


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY: OF	Hon. (Dr.) Robert Pukose on behalf of leaders of Majority
CLERK-AT-THE-TABLE:	hon.ale

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KITUI CENTRAL CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KITUI CENTRAL CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2025

Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- 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

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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 Kitui Central 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	Josephine Mutua
2.	National Sub-County Accountant	Titus Kimuyu
3.	Chairman NGCDFC	Justus Mumo
4.	Member NGCDFC	Elizabeth Muthui

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Kitui Central Constituency Headquarters

Opposite Kitui County Head quarters
Off Kwa Ngindu Road
Kitui Town- Kenya

(e) NGCDF Kitui Central Constituency Contacts

P.O. Box 732-90200
Telephone: (254) 734909303
E-mail: cdkkituicentral@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kitui Central Constituency Bankers

1. Bank A. (Operations Account). *National Bank of Kenya*
Branch-Kitui
P.O. Box 1-Kitui
2. Bank B. (Deposit account). *Sidian Bank Ltd.*
Branch-Kitui
P.O. Box 3-Kitui
3. Bank C. (PMC Accounts) *Sidian Bank Ltd(Various)*
Branch-Kitui
P.O. Box 3-Kitui
(List of all PMC Accounts attached in annex 2)

(g) Independent Auditor



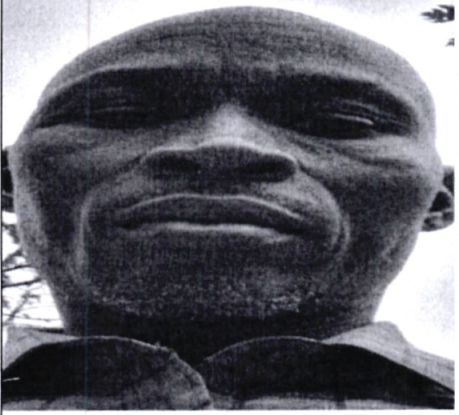
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser




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

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NGCDF COMMITTEE

Name	Details
<p>Chairman : Justus Mumo</p> 	<p>Date of Birth: 20-06-1964 Academic Qualification: A LEVEL Professional Qualification: N/A Work experience: Retired Banker at standard chart Bank NGCDFC Member-2022-2025</p>
 <p>Secretary: Elizabeth Muthui</p>	<p>Date of Birth: 12-04-1969 Academic Qualification: A LEVEL Professional Qualification: N/A Work experience: Business Lady NGCDFC Member-2017-2025</p>
 <p>Male Adult Representative: Alexander Muthami</p>	<p>Date of Birth: 03-04-1974 Academic Qualification: KCSE Certificate Professional Qualification: N/A Work experience: Business Man NGCDFC Member-2022-2025</p>

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	<p>Date of Birth: 19-06-1958</p> <p>Academic Qualification: Diploma in leadership and management,,Certificate in Animal Health</p> <p>Professional Qualification: N/A</p> <p>Work experience: Retired Agricultural officer with the ministry of Agriculture</p> <p>NGCDFC Member-2022-2025</p>
<p>Coopted member: Alex Mwangangi</p>	
	<p>Date of Birth: 19-6-1978</p> <p>Academic Qualification: Form 2</p> <p>NGCDFC Member-Since May 2025</p> <p>Work experience: Business Lady</p>
<p>Representative of Persons Living with Disability: Farouz Nur</p>	
	<p>Date of Birth: 10-10-1983</p> <p>Academic Qualification: certificate food technology</p> <p>Professional Qualification: KATC</p> <p>NGCDFC Member-Since May 2025</p> <p>Work experience: Business Lady</p>
<p>Female Adult Representative : Teresia Muvea</p>	

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 Male Youth Representative: Augustine Musyoka	Date of Birth: 08-04-1999 Academic Qualification: KCSE certificate Professional Qualification: N/A Work experience: Business Man NGCDFC Member-2022-2025
 Female Youth Representative: Gillian Mwikali	Date of Birth: 12-05-1990 Academic Qualification: KCSE certificate Professional Qualification: N/A NGCDFC member 2022-2025 Work experience: Business Lady
 Fund Account Manager Josephine Mutua	Date of Birth: 25-5-1980 Academic Qualification: Bcom (Finance option) and MBA (Finance option.) Professional Qualification: CPA (K) Work experience: Fund Account Manager (-2013- to date)

NG CDFC members who exited during the financial year

NAME	CATEGORY	PERIOD SERVED	EXIT YEAR
Benedict Musengele	Coopted Member	2022-2025	2024/2025
Susan Syokau	PWD Representative	2022-2025	2024/2025

3. NG-CDFC Chairman’s Report



JUSTUS MUMO-NGCDFC CHAIRMAN

The budget performance for the year was as excellent as last financial year whereby we received Kshs 190,798,943. We utilised almost 95% of the funds received during this year.

This financial year we received 75 % of the funding for the financial year and implemented 75% of our projects.

When you look at the statement of appropriation you will notice that the expenditure was more than 100% of the budget because of some funds which were received for financial year 2023-2024 but received during this year amounting to Kshs 46,798,943.

However, despite the challenge of slow disbursement of funds, we are proud to report that all the funds received were fully disbursed to the respective projects and the projects were implemented to completion. Under the leadership of Hon. Makali Mulu, Kitui central NGCDF has supported the establishment of many primary and secondary schools, supported construction of security projects, and many students have benefited from the bursary kitty. All these projects have been evenly distributed to all wards across the constituency.

