono


 National Sub-County
 Accountant
 Name: Ronald Ambwaya
 Owele
 ICPAK M/No:


 Fund Account Manager
 Name: Gloria Keitany

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	57,723,528	-	57,723,528
Adjustments: (to recognize assets and liabilities)			
Add Assets	93,735,656		93,735,656
Less Liabilities	-		-
As at July 1, 2024	151,459,184		151,459,184
Surplus/(Deficit) For the Period	43,204,263		43,204,263
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	194,663,448	-	194,663,448

Note:

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

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

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

	Notes	<i>Period ended June</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		181,252,124
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		181,252,124
Payments		
Employee costs		4,300,166
Committee expenses		1,691,000
Use of Goods and Services		6,492,738
Other Government Units Certified Works		43,481,135
Other Grants and Transfers		69,588,174
Digital Hubs Expenses		-
Total Payments		125,553,213
Net Cash Flows from/ (used in) Operating Activities	28	55,698,911
Cash flows From Investing Activities		
Purchase of PPE		305,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		305,000
Net increase/(decrease) in cash & Cash equivalents		55,393,911
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		55,393,911
Cash and cash equivalents at Period Start	17	91,071,304
Cash and cash equivalents at Period End	17	146,465,216

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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

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

	Original Budget			Final Budget	Actual on	Budget utilization	% of Utilization
					comparable basis	difference	
	Kshs	Adjustments		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>Insert current FY</i>	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Revenue							
Transfers From the NGCDF Board	170,469,857	91,071,304	61,052,124	322,593,286	272,323,428	50,269,857	84%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	91,071,304	61,052,124	322,593,286	272,323,428	50,269,857	84%

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

Expenses							
Employee costs	5,997,455	4,875,628	-	10,873,083	4,300,166	6,572,917	40%
Committee expenses	3,135,000	850,464	-	3,985,464	1,691,000	2,294,464	42%
Use of Goods and services	5,959,832	1,313,738	-	7,273,570	6,492,738	780,831	89%
Other Government Units Certified Works	56,035,474	48,578,062	42,052,124	146,665,660	43,481,135	103,184,525	30%
Other Grants and Transfers	73,412,097	33,648,412	11,200,000	118,260,509	69,588,174	48,672,335	59%
Digital Hubs expenses	-	-	-	-	-	-	
Acquisition of assets	-	305,000	-	305,000	305,000		100%
Funds Pending Approval**	25,930,000	1,500,000	7,800,000	35,230,000	-	35,230,000	
Total expenditure	170,469,857	91,071,304	61,052,124	322,593,286	125,858,213	196,735,073	39%
Surplus for the period	-	-	-	-	146,465,216	(146,465,216)	

***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.*

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

Explanatory Notes.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	196,735,073
Less undisbursed funds receivable from the Board as at period 30 th June, 2025	50,269,857
Cash and Cash Equivalents at the end of the 30 th June 2025	146,465,216

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 13th NOV 2025 and signed by:



Fund Account Manager

Name: Gloria Keitany



National Sub-County Accountant

Name: Ronald Ambwaya Owele
ICPAK M/No:



Chairman NG-CDF Committee

Name: Douglas Rono

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

Programme/Sub-programme	Original Budget			Final Budget	Actual on		
					comparable basis	Budget utilization	opening balances
		Adjustments				difference	
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous				
			Years'				
			Outstanding				
			Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,997,455	4,875,628		10,873,083	4,300,166	6,572,917	4,211,384.00
1.2 Committee allowances	1,278,000	766,464		2,044,464	753,000	1,291,464	766,464.00
1.3 Use of goods and services	2,702,736	410,901		3,113,637	2,481,733	631,904	715,901.00
Sub-total	9,978,191	6,052,993	-	16,031,184	7,534,899	8,496,285	5,693,749
2.0 Monitoring and evaluation				-		-	
2.1 Capacity building	1,057,096	902,837		1,959,933	2,121,700	(161,767)	902,837.00
2.2 Committee allowances	1,857,000	84,000		1,941,000	938,000	1,003,000	84,000.00
2.3 Use of goods and services	2,200,000			2,200,000	1,889,305	310,695	

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Sub-total	5,114,096	986,837	-	6,100,933	4,949,005	1,151,928	986,837
3.0 Emergency				-		-	
State Loge Primary	2,000,000			2,000,000		2,000,000	
State lodge Primary	1,500,000			1,500,000		1,500,000	
Chuiyat Primary School	1,200,000			1,200,000		1,200,000	
Mochogoret Primary	1,200,000			1,200,000		1,200,000	
Tumoge Primary	1,200,000			1,200,000		1,200,000	
Sigilai Primary	1,872,096.72	13,414,696		15,286,793		15,286,793	
unutilized				-		-	13,414,696.00
Sub-total	8,972,097	13,414,696	-	22,386,793	-	22,386,793	13,414,696
4.0 Bursary and Social Security				-		-	
4.1 Primary Schools				-		-	445,000.00
4.2 Secondary Schools	37,000,000	10,151,573		47,151,573	46,640,187	511,386	1,761,239.00
4.3 Tertiary Institutions	11,000,000	3,969,370		14,969,370	3,892,300	11,077,070	3,969,370.00
4.4 special needs	2,000,000			2,000,000	1,804,535	195,465	
4.5 Education Support Programmes				-		-	
4.6 Social Security	2,040,000			2,040,000		2,040,000	6,000,000.00

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Sub-total		52,040,000	14,120,943	-	66,160,943	52,337,022	13,823,921	12,175,609
5.0 Environment					-		-	
Kapraŋga Primary School	200,000.00				200,000		200,000	
Kipkorosyo Primary School	200,000.00				200,000		200,000	
Moi university secondary School			390,861		390,861		390,861	
Sub-total		400,000	390,861	-	790,861	-	790,861	-
6.0 Primary Schools Projects					-		-	
Aic keringet plateau pry			2,157		2,157	-	2,157	
Aic Ruman pry			48,710		48,710	-	48,710	
Chemenei pry			19,008		19,008	-	19,008	
Hill school primary school			197,623		197,623	-	197,623	
Kamuyu secondary school			1,981		1,981	-	1,981	
Kerita primary school			1,300,182		1,300,182	259,697	1,040,486	
Moi university pri			1,748		1,748	-	1,748	
Nabkoi boarding pry			1,941					

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				1,941	-	1,941	
Ngeny primary school		46,911		46,911	46,000	911	
Sambul primary school		5,815		5,815	-	5,815	
Seiyowest primary school		568,369		568,369	458,012	110,358	
Silaga primary school		663		663	-	663	
Timboroa primary school		6,962		6,962	3,942	3,020	
Toror pry		1,823,801		1,823,801	1,715,459	108,342	
Assururiet Primary School		1,207,294		1,207,294	1,173,841	33,452	
Bindura Primary School	2,100,000.00			2,100,000		2,100,000	
Bureti kapsoen pri sch		-		-	-	-	
Cengalo Primary School	1,750,000.00			1,750,000		1,750,000	
Chebii Primary School	750,000.00			750,000		750,000	
Chepkitiny Primary School	3,500,000.00	408,533		3,908,533	695,226	3,213,307	
Chepkoiya Primary		-	400,000	400,000		400,000	
Cheplosgei Primary		400,000	400,000	800,000		800,000	400,000.00
Cheptiret Primary school		-		-		-	

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Chesegem primary school		1,453,598	1,064,435	2,518,033	2,425,635	92,398	1,335,565.00
Chesegem Primary school		-		-	-	-	
Chesegem Primary School		-		-		-	
Chesunet Primary School	1,500,000.00			1,500,000		1,500,000	
Emkwen Koitebes Primary		1,500,000	1,500,000	3,000,000		3,000,000	1,500,000.00
Kabuson Primary		-	1,500,000	1,500,000		1,500,000	
Kapchorwa Primary School		98,263		98,263	-	98,263	
Kapkwenio Primary		900,000		900,000		900,000	900,000.00
Kapranga Primary School	3,500,000.00			3,500,000		3,500,000	
Ketiplong Primary		-	1,500,000	1,500,000		1,500,000	
Kipkorosyo Primary School	2,523,493.00			2,523,493		2,523,493	
Koiluget Primary		-		-		-	
Koitebes Primary School	1,050,000.00			1,050,000		1,050,000	
Lengut Primary School	1,800,000.00			1,800,000		1,800,000	
Lingway Primary School	1,802,001.44			1,802,001		1,802,001	

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Luita Block D		-		-		-	
Manager family bank - Mogochoret primary school		-		-	-	-	
Manager family bank Bindura primary school		-		-	-	-	
Manager family bank- cheptiret primary		906,309	2,400,000	3,306,309	1,280,826	2,025,483	
Manager family bank- Chereber primary		631,170		631,170	-	631,170	600,000.00
Manager family bank Kapranga pry		-		-	-	-	
Manager family bank- Ketiplong primary		1,500,705		1,500,705	1,350,025	150,680	1,500,000.00
Manager family bank- Lingway primary		851,816		851,816	-	851,816	800,000.00
Manager family bank Racecourse primary school		-		-	-	-	
Manager family bank- seiyo primary		934,487		934,487	49,783	884,704	800,000.00
Manager family bank- St Catherine kahuho		1,948,563		1,948,563	1,946,594	1,970	1,900,000.00
Manager family bank St Mathews Kipchamo central pri		-		-	-	-	