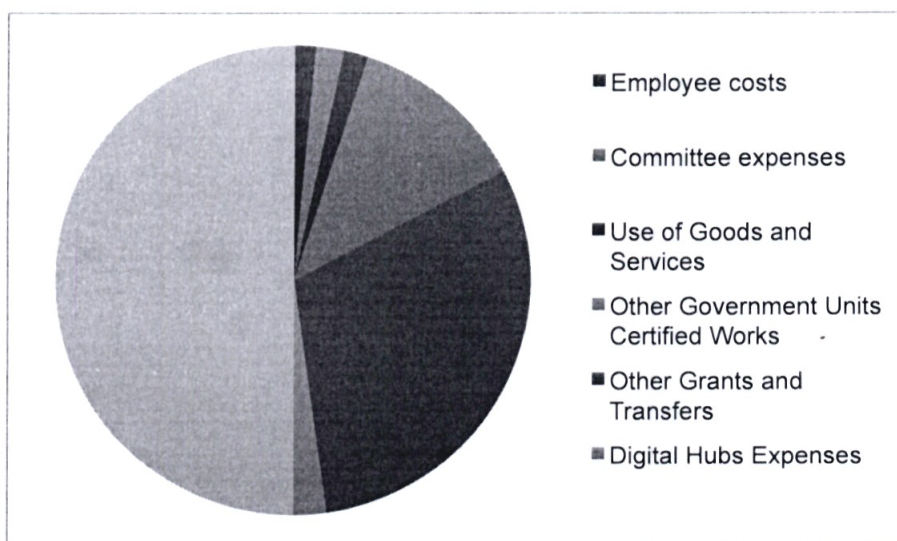
Apart from the constituency been expansive, Kitui central also experiences some drought in parts of Miambani and Mulango wards. This drought has been highly mitigated through provision of food and water to the affected areas.

The performance of Kitui central is graphically illustrated as below.

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Table showing original budget

ITEM	ORIGINAL BUDGET(Ksh)
Compensation Of Employees	5,180,000
Committee expenses	6,705,376
Use Of Goods and Services	4,064,400
Transfers To Other Government Units	44,200,000
Other Grants and Transfers	96,292,178
Digital hubs	8,000,000
Rural Electrification and renewable energy corporation	15,000,000
Total	179,441,954



1.GRAPH FOR ORGINAL BUDGET

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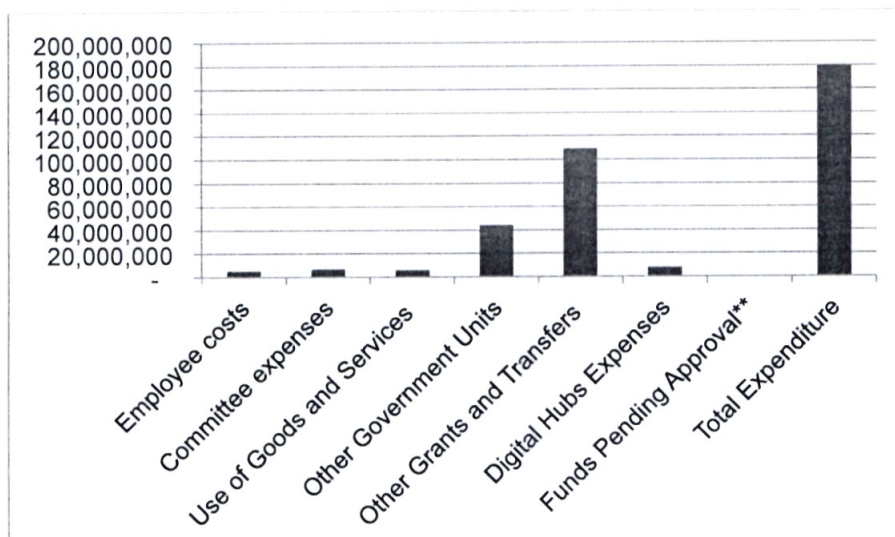
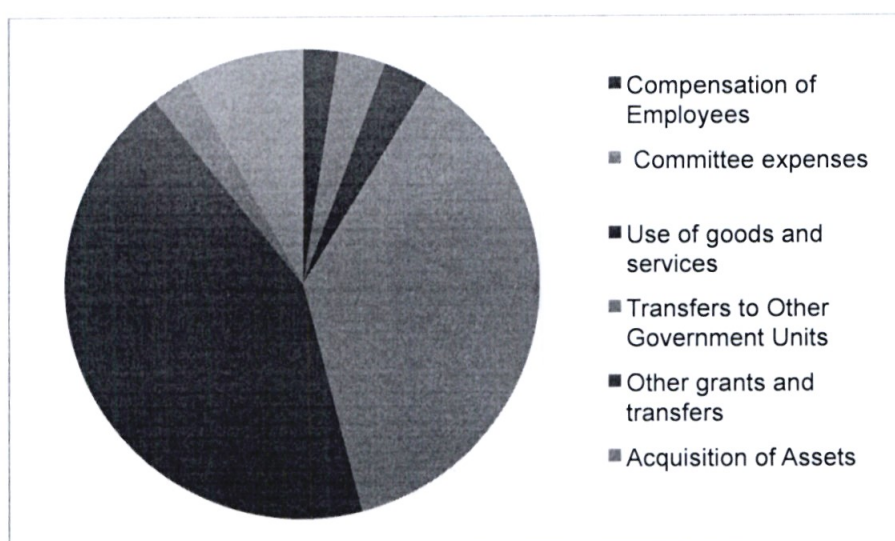
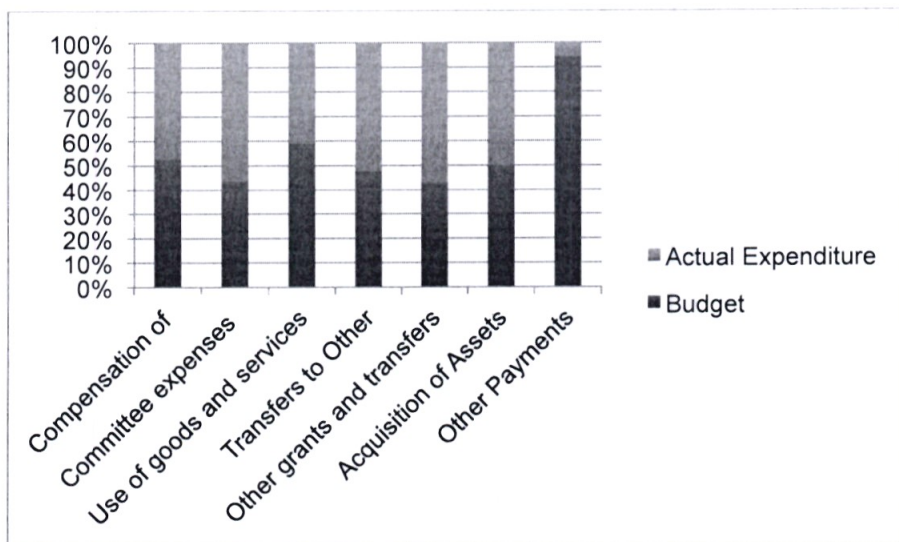