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Manager family bank - Tarakwa primary school		-		-	-	-	
Manager family bank- Timboroa primary		136,595		136,595	133,575	3,020	133,633.00
Manager family bank- Ack Murgor primary		3,019	6,000,000	6,003,019	284,900	5,718,119	
Manager family bank- Cheboror primary		2,403,190		2,403,190	2,285,552	117,638	2,400,000.00
Manager family bank- Chuiyat primary school		-		-	-	-	
Manager family bank- Kapyemit primary		1,004,386		1,004,386	32,050	972,336	1,000,000.00
Manager family bank- Koiluget primary		1,007,403	4,100,000	5,107,403	3,743,043	1,364,360	600,000.00
Manager family bank- Lemokwo primary		1,202,386	1,200,000	2,402,386	2,277,725	124,661	
Manager family bank- Lelmolok primary		1,001,187		1,001,187	952,501	48,686	1,000,000.00
Manager family bank- Luita block d primary		60	1,500,000	1,500,060	3,000,058	(1,499,998)	
Mogobich primary school	3,500,000.00			3,500,000		3,500,000	
Murgor primary school	3,500,000.00			3,500,000		3,500,000	
Ndungulu primary school	500,000.00			500,000		500,000	

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Ngeny primary school	1,228,000.00				1,228,000			1,228,000	
Oasis primary school		52			52	-		52	
Rongai primary		900,000			900,000	-		900,000	900,000.00
Ruman primary		-	1,500,000		1,500,000			1,500,000	
Saroiyot primary school	2,200,000.00				2,200,000			2,200,000	
Sosiani Primary school		1,850			1,850	-		1,850	
St mark teldet primary school		-			-	-		-	
St. Mathews Kipchamo central primary school	2,500,000.00				2,500,000			2,500,000	
Tarakwa primary school	4,550,000.00				4,550,000			4,550,000	
Timboroa primary		-	2,400,000		2,400,000			2,400,000	
Tuiyobei Gaa Primary School		28,856			28,856	-		28,856	
Tulwopngtuny pri Sch		-			-	-		-	
Tulwet primary school	2,500,000.00				2,500,000			2,500,000	
					-			-	
					-			-	
Sub-total	40,753,494	24,455,590	25,464,435	90,673,519	24,114,442	66,559,077	15,769,198		

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7.0 Secondary Schools Projects (List all the Projects)					-	.	-	
Racecourse Secondary School	15,000,000.00				15,000,000		15,000,000	
Tulwet Secondary School	281,979.48				281,979		281,979	
Kaptumo secondary school		1,200,626			1,200,626	1,198,150	2,476	1,200,000.00
RCEA Seiyo sec		3,973,222			3,973,222	2,343,012	1,630,209	
St.catherine high school		5,281,130	3,000,000		8,281,130	4,655,637	3,625,493	
St mark teldet sec		1,053,506			1,053,506	871,578	181,929	
St Michael's Tulwopngetuny secondary school		1,001,506			1,001,506	50,120	951,386	
0		-			-	-	-	
Manager family bank - Chepkoiyo sec school		-			-	-	-	
Manager family bank - Tumoge sec school		-	750,000		750,000	-	750,000	
Racecourse patrol base sec school		-			-	-	-	
Manager family bank - racecourse sec Sch		-			-	-	-	
St Catherines girls		-			-	-	-	

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secondary school							
0		-		-	-	-	
Koisagat sec		3,054		3,054	-	3,054	
Lingway Secondary school		350,066		350,066	298,250	51,816	
Kamuyu secondary School		1,981	3,537,689	3,539,670	-	3,539,670	
Aic Tulwet Secondary School		1,192,929		1,192,929	1,120,370	72,559	
All saints Chepkigen Secondary school		61,946		61,946	480	61,466	
Tumoge Secondary				-		-	
Moi University sec			300,000	300,000	-	300,000	
				-		-	
Chirchir Secondary Bus			9,000,000	9,000,000	-	9,000,000	
Manager family bank- cheptiret boys secondary		10,002,509		10,002,509	8,825,246	1,177,263	
Sub-total	15,281,979	24,122,472	16,587,689	55,992,141	19,362,843	36,629,298	1,200,000
8.0 Tertiary institutions Projects (List all the Projects)				-		-	
				-		-	

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				-		-	
Sub-total	-	-	-	-	-	-	
9.0 Security Projects				-		-	
Tulwet chiefs office		200,000		200,000	-	200,000	200,000.00
Matharu chiefs office		200,000		200,000	-	200,000	200,000.00
Racecourse chiefs office		200,000		200,000	-	200,000	200,000.00
Lainguse chief		3,732,305		3,732,305	1,950,002	1,782,304	
Kondoo police station		-		-	-	-	
Kipchamo chiefs office		-		-	-	-	
Kesses dcc office		-		-	-	-	
Kesses police station		-		-	-	-	
Kapkoi chiefs office				-	-	-	
Chuiyat chief		-		-	-	-	
Kapkoiga Chiefs Office			2,200,000	2,200,000	-	2,200,000	
				-		-	
				-		-	
		6,169		6,169		6,169	
Sub-total	-	4,338,474					

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			2,200,000	6,538,474	1,950,002	4,588,472	600,000
10.0 Acquisition of assets				-		-	
Motor Vehicles (including motorbikes)			-	-		-	
ICT		305,000		305,000	305,000	-	
Purchase of furniture and fittings				-		-	
Construction of CDF office				-		-	53,381.00
Sub-total	-	305,000	-	305,000	305,000	-	
11.0 Others				-		-	
Chuiyat Chief's Office Digital Hub	2,000,000.00	-	2,000,000	4,000,000		4,000,000	
Rural Electrification and Renewable Energy Corporation	10,000,000.00	-	5,000,000	15,000,000	15,000,000	-	
Tulwet chiefs office				-		-	
Cheptiret Digital Hub			2,000,000	2,000,000		2,000,000	
COC		1,380,000.00		1,380,000		1,380,000	1,380,000.00
Sports		3,439.00		3,439		3,439	3,439.00
				-		-	
Sub-total	12,000,000	1,383,439	9,000,000	22,383,439	15,000,000	7,383,439	1,383,439
Funds pending approval**							

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				-		-	
unapproved projects		-		-		-	
Asururiet Primary School	1,000,000.00			1,000,000		1,000,000	
Chagaiya Primary School	1,500,000.00			1,500,000		1,500,000	
Chepkoiya Primary School	10,000,000.00			10,000,000		10,000,000	
Cheptiret Boys Secondary School	13,430,000.00			13,430,000		13,430,000	5,000,000.00
Chirchir Secondary Bus			700,000	700,000		700,000	
Kaibei Primary School		1,500,000	1,500,000	3,000,000		3,000,000	1,500,000.00
Tuiyobei Gaa Primary			1,500,000	1,500,000		1,500,000	
Chepkoiyo Primary School			4,100,000	4,100,000		4,100,000	
AiA	-			-		-	
Sub-total	25,930,000	1,500,000	7,800,000	35,230,000	-	35,230,000	6,500,000
Total	170,469,857	91,071,304	61,052,124	322,593,286	125,553,213	197,040,073	57,723,528

(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 Kesses Constituency principal activity is to manage the utilization of the NG CDF funds at the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements. NG CDF Kesses has taken the phased approach towards full accrual reporting as detailed below:

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Item	Particulars	FY 1	FY 2	FY 3
RECOGNITION OF SOME ASSETS IN THE FINANCIAL STATEMENT	Cash & cash equivalent -PMC Balance			
	Receivable – Owings from the Board and others			
	Prepayment – insurance and others			
	PPE & Intangible asset acquired in FY 2023/24 to date			
LIABILITIES	Trade and Other payable e.g. staff Owings			
	Third party deposits e.g. retention			
	Gratuity Provision			
IDENTIFICATION ASSETS	Identification and valuation of all Assets acquired in years prior to 2023/2024.			
RECOGNITION OF OTHER ASSETS & LIABILITIES THAT HAD BEEN LEFT OUT	All Assets acquired in years prior to 2023/2024			
	Any other asset			
	Any other liabilities			

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. <i>Not adopted</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>Not adopted</i>
IPSAS 45:	<i>Applicable 1st January 2025</i>

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Property Plant 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>Not adopted</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>Not adopted</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>Not adopted</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>Not adopted</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>Not adopted</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> <ul 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>Not adopted</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 2025 for the period 1st July 2024 to 30th June 2024 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.

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

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 recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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	<i>Period ended June 2025</i>
NGCDFB Transfers (Allocation for the FY)	170,469,857
TOTAL	170,469,857

7. Transfers from domestic and foreign partners

Description	<i>Period ended June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Period ended June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

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

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,061,570
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	788,692
Employer Contributions Compulsory national social security schemes	210,892
Employer Contributions Compulsory Housing levy	22,254
Employer contributions to National Industrial Training Authority	5,450
Other Specify	-
Total	5,088,858

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	753,000
Other Committee expenses	938,000
Total	1,691,000

12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	113,991
Communication, supplies and services	745,000
Domestic travel and subsistence	962,150
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	2,121,700
Hospitality supplies and services	-
Insurance costs	19,454
Specialized materials and services	-
Office and general supplies and services	709,750
Fuel, oil & lubricants	400,000
Bank Charges	80,840
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	1,208,230
Total	6,361,115

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	24,500,293
Secondary Schools Actual Expenditure	19,944,655
Tertiary Institutions Actual Expenditure	-
Total	44,444,947

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14. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	46,640,187
Bursary – tertiary institutions	3,892,300
Bursary – special schools	1,804,535
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	1,950,002
Climate change mitigation projects	301,150
Emergency projects Actual Expenditure	-
Roads projects	-
Others specify	15,000,000
Total	69,588,174

15. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	91,500
Intangible Assets	-
Total	91,500

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Asset	-

18. Impairment Loss

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 20XX
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	67,816,302	60,333,106.00
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	1,452,936	
<i>Name of Bank, account No. (PMC's account)</i>	77,461,649	30,738,198.31
Total	146,730,887	91,071,304
Cash Balances		
Location 1	-	-
Location 2	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Transfers from NGCDFB	50,269,857	61,052,124.00
Outstanding imprest	-	-
Total	50,269,857	61,052,124

22. Prepayments

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	131,623	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	131,623	-

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate(specify)		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	305,000	-	-	305,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	305,000	-	-	305,000
Depreciation And Impairment									
Opening Depreciation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	91,500	-	-	91,500
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	91,500	-	-	91,500

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Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	213,500	-	-	213,500



Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	2,455,175	-
Retention paid during the period (C)	1,491,363	-
Closing Retention as at period xx, D= A+B-C	963,812	-

Retentions aging analysis.