Table showing utilization of funds

Item	Budget	Actual Expenditure
Compensation of Employees	5,180,000	4,648,530
Committee expenses	6,705,376	9,475,710
Use of goods and services	4,064,400	2,079,953
Transfers to Other Government Units	44,200,000	53,417,449
Other grants and transfers	96,292,178	95,699,977
Digital Hubs	8,000,000	-
Rural Electrification and renewable energy corporation	15,000,000	-
Total	179,441,954	165,321,619



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2. GRAPH OF ACTUAL EXPENDITURE

KEY ACHIEVEMENTS

During the financial year Kitui Central implemented Bursaries worth Kshs 67,654,000 which was disbursed to both Tertiary Institutions and Secondary Schools, constructed new classrooms and rehabilitated the old ones classrooms in Primary Schools, Secondary Schools and tertiary institutions at a total cost of Kshs 51,787,133 and two digital hubs worth Kshs 8,000,000

1. Ngungi Primary School

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Ngungi Primary School is located in Kyangwithya East ward. The renovation is complete and the project is the pride of Kitui central constituency because it has improved the face of the school. The project is a clear indication of the milestones Kitui central NGCDF is willing to take to achieve modern education facilities and promote the big 4 agenda.

2. St Charles Lwanga Secondary School



St Charles Lwanga Secondary School is located in Kyangwithya West ward. The science lab block is complete and the project is the pride of Kitui central constituency because a higher education facility for the students will be available. The project is a clear indication of the milestones Kitui central NGCDF is willing to take to achieve modern education facilities and promote the big 4 agenda.

EMERGING ISSUES

1. Increase in the interest levels of the constituents on understanding how the NGCDF Fund operates, their roles and mandate. This has positive impact since the public participation has enabled clear understanding on NGCDF activities.
2. The Government and non-government organizations interest in partnering with the NGCDF due to its achieved successful stories.
3. The Competency Based Curriculum has a great change in the education system thus requirement of extra classrooms in most schools

IMPLEMENTATION CHALLENGES

1. Poor terrain hence a challenge when transporting building materials.
2. High levels of low income earners thus the total financial dependency on bursaries.
3. Low level of literacy among the key project stakeholders.

RECOMMENDED WAY FORWARD.

1. Continuous capacity building of the general public on the fund.
2. The board should consider allocating more funds for bursary and the NGCDFC give first priority to the most needy students.
3. Nurturing of talents through sensitization

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.....
Name :Justus Mumo
Chairman NGCDF Committee



4. Statement of Performance Against Predetermined Objectives for FY2024/25

Introduction

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

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

1. To improve access to education
2. To improve learning environment
3. To improve access to clean water and sanitation in schools
4. To improve the working and living conditions of security personnel in the Constituency
5. To prevent environmental degradation
6. To build and enhance the skills of youth through sports
7. To 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	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary	number of usable physical infrastructure build in primary, secondary,	In FY 2024/2025 -we increased number of classrooms from 48 to 55 in primary schools , bought a school buses for one of the secondary schools and funded

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		<i>schools and tertiary institutions</i>	<i>and tertiary institutions number of bursary's beneficiaries at all levels</i>	classrooms in both secondary and tertiary schools - Bursary beneficiaries at all levels were as per the attached schedules of 5000 beneficiaries
Security				We constructed 3 offices for chiefs and assistant chiefs in Township and Kyangwithya west wards
Climate change mitigation activities				We budgeted for construction of several sand dams in each ward
Emergency				10 emergency cases were handled, this comprised of toilets done to 10 learning institutions
Electrification				We did connection and distribution of electricity to 15 communities

5. Governance Statement

Appointment of NGCDFC Members

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

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

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

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

(4) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

The term of the previous NGCDFC came to end after the end of two years ,on receiving a circular from the Board on appointment of new NGCDFC ,we advertised in all public notice boards within the Constituency ,Vetted the Six members as stipulated in the guidelines issued by the Board.

NGCDFC Kitui Central comprises of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member..

The gazetted members are appointed in accordance with the NGCDF Act amendments of 2023.They comprise of 3 female members one of whom must be a youth at the time of appointment and three male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and the coopted member.

In Kitui Central constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of November 2024. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Koinarry Kodiny	Chairman
2	Josephine Mutua	Secretary
3	Edward katana	Member
4	Patricia Ndindi	Member

The selection panel developed a shortlisting criterion, which enabled picking of the nominees as below

S/N	Name	Category representation	Ward
1.	Justus Mumo Musyimi	Male adult	Kyangwithya East
2.	Eliz Muindi Muthui	Female Adult	Township
3.	Augustine musyoka Mukunu	Youth male	Kyangwithya West
4.	Gillian Mwikali	Youth Female	Township
5	Alexander Muthami	Male Adult	Miambani
6	Teresia Muvea	Female adult	Kyangwithya West

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Fairuz Nur	Limping	Township

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Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Alex Muthoka	Male	Mulango

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

1. Chairperson position –
2. Secretary position –

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

The appointed committee members were gazetted on 21st May, 2025 through gazette notice number **Vol. CXXVII – 98**. The new committee held its first meeting on 30th May 2025