	2024-2025	% of the total	1 st July 2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

Description	<i>Period ended June 2025</i>	<i>Opening Statement</i>
	Kshs	<i>1st July 2024</i>
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	664,244	-
Gratuity held during the period (B)	788,692	664,244.00
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at 30th June 2025 D=(A+B-C)	1,452,936.40	664,244.00

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	43,204,263
Adjusted for:	
Depreciation	91,500
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(10,782,267)
Changes in deferred income	-
Changes in Third party deposits	(963,812)
Changes in gratuity provision	(788,692)
Changes in payments received in advance	-
Net cash flow from operating activities	55,830,534

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management program 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:

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i) Credit risk

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

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing 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	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
As at 30 June (Previous FY)				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized 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 xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

iii) Market risk

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

a) Foreign currency risk

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

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Current FY

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	xxx	xxx	xxx	xxx
Non- Financial Assets				
Investment Property	xxx	xxx	xxx	xxx
Land And Buildings	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
As at 30 th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	xxx	xxx	xxx	xxx
Non- Financial Assets				

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Investment Property	xxx	xxx	xxx	xxx
Land And Buildings	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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	Insert Current FY	<i>Opening Statement 1st July 20xx</i>
	Kshs	Kshs
Revaluation Reserve	xxx	xxx
Retained Earnings	xxx	xxx
Capital Reserve	xxx	xxx
Total Funds	xxx	xxx
Total Borrowings	xxx	xxx
Less: Cash and Bank Balances	(xxx)	(xxx)
Net Debt/(Excess Cash And Cash Equivalents)	xxx	xxx
Gearing	xx%	xx%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	xxx	xxx
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	xxx	xxx
Total	xxx	xxx

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	<i>Opening Statement 1st</i> <i>July 2024</i>
	Kshs	Kshs
Authorised for	xxx	xxx
Authorised and Contracted for	xxx	xxx
Total	xxx	xxx

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

36. Events after the Reporting Period

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

37. Ultimate and Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2022-2023			2023-2024
Land	-	-	-	-
Buildings and structures	11,745,513	-	-	11,745,513
Transport equipment	10,599,857	-	-	10,599,857
Office equipment, furniture and fittings	2,723,033	-	-	2,723,033
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	25,068,403	-	-	25,068,403

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

-PMC	BANK	ACCOUNT NUMBER	BANK BALANCE JUNE, 30 TH 2025	BANK BALANCE COMPARATIVE FY
MANAGER FAMILY BANK- ST CATHERINE KAHUHO	CO-OPERATIVE-ELDORET	O1141673751500	1969.6	48,563.30
MANAGER FAMILY BANK-CHEBOROR PRIMARY	CO-OPERATIVE-ELDORET	O1141086036400	383,309.45	3,190.00
MANAGER FAMILY BANK-LELMOLOK PRIMARY	CO-OPERATIVE-ELDORET	O1141443729000	48686.3	1,187.00
RONGAI PRIMARY	CO-OPERATIVE-ELDORET	O1141674196600	900000	-
MANAGER FAMILY BANK-LUITA BLOCK D PRIMARY	FAMILY BANK	85000124610	2.5	60.00
MANAGER FAMILY BANK- KETIPLONG PRIMARY	CO-OPERATIVE-ELDORET	1139045905901	1650680	705.00
MANAGER FAMILY BANK-LELMOKWO PRIMARY	NATIONAL-ELDORET	1024124445100	124660.55	1,202,386.00
MANAGER FAMILY BANK-KOILUGET PRIMARY	EQUITY - ELDORET	300297864171	1364359.5	407,402.50
MANAGER FAMILY BANK-ACK MURGOR PRIMARY	CO-OPERATIVE-ELDORET	O1141810276100	10418119.25	3,019.25
MANAGER FAMILY BANK-KAPYEMIT PRIMARY	CO-OPERATIVE-ELDORET	O1139442970700	972335.7	4,385.70
MANAGER FAMILY BANK- TIMBOROA PRIMARY	NATIONAL - ELDORET	O1022028244400	3020.3	2,962.00
MANAGER FAMILY BANK- SEIYO PRIMARY	CO-OPERATIVE-ELDORET	O114140093300	880854	134,487.00