Sno.	Name	Position
1	Justus Musyimi Mumo	Chairperson
2	Eliz Muindi Muthui	Secretary
3	Augustine Musyoka Mukunu	Member
4	Gillian Mwikali	Member
5	Teresia Muvea	Member
6	Alex Muthoka	Member
7	Alexander Muthami Maluki	Member
8	Farouz Nur	Member
9	Josephine Mutua	FAM
10	Dorcas Rono	DCC

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NG-CDFC Kitui central held 17 meetings, 3 being meetings held by the current committee as illustrated below;

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Schedule of meetings held during the FY 2023/2024

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NG-CDFC Kitui central held 17 meetings, 3 being meetings held by the previous committee while 11 for the current committee through as illustrated below;

	Name of committee member	Meetings held																
		4/7/24	26/7/24	18/10/24	1/11/24	2/12/24	9/12/24	3/1/25	3/2/25	6/3/25	13/3/25	7/4/25	30/4/25	06/5/25	26/5/25	30/6/25	2/6/25	23/6/25
1	Justus Mumo		✓	✓			✓	✓					✓	✓				
2	Benedict Musengele		✓	✓			✓	✓					x	✓				
3	Susan Syokau		✓	✓			✓	✓					x	✓				
4	Gillian Mwikali		✓	✓			✓	✓					✓	✓				
5	Alex Muthoka		✓	✓			✓	✓					✓	✓				
6	Alexander Muthami		✓	✓			✓	✓					✓	✓				
7	Augustine Musyoka		✓	✓			✓	✓					✓	✓				
8	Elizabeth Muthui		✓	✓			✓	✓					✓	✓				
9	Dorcas Rono		✓	✓			✓	✓					✓	✓				
10	Teresia Muvea																	
11	Farouz		✓	✓			✓	✓					✓	✓				

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Removal of NG-CDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Kitui central the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

The functions of a constituency committee shall be to

- Build the capacity of project Management Committees and sensitize the community on the operations of the fund.
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the constituency;
- Ensure that all proposed projects are approved;
- Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and works 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;
- Consult with relevant government department to ensure that cost estimates for projects are realistic; in considering joint projects;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board'
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board

- Ensure that project reports are prepared and submitted to the board;
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under chapter twelve of the constitution and the public finance management legislation are observed in the management of the fund;
- Submit financial statements to the board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- Collaborate with the officer of the Board seconded to the Constituency in the management of the fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- Record the names of all the signatories

Succession in NG CDFC

The NG-CDF Kitui Central Committee term came to an end after new committee members were gazetted on 21st May, 2025 through gazette notice number **Vol. CXXVII – 98**.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized induction training of NG-CDFC members. In Garissa on 14th to 20th July, 2025. The constituency also held a capacity building activity immediately after inauguration of the new NGCDFC. During the training, critical areas such as overview of NG-CDF Act and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kitui central.

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

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

During the financial year 2022/2023 members of NGCDFC Kitui central adhered to the above ethical issues.

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting as per a circular issued by the NGCDF Board.

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All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Kitui central contravened conflict of interest policy.

Risk management

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

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

6. Management Discussion and Analysis

7. 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 the Public Sector Accounting Standards Board of Kenya from time to time.
8. The Accounting Officer in charge of the NGCDF-Kitui Central 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) 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; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.
9. The Accounting Officer in charge of the NGCDF-Kitui Central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash 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, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kitui Central 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.
- 10.

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11. The Accounting Officer in charge of the NGCDF Kitui Central 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.

1. Operational and Financial Performance

The Kitui Central NG-CDF has consistently received increased allocations over the last five fiscal years, signifying trust and growth in constituency-level development. Fund absorption remains high due to strategic planning and timely budgeting, disbursement and execution of projects funded.

Fiscal Year	Allocation	Utilization (%)	Unspent Balance
2020/21	137,088,879.31	100%	0M
2021/22	137,088,879.00	100%	0M
2022/23	145,087,603	100%	0M
2023/24	175,389,810	100%	0M
2024/25	179,441,954.47	72%	51M

2. Key Projects Implemented and Ongoing

Education:

- 30 new classrooms built
- Over 30,000 students benefited from bursary disbursements
- Construction of 10 Science Laboratories in various schools

Social Security & Public Safety:

- Construction of Assistant chief’s offices
- Construction of a police staff houses
- Fencing of a police post

3. Statutory Compliance

The Fund adheres to the NG-CDF Act, 2015 and the Public Finance Management framework. Audits are performed annually with no major except for opinion reports. Procurement processes conform to the Public Procurement and Asset Disposal Act, ensuring transparency.

- All statutory reports submitted to the NG-CDF Board and National Treasury in time
- All statutory deductions from the PMC funded projects and from staff salaries are done and submitted to the requisite authorities on time.

4. Major Risks Facing the Fund

Risk Factor	Mitigation Strategy
Delayed disbursements	Continuous engagement with National Treasury with the relevant stakeholders
Litigations on the legality of the Fund	Entrenchment of the NGCDF act in the constitution of Kenya
Unpredictable Price escalation of building materials	Budgeting in consultation with the technical departments putting in consideration of inflation rates.

5. Arrears and Financial Obligations

There are **no statutory arrears** however, the NGCDFC is yet to receive from the NGCDF Board **KES35,441,954** primarily related to projects.

6. Review of Economy and Sector

National Context

Kenya's post-pandemic recovery, growing GDP, and increased public investment have created a favorable environment for constituency development. The fiscal space, however, remains constrained by inflationary pressures and debt servicing.

Sectoral Dynamics:

- **Education:** Increased demand for digital learning tools.
- **Bursary:** Increased bursary dependence.
- **Climate change:** Emphasis on climate-resilient projects.

7. Future Developments

Looking ahead, Kitui central NG-CDF is set to:

- Expand digital and self employment by constructing digital hub in each ward
- Increase bursary allocation to support more vulnerable learners
- Strengthen monitoring and evaluation frameworks to ensure project effectiveness.