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MANAGER FAMILY BANK- CHEREBER PRIMARY	CO-OPERATIVE-ELDORET	O1139441123500	631170	31,170.00
MANAGER FAMILY BANK- LINGWAY PRIMARY	CO-OPERATIVE-ELDORET	O1141673452000	851815.7	51,815.70
MANAGER FAMILY BANK- CHEPTIRET PRIMARY	EQUITY - ELDORET	300264231133	2025483.25	906,309.00
MANAGER FAMILY BANK-CHUIYAT PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141672532200	1200000	
MANAGER FAMILY BANK - MOGOCHORE PRIMARY SCHOOL	SIDIAN BANK	1008030000383	300000	
MANAGER FAMILY BANK -TARAKWA PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141086570600	4000000	
AIC KERINGET PLATEAU PRY	CO-OPERATIVE-ELDORET	O1139441978900	2157	2,157.00
MANAGER FAMILY BANK BINDURA PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141672684700	1100000	
MANAGER FAMILY BANK RACECOURSE PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141443751100	2500000	
MANAGER FAMILY BANK ST MATHEWS KIPCHAMO CENTRAL PRI	NATIONAL - ELDORET	O1024028539500	2500000	
TULWAPNGETUNY PRI SCH	CO-OPERATIVE-ELDORET	O1141674044900	1500000	
LELMOKWO PRI SCH	NATIONAL-ELDORET	1024124445100	300000	
BURETI KAPSOEN PRI SCH	CO-OPERATIVE-ELDORET	O1141674054400	500000	
TUIYOBEL GAA PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1139442147000	378837.05	28,856.05
MANAGER FAMILY BANK KAPRANGA PRY	CO-OPERATIVE-ELDORET	O1141958617400	3500000	
AIC RUMAN PRY	CO-OPERATIVE-ELDORET	O1139443844500	48709.5	48,709.50

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ASSURURIET PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141440095702	33452.25	1,207,293.50
CHEMENEI PRY	CO-OPERATIVE-ELDORET	O1141443223500	19007.5	19,007.50
CHEPKITINY PRIMARY SCHOOL	EQUITY - ELDORET	300262689113	3213307.1	408,533.10
HILL SCHOOL PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141880305600	197623.35	197,623.35
KAMUYU SECONDARY SCHOOL	KCB BANK	300262689113	1980.5	1,980.50
KAPCHORWA PRIMARY SCHOOL	EQUITY - ELDORET	300263840894	98262.65	98,262.65
KERITA PRIMARY SCHOOL	NATIONAL -ELDORET	1024027998602	1040485.5	1,300,182.00
MOI UNIVERSITY PRI	NATIONAL - ELDORET	1022208277200	1748	1,748.00
NABKOI BOARDING PRY	CO-OPERATIVE-ELDORET	O1141442103400	1940.81	1,940.81
NGENY PRIMARY SCHOOL	CO-OPERATIVE -	O1141443589500	911	46,911.00
OASIS PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141673444100	51.5	51.50
SAMBUL PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1139441760601	5815	5,815.00
SEIYOWEST PRIMARY SCHOOL	CO-OPERATIVE - ELDORET	O1141958747500	110357.5	568,369.40
SILAGA PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141673872400	663	663.00
SOSIANI PRIMARY SCHOOL	CO-OPERATIVE-ELDORET	O1141673872400	1849.5	1,849.50
TIMBOROA PRIMARY SCHOOL	NATIONAL - ELDORET	O1022028244400	3020	6,962.00
TOROR PRY	CO-OPERATIVE-ELDORET	O1139442730100	108342	1,823,801.00
KAPTUMO SECONDARY SCHOOL	CO-OPERATIVE	1141673528700	2475.7	625.70
RCEA SEIYO SEC	CO-OPERATIVE	1141440093300	1630209.4	3,973,221.65
ST.CATHERINE HIGH SCHOOL	CO-OPERATIVE -	1224027776201	625493.12	5281129.62

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	ELDORET			
ST MARK TELDET SEC	EQUITY - ELDORET	300262296784	181928.5	1,053,506.00
ST MICHAEL'S TULWOPNGETUNY SECONDARY SCHOOL	NATIONAL - ELDORET	1025030750000	1951385.7	1,001,505.70
MANAGER FAMILY BANK - CHEPKOIYO SEC SCHOOL	KCB - ELDORET	1157528805	1600000	
MANAGER FAMILY BANK -TUMOGE SEC SCHOOL	NATIONAL - ELDORET	O1025062982302	750000	
RACECOURSE PATROL BASE SEC SCHOOL	CO-OPERATIVE	1141443751100	1784355	
MANAGER FAMILY BANK - RACECOURSE SEC SCH			8400000	
ST CATHERINES GIRLS SECONDARY SCHOOL	CO-OPERATIVE - ELDORET	1224027776201	3000000	
KOISAGAT SEC	CO-OPERATIVE- ELDORET	O1139443402800	3053.5	3,053.50
LINGWAY SECONDARY SCHOOL	CO-OPERATIVE- ELDORET	O1141673452000	51815.7	350,066.15
KAMUYU SECONDARY SCHOOL	CO-OPERATIVE- ELDORET	O1141672551900	1980.5	1,980.50
AIC TULWET SECONDARY SCHOOL	NATIONAL - ELDORET	O1021030761802	72559	1,192,929.00
ALL SAINTS CHEPKIGEN SECONDARY SCHOOL	CO-OPERATIVE- ELDORET	O1141672579400	61465.5	61,945.50
MANAGER FAMILY BANK- CHEPTIRET BOYS SECONDARY	SIDIAN BANK	1008030005983.00	1177263.02	5,002,509.02
MANAGER FAMILY BANK - STATE LODGE	CO-OPERATIVE- ELDORET	1101584528001	2000000	
MANAGER FAMILY BANK - MOGOCHORE PRIMARY SCHOOL	SIDIAN BANK	1008030000383	1200000	
MANAGER FAMILY BANK -TUMOGE PRIMARY SCHOOL	CO-OPERATIVE- ELDORET	O1141441868000	1200000	