The Kitui central Constituency NG-CDF remains committed to fostering sustainable development and improving the quality of life for its constituents through prudent use and management of public resources.



.....
Name Josephine Mutua
Fund Account Manager



Environmental and Sustainability Reporting

NG-CDF Kitui Central seeks to transform lives and ensure minimal poverty levels amongst its constituents, increased literacy levels among others. This is therefore the driving force behind everything the NGCDFC does.

our strategy, is founded on, Education & Training, Security sector support, Electricity connection in every household and Climate mitigation. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

To ensure sustainability through various stakeholders we have sought for funds from other government autonomies and implemented some key projects

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kitui Central 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 NGCDF has allocated part of its budget to climate change mitigation activities such as afforestation, reafforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Kitui Central Constituency is affected by climate change, erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks are some of the effects of climate change in the Kitui Central constituency.

This year we constructed 10 sand dams in 10 sites to prevent flooding and provision of water during the dry season.

We also organized sports tournament whereby the youth were sensitized on the drug abuse matters and environmental conservation matters

3. Employee welfare

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

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

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

4. Marketplace practices-

Kitui Central Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kitui Central 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

Kitui Central 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

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identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

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

Public Awareness

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

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



.....
Name :Josephine Mutua
Fund Account Manager.

12. 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-Kitui Central 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-Kitui Central Constituency accepts responsibility for the entity's transitional IPSAS financial statements.

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 in charge of the NGCDF- Kitui Central Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied

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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 Kitui Central 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- Kitui Central Constituency financial statements were approved and signed by the Accounting Officer on 18/11 2025.



.....
Name: Justus Mumo
Chairman – NGCDF Committee



.....
Name: Josephine Mutua
Fund Account Manager



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI CENTRAL 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.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) financial statements of National Government Constituencies Development Fund - Kitui Central Constituency set out on pages 1 to 68, which comprise

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

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kitui Central 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.263,814,863 and Kshs.228,372,909 respectively resulting to under-funding of Kshs.35,441,954 or approximately 13% of the budget. Similarly, the Fund expended Kshs.163,249,741 against actual receipts of Kshs.228,372,909 resulting to under absorption of Kshs.65,123,168 or approximately 29% of actual receipts.

The under-funding and under absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxvi which comprise of Key Constituency Information and Management, NG-CDFC Committee, NGCDF Chairman's Report, Statement of Performance Against Pre-Determined 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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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

Delay in Implementation of Projects

Review of the approved code list and Project Implementation Status (PIS) report as at 30 June, 2025 revealed that the Fund allocated Kshs.89,772,095 for implementation of fifty-five (55) projects. However, only forty-three (43) projects worth Kshs.46,872,095 were completed while, eleven (11) projects worth Kshs.41,700,000 were ongoing and one (1) project worth Kshs.1,200,000 had not started as detailed in **Appendix 1**.

In the circumstances, value for money on the twelve (12) incomplete projects with a total cost of Kshs.42,900,000 could not be confirmed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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

1 December, 2025

Appendix 1: Delay in Project Implementation

S.No	Project Name	Approved Activity	Amount (Kshs)	Status
Ongoing Projects				
1.	Mulutu Police Post	Emergency-Construction of a 4-door pit latrine	500,000	Ongoing
2.	Kitumui Primary School	Emergency-Construction of a 4-door pit latrine	500,000	Ongoing
3.	Engineer Ngilu Secondary School	Emergency-Construction of a 4-door pit latrine	500,000	Ongoing
4.	Ithiani Primary School	Emergency-Construction of a 4-door pit latrine	500,000	Ongoing
5.	Mutendea Primary School	Construction to completion of 1 classroom	1,000,000	Ongoing
6.	Ndiani Primary School	Construction to completion of two classrooms	2,200,000	Ongoing
7.	St. Angelas Girls' Secondary School	Construction of administration block (1st floor-4 offices funded with the school	5,000,000	Ongoing
8.	Mulango Girls' Secondary School	Purchase of an ISUZU FRR 90N 46 Sitter school bus.	8,500,000	Ongoing
9.	Ithiani Digital Hub	Construction of digital hub	4,000,000	Ongoing
10.	Miambani Digital Hub	Construction of digital hub	4,000,000	Ongoing
11.	Rural Electrification and Renewable Energy Corporation (REREC)	Installation of transformers and electricity connection to identified Village,	15,000,000	Ongoing
Total Cost of Ongoing Projects			41,700,000	
Not Started Projects				
1.	Ithookwe Assistant Chief's Office	Construction of 3 roomed office and 2-door pit latrine to completion. (One chamber of	1,200,000	Not Started-to be reallocated

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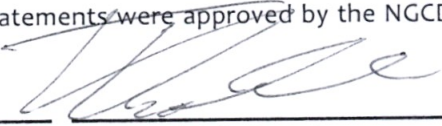
14. Statement of Financial Performance for the Year Ended 30th June 2025

A	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	5,000
Total revenue		179,446,954
Expenses		
Employee costs	10	4,648,530
Committee expenses	11	9,475,710
Use of Goods and Services	12	2,079,953
Other Government Units Actual expenditure	13	53,417,449
Other Grants and Transfers Actual expenditure	14	95,699,977
Depreciation and amortization expense	15	2,466,294
Digital Hubs Actual expenditure	16	-
Total expenses		167,787,914
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		11,659,040


The Constituency financial statements were approved by the NGCDFC on 18/11 2025 and signed by:


Chairman NG-CDF Committee

Justus Mumo


National Sub-County
Accountant

Titus Kimuyu
ICPAK M/No:27672


Fund Account Manager

Josephine Mutua

(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

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accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