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MANAGER FAMILY BANK -SIGILAI PRIMARY SCHOOL	CO-OPERATIVE- ELDORET	O1139046538001	1872096.72	
MANAGER FAMILY BANK -KAPYEMIT PRIMARY SCHOOL	CO-OPERATIVE- ELDORET	O1139442970700	1200000	
MANAGER FAMILY BANK STATE LODGE PRY	CO-OPERATIVE- ELDORET	1101584528001	1500000	
TULWET CHIEFS OFFICE	CO-OPERATIVE- ELDORET	1100242167001	200000	-
MATHARU CHIEFS OFFICE	CO-OPERATIVE- ELDORET	O1141674116200	400000	
RACECOURSE CHIEFS OFFICE	CO-OPERATIVE	1141443751100	2182303.5	3,732,305.00
KESSES DCC OFFICE	CO-OPERATIVE- ELDORET	O1141957273200	1000000	-
CHUIYAT CHIEF	CO-OPERATIVE- ELDORET	O1141673845400	6168.5	6,168.50
MOI UNIVERSITY SECONDARY SCHOOL	NATIONAL - ELDORET	1022208277200	389710.66	390,860.66

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)						
	<p>1. Presentation, accuracy and disclosure of the financial statements. A review of the annual reports and financial statements revealed various anomalies as detailed below. This is contrary to paragraph 27 of the IPSAS 1 which stipulates that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity.</p> <table border="1"> <thead> <tr> <th>NO</th> <th>COMPONENT</th> <th>FINDING</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Compensation of employees</td> <td>The NG-CDF basic salaries of kshs 3,272,341 as disclosed in note 4 to the financial statements was not in agreement with the ledgers/schedule which disclosed</td> </tr> </tbody> </table>	NO	COMPONENT	FINDING	1	Compensation of employees	The NG-CDF basic salaries of kshs 3,272,341 as disclosed in note 4 to the financial statements was not in agreement with the ledgers/schedule which disclosed	The error has been rectified in the financial year 2024/2025.	Not resolved	30 th June 2025
NO	COMPONENT	FINDING								
1	Compensation of employees	The NG-CDF basic salaries of kshs 3,272,341 as disclosed in note 4 to the financial statements was not in agreement with the ledgers/schedule which disclosed								

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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)
			balance of 3,018,322			
		2	Prior year adjustments The prior year adjustments of kshs 13,000 has not been disclosed in note 16 to the financial statements indicated.			
		3	Unrealized funds The opening balance of unutilized fund of kshs 38,879,336 as disclosed in note 19.3 to the financial statement is not in agreement with the previous year's certificate which reflects kshs 119,149,262 leading to a variance of kshs			

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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)
			80,269,926			
	4	PMC account balance	The nil opening balance of PMC account balances as disclosed in note 19.4 to the financial statements is not in agreement with the previous year's audit report which disclosed a balance of kshs 20,728,293			
	<p>In the circumstance the accuracy and completeness of the financial statements could not be confirmed.</p>					
	<p>2. Unsupported bursary funds disbursement. The statement of receipts and payments as disclosed in note 8 to the financial statements</p>					

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>reflect other grants and transfer balance of kshs 60,110,739 which includes a total of kshs 35,550,600 for bursary to secondary schools, tertiary schools and special schools. However, examination of payment vouchers provided revealed that payments of bursaries made to different schools totaling kshs 14,091,200 was not acknowledged by the institution that received the funds.</p> <p>In the circumstances the accuracy and completeness of bursary disbursement amounting to kshs 14,091,200 could be confirmed.</p>			
	<p>1. Presentation, accuracy and disclosure of the financial statements. A review of the annual reports and financial statements revealed various anomalies as detailed below. This is contrary to paragraph 27 of the IPSAS 1 which stipulates that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
	<table border="1"> <thead> <tr> <th data-bbox="568 483 636 520">NO</th> <th data-bbox="636 483 846 520">COMPONENT</th> <th data-bbox="846 483 1084 520">FINDING</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 520 636 954">1</td> <td data-bbox="636 520 846 954">Compensation of employees</td> <td data-bbox="846 520 1084 954">The NG-CDF basic salaries of kshs 3,272,341 as disclosed in note 4 to the financial statements was not in agreement with the ledgers/schedule which disclosed balance of 3,018,322</td> </tr> <tr> <td data-bbox="568 954 636 1241">2</td> <td data-bbox="636 954 846 1241">Prior year adjustments</td> <td data-bbox="846 954 1084 1241">The prior year adjustments of kshs 13,000 has not been disclosed in note 16 to the financial statements indicated.</td> </tr> <tr> <td data-bbox="568 1241 636 1455">3</td> <td data-bbox="636 1241 846 1455">Unrealized funds</td> <td data-bbox="846 1241 1084 1455">The opening balance of unutilized fund of kshs 38,879,336 as disclosed in note 19.3 to the</td> </tr> </tbody> </table>	NO	COMPONENT	FINDING	1	Compensation of employees	The NG-CDF basic salaries of kshs 3,272,341 as disclosed in note 4 to the financial statements was not in agreement with the ledgers/schedule which disclosed balance of 3,018,322	2	Prior year adjustments	The prior year adjustments of kshs 13,000 has not been disclosed in note 16 to the financial statements indicated.	3	Unrealized funds	The opening balance of unutilized fund of kshs 38,879,336 as disclosed in note 19.3 to the			
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			financial statement is not in agreement with the previous year's certificate which reflects kshs 119,149,262 leading to a variance of kshs 80,269,926			
		4	<p>PMC account balance</p> <p>The nil opening balance of PMC account balances as disclosed in note 19.4 to the financial statements is not in agreement with the previous year's audit report which disclosed a balance of kshs 20,728,293</p> <p>In the circumstance the accuracy and completeness of the financial statements could not be confirmed.</p>			

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	<p>2. Unsupported bursary funds disbursement. The statement of receipts and payments as disclosed in note 8 to the financial statements reflect other grants and transfer balance of kshs 60,110,739 which includes a total of kshs 35,550,600 for bursary to secondary schools, tertiary schools and special schools. However, examination of payment vouchers provided revealed that payments of bursaries made to different schools totaling kshs 14,091,200 was not acknowledged by the institution that received the funds.</p> <p>In the circumstances the accuracy and completeness of bursary disbursement amounting to kshs 14,091,200 could be confirmed.</p>	<p>Most of the bursaries have been acknowledged</p>	<p>Not resolved</p>	<p>30th June 2025</p>
	<p>3. Budget performance and control The statement of comparison budget and actual</p>	<p>The constituency has implemented most of the</p>	<p>Not resolved</p>	<p>30th June 2025</p>

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	<p>amounts reflects final receipt budget and actual on a comparable basis of kshs 299,608,723 and kshs 238,556,599 respectively resulting to an under-realization of kshs 61,052,124 or 20% of the budget. similarly, the authority spent kshs 180,846,071 against kshs 238,556,599 resulting into an under expenditure of kshs 57,710,528 or 24% of the budget. The under absorption affected the planned activities and impacted negatively on service delivery to the public.</p>	<p>projects</p>		
	<p>4. Construction of Kesses police station</p> <p>Verification of projects revealed that construction of Kesses police station initially awarded to a contractor on 15th June 2021 had stalled to date. Verification of project records indicated that the contract was terminated due to an irregular procurement process. However, kshs 3,512,176 had been paid for works done and the contract re-advertised and awarded to another contractor on 21 July 2023 at a contract sum of kshs 8,273,365. The new contractor was to remedy any defects however, the contractor was yet to move to the site and the NG-CDF management did not allocate any additional; funding to the project. It was also noted that's</p>	<p>The contract was paid for work done. The tender was re-advertised and the project will be implemented by the new contractor for completion.</p>	<p>Not resolved</p>	<p>30th June 2025</p>

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	<p>the PMC bank balance as at 30th June 2023 was kshs 5,417,449 but it was however, not clear how funds reduced to a nil balance in the current year. in the circumstances, there was no value for money on the expenditure of kshs 3,512,176 incurred on the project.</p>			
	<p>6.Irregular procurement of strategic plan</p> <p>The statement of receipts and payments and note 10 to the financial statements reflects a balance of kshs 8,500,000 for other payments which includes kshs 3,500,000 incurred on the strategic plan that was procured through restricted tendering. however, there was no evidence to show that there were only a few known suppliers for the service in the market as required by the public procurement and asset disposal act ,2015section 102 [1]. In addition, there was no evidence to show that the tender was posted on the funds website three days before inviting the bidders and the criteria for evaluation of the tenders was not clearly stated on the invitation for the bids. it was also noted that all the three [3] bidders did not deposit a bid bond but only two [2] of them were disqualified on those</p>	<p>The strategic plan was requested for quotation ,the winning bidder deposited a bid bond.</p>	<p>Not resolved</p>	<p>30th June 2025</p>

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	<p>grounds. In the circumstances the management was in breach of law.</p>			



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Name Gloria Keitany
Fund Account Manager.