15. Statement of Financial Position as at 30th June, 2025

	Note	As at June 30 th 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	65,123,168	37,568,966
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	35,441,954	46,798,943
Prepayments	22	-	-
Total Current Assets		100,565,122	84,367,909
Non-Current Assets			
Property, Plant and Equipment	23	8,494,340	10,960,635
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		8,494,340	10,960,635
Total Assets (A)		109,059,462	95,328,544
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,435,568	277,250
Lease Liabilities	28	-	-
Gratuity provision	29	1,798,919	885,360
Total Current Liabilities		3,234,487	1,162,610
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,234,487	1,162,610
Net Assets (A-B)		105,824,975	94,165,934

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Represented by:			
Accumulated Surplus		105,824,974	94,165,934

The Constituency financial statements set out on pages 1 to 21 approved by NG CDFC on 18/11/25 2025 and signed by:



Chairman NG-CDF Committee

Justus Mumo



National Sub-County
Accountant

Titus Kimuyu
ICPAK M/No:27672



Fund Account Manager

Josephine Mutua



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16. 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)	3,170,787	.	3,170,787
Adjustments: (to recognize assets and liabilities)			
Add Assets	91,047,397		91,047,397
Less Liabilities	52,250		52,250
As at July 1, 2024	94,165,934		94,165,934
Surplus/(Deficit) For the Period	11,659,040		11,659,040
Revaluation Gain/Loss	-		-
As at 30th June 2025	105,824,974		105,824,974

Note:

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

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

	Notes	FY2024/ 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		190,798,943
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		5,000
Total Receipts		190,803,943
Payments		
Employee costs		3,734,970
Committee expenses		9,475,710
Use of Goods and Services		2,079,953
Other Government Units Certified Works		52,034,131
Other Grants and Transfers		95,699,977
Digital Hubs Expenses		-
Total Payments		163,024,741
Net Cash Flows from/ (used in) Operating Activities	30	27,779,202
Cash flows From Investing Activities		
Purchase of PPE		(225,000)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		(225,000)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		
Net Changes in Cash & Cash Equivalents		27,554,202
Cash and cash equivalents at Period Start	19	37,568,966
Cash and cash equivalents at Period End	19	65,123,168

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	D	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	37,568,966	46,798,943	263,809,863	228,367,909	35,441,954	87%
Grants/donations from other entities	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income		5,000	-	5,000	5,000	-	100%
Totals	179,441,954	37,573,966	46,798,943	263,814,863	228,372,909	35,441,954	87%

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Expenses						-	
Employee costs	5,180,000	1,261,359	233,716	6,675,075	3,734,970	2,940,105	56%
Committee expenses	6,705,376	2,788,088	2,534,670	12,028,134	9,475,710	2,552,424	79%
Use of Goods and Services	4,064,400	1,700	98,694	4,164,794	2,079,953	2,084,841	50%
Other Government Units Certified Works	44,200,000	30,285,179	19,037,133	93,522,312	52,034,131	41,488,181	56%
Other Grants and Transfers	96,292,178	3,007,640	6,979,978	106,279,796	77,792,225	28,487,571	73%
Digital Hubs Expenses	8,000,000	-	-	8,000,000	-	8,000,000	0
12.2 Construction of CDF office	-	225,000	-	225,000	225,000	-	100%
Rural Electrification and Renewable Energy Corporation (RREC).	15,000,000	-	15,000,000	30,000,000	15,000,000	15,000,000	50%
6.1 Constituency sports tournament	-	-	2,907,752	2,907,752	2,907,752	-	100%
13.2 Strategic Plan	-	-	7,000	7,000	-	7,000	0
Funds Pending Approval**	-	5,000	-	5,000	-	-	0
Total	179,441,954	37,573,966	46,798,943	263,814,863	163,249,741	100,565,121	62%

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

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Explanatory Notes.

Compensation of Employees underutilisation is due to previous year balances
 Committee expenses underutilisation is due to previous year balances
 Use of Goods and Services underutilisation is due to previous year balances
 Transfers to Other Government Units underutilisation is due to delay of fund disbursement
 Other Grants and Transfers underutilisation is due to delay of fund disbursement

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	100,565,121
Less undisbursed funds receivable from the Board as at 30 th June 2025	35,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	65,123,167

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 18/11 2025 and signed by:

		
Chairman NG-CDF Committee	National Sub-County Accountant	Fund Account Manager
Justus Mumo	Titus Kimuyu ICPAK M/No:27672	Josephine Mutua

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,180,000	1,261,359	233,716	6,675,075	3,734,970	2,940,105
1.2 Committee allowances	3,152,117	2,188,088	1,941,418	7,281,623	4,907,610	2,374,013
1.3 Use of goods and services	2,234,400	1,700	85,000	2,321,100	2,079,953	241,147
Sub-total	10,566,517	3,451,147	2,260,134	16,277,798	10,722,533	5,555,265
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	600,000		13,694	613,694	-	613,694
2.2 Committee allowances	3,553,259	600,000	593,252	4,746,511	4,568,100	178,411
2.3 Use of goods and services	1,230,000		-	1,230,000	-	1,230,000
Sub-total	5,383,259	600,000	606,946	6,590,205	4,568,100	2,022,105
4.0 Emergency				-		
unutilized	4,444,313		735,759	5,180,072		5,180,072
Kilukuya Primary School		500,025		500,025	499,615	410

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Katulani Boys Sec School		500,000		500,000	499,600	400
Kang'au Primary School		500,075		500,075	499,615	460
Imale Primary School		500,025		500,025	500,025	-
Ilooi Primary School		498,975		498,975	498,615	360
Nduumoni Primary School		500,735		500,735	500,115	620
Kitui Teachers Training College	500,000			500,000	500,000	-
Kasyala primary school	500,000	3,235		503,235	503,115	120
Kyambiti Primary School	500,000			500,000	1,025	498,975
Kymathyaka Secondary school	500,000	5		500,005	-	500,005
Kingoini Primary school	500,000	1,015		501,015	-	501,015
Ngiini Primary school	500,000			500,000	-	500,000
Museve secondary school	500,000	15		500,015	-	500,015
Kaumba Primary school	500,000			500,000	1,025	498,975
kwa ukungu secondary school	500,000	3,535		503,535	-	503,535

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mikuyuni Mixed sec school	500,000			500,000	1,025	498,975
	9,444,313	3,007,640	735,759	13,187,712	4,003,775	9,183,937
Sub-total				-		
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	60,000,000		713,343	60,713,343	60,247,000	466,343
5.3 Tertiary Institutions	11,275,767		2,160,213	13,435,980	7,552,500	5,883,480
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security			300,000	300,000	-	300,000
Sub-total	71,275,767	-	3,173,556	74,449,323	67,799,500	6,649,823
7.0 Environment				-		-
Kyeng'aa River Sand Dam	600,000			600,000		600,000
Mutendea River sand Dam	600,000			600,000		600,000
Nzeeu River Sand Dam	590,000			590,000		590,000
Kisande River Sand Dam	625,000			625,000		625,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ndivuni River Sand Dam	625,000			625,000		625,000
Ndiani River Sand Dam	625,000			625,000		625,000
Kwa Kathembe River Sand Dam	625,000			625,000		625,000
Vuuta River Sand Dam	600,000			600,000		600,000
Wayani River Sand Dam	600,000			600,000	599,915	85
Kitisya River Sand Dam	580,000			580,000	579,915	85
Kwa Katana River Sand Dam	580,000			580,000	579,915	85
Kwa Mathula River Sand Dam	580,000			580,000	579,915	85
Makongo River Sand Dam	580,002.45			580,002	579,915	87
Syikiomo River Sand Dam	581,052			581,052		581,052
Kyaani River Sand dam	581,043.27			581,043		581,043
7.5 Kwa Makuthu Sand Dam			650,000	650,000	649,915	85
7.6 Nzevu river Sand Dam			600,000	600,000	599,915	85
3.0 7.7 Kwa Mutwii Sand Dam			600,802	600,802	599,915	887
7.8 Kwa Malusi Sand Dam			619,861	619,861	619,715	146
7.9 Kwa Maundu Sand Dam			600,000	600,000	599,915	85
	8,972,098	-	3,070,663	12,042,761	5,988,950	6,053,811

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total				-		
8.0 Primary Schools Projects				-		-
Kitui school for the deaf Primary School	2,000,000	5		2,000,005		2,000,005
Mutendea Primary school	1,000,000	447		1,000,447		1,000,447
Kwa Mboo Primary school	2,300,000			2,300,000		2,300,000
AIC Ngungi Primary School	2,300,000	15		2,300,015		2,300,015
Kwa Maingi Primary School	2,300,000			2,300,000		2,300,000
Ivovoa Primary School	2,300,000	345		2,300,345		2,300,345
Mwania Primary school	2,000,000			2,000,000		2,000,000
Kikumini Primary School	600,000	375		600,375		600,375
Nzunguni Primary school	1,000,000	735		1,000,735		1,000,735
Ndiani Primary school	2,200,000			2,200,000		2,200,000
Mikuyuni Primary School	1,500,000	165		1,500,165		1,500,165
Mwatuni Primary School	1,200,000	905		1,200,905		1,200,905
Kavuvuu Primary School	1,500,000	715		1,500,715		1,500,715
Kiviu Primary School		1,998,975		1,998,975	1,994,230	4,745
Kitui School for the Mentally		19,522		19,522	19,115	407

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Handicapped						
Kithambangii Primary School		1,998,975		1,998,975	1,998,805	170
Kathungi Primary School		2,000,025		2,000,025	1,999,568	457
Kathukini Primary School		8,463		8,463	16,115	(7,652)
Kangose Primary School		1,998,975		1,998,975	1,998,975	-
Yakalia Primary School		1,700,075		1,700,075	1,700,015	60
Umuu Primary School		2,000,075		2,000,075	1,999,845	230
St Stephen Kaveta Primary School		864,367		864,367	864,230	137
St Andrew's Mwala Primary School		62,320		62,320	-	62,320
Ng'oleni Primary School		80,438		80,438	80,438	-
Ngiini Primary School		2,000,235		2,000,235	2,000,130	105
Mwanyani Primary School		2,000,987		2,000,987	1,997,230	3,757
Mutune Girls Primary School		1,998,975		1,998,975	1,994,615	4,360
Mukuku Primary School		1,800,855		1,800,855	1,800,760	95
Miambani Primary School		2,198,975		2,198,975	1,977,730	221,245
Makaani Primary School		128,585		128,585	128,397	188

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Aic Katisaa Primary school			1,100,000	1,100,000	989,197	110,803
Kakuuni Primary School			1,000,000	1,000,000	900,090	99,910
8.23 Maamani Primary School			1,000,000	1,000,000	899,090	100,910
Kitundu Primary School		35	1,000,000	1,000,035	899,640	100,395
Imale Primary School			1,000,000	1,000,000	901,705	98,295
8.27 Tiva Primary School			1,000,000	1,000,000	999,140	860
Ithookwe Primary school		420	1,000,000	1,000,420	894,140	106,280
8.28 Mutula Primary School		545	1,100,000	1,100,545	990,730	109,815
Kamuti Primary School			1,050,000	1,050,000	994,880	55,120
8.29Mwania Primary School			1,050,000	1,050,000	949,006	100,994
8.30Kitui comprehensive school for VI Primary School			2,000,000	2,000,000	1,999,612	388
Nzaaya Primary school			2,200,000	2,200,000	2,049,204	150,796
8.31 Waluku Primary School			1,037,133	1,037,133	933,619	103,514
Kwa Mboo Primary school			1,000,000	1,000,000	900,255	99,745
	22,200,000	22,865,529	16,537,133	61,602,662	37,870,506	23,732,156
Sub-total				-		
9.0 Secondary Schools				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Projects (List all the Projects)						
St Angelas Girls Secondary school	5,000,000			5,000,000	-	5,000,000
Mulango Girls Secondary School	8,500,000			8,500,000	4,250,000	4,250,000
Kyangunga Secondary School	1,000,000	970		1,000,970		1,000,970
Kwa Ukungu Secondary School	2,500,000			2,500,000		2,500,000
9.2 St Thomas Aquinas Sec. School			2,500,000	2,500,000	2,496,320	3,680
Kamandio Mixed Sec School		1,800,405		1,800,405	1,799,845	560
St Charles Lwanga Sec School		4,000,975		4,000,975	4,000,730	245
Tiva Boys Sec School		1,617,300		1,617,300	1,616,730	570
	17,000,000	7,419,650	2,500,000	26,919,650	14,163,625	12,756,025
Sub-total				-		
10.0 Tertiary institutions Projects (List all the Projects)				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kitui Teachers Training College	5,000,000			5,000,000		5,000,000
	5,000,000	-	-	5,000,000	-	5,000,000
Sub-total				-		
11.0 Security Projects				-		-
	-		-	-		-
Kalundu Assistant chiefs office	1,200,000			1,200,000		1,200,000
Kitui central Deputy County Commissioners office	2,000,000			2,000,000		2,000,000
Mulundi Police Post	1,000,000			1,000,000		1,000,000
Ithookwe assistant chiefs office	1,200,000			1,200,000		1,200,000
Kakuuni Assistant Chiefs office	1,200,000		-	1,200,000		1,200,000
	6,600,000	-	-	6,600,000	-	6,600,000
Sub-total				-		
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
fitings						
12.2 Construction of CDF office		225,000		225,000	225,000	-
Sub-total		225,000	-	225,000	225,000	-
13.0 Others		-	-	-		-
Ithiani Digital hub	4,000,000	-	-	4,000,000		4,000,000
Miambani digital hub	4,000,000	-	-	4,000,000		4,000,000
Sub-total	8,000,000	-	-	8,000,000	-	8,000,000
Rural Electrification and Renewable Energy Corporation (REREC).	15,000,000		15,000,000	30,000,000	15,000,000	15,000,000
Sub-total	15,000,000		15,000,000	30,000,000	15,000,000	15,000,000
6.1 Constituency sports tournament			2,907,752	2,907,752	2,907,752	-
Sub-total	-	-	2,907,752	2,907,752	2,907,752	-
13.2 Strategic Plan			7,000	7,000		7,000
Sub-total	-	-	7,000	7,000	-	7,000
Sub-total				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Funds pending approval**		-		-		-
unapproved projects	-			-		-
AiA		5,000	-	5,000	-	-
TOTAL	179,441,954	37,573,966	46,798,943	263,814,863	163,249,741	100,565,121

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

19. 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 Kitui Central Constituency principal activity is the financing, implementation, and oversight of development projects aimed at improving social infrastructure and enhancing the livelihoods of the residents within 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 Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Kitui Central has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Therefore the following elements have not been fully disclosed ,

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

Accordingly, this is the first transitional financial statement.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable legislation), and

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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	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. This IPSAS has no impact in the constituency
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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. This IPSAS is not applicable at the constituency
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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

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	<p>e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable effective 1st July 2025</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable effective 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1st July 2026</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This IPSAS is not applicable in the constituency this financial year</p>
IPSAS 49:	<p>Applicable 1st January 2026</p>

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Retirement Benefit Plans	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. This IPSAS is not applicable at the constituency
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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. This IPSAS is not applicable at the constituency

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

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

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

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial

recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at 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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labor 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 recognise a social benefit as an expense for the social benefit scheme at the same time that it recognise 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

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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	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	5000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	-

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10. Employees cost

	2024/2025
	Kshs
NGCDFC Basic staff salaries	3,209,055
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,200,000
Employer Contributions Compulsory national social security schemes	186,210
Employer Contributions Compulsory Housing levy	47,865
Employer contributions to National Industrial Training Authority	5,400
Other Specify	-
Total	4,648,530

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	4,568,100
Other Committee expenses	4,907,610
Total	9,475,710

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12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	56,555
Communication, supplies and services	107,600
Domestic travel and subsistence	101,200
Printing, advertising and information supplies & services	90,000
Office Rent	-
Training expenses	-
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	574,500
Fuel, oil & lubricants	253,300
Bank Charges	67,798
Routine maintenance – vehicles and other transport equipment	459,000
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	370,000
Total	2,079,953

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	39,253,824
Secondary Schools Actual expenditure	14,163,625
Tertiary Institutions Actual expenditure	-
Total	53,417,449

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary Schools	60,247,000
Bursary – tertiary institutions	7,552,500
Bursary – special Schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	5,988,950
Emergency projects Actual expenditure	4,003,775
Sports projects Actual expenditure	2,907,752
Others specify	15,000,000
Total	95,699,977

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	2,466,294
Intangible Assets	-
Total	2,466,294

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	15,887,374	4,281,147
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	1,797,837	33,301,301
Name of Bank, account No. (PMC accounts)	47,437,957	
Total	65,123,168	37,582,448
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provided Cash Count Certificates for Each]		

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(Provided a schedules of all reconciled PMC bank balances as at the end of the period)

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20. Receivables from Exchange Transactions

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	35,441,954		46,798,943	
Outstanding imprest	-		-	
Total	35,441,954		46,798,943	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	35,441,954	100%	46,798,943	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	35,441,954	100%	46,798,943	100%

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	10,115,120	2,890,312	1,207,531	-	-	14,212,963
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	10,115,120	2,890,312	1,207,531	-	-	14,212,963
Depreciation And Impairment								
Opening Depreciation	-	-	2,528,780	361,289	362,259	-	-	3,252,328
Depreciation	-	-	1,896,585	316,128	253,582	-	-	2,466,294
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	4,425,365	677,417	615,841	-	-	5,718,623
Net Book Values								
Opening Bal as at 1st July 2024	-	-	7,586,340	2,529,023	845,272	-	-	10,960,635
As At 30th June 2025	-	-	5,689,755	2,212,895	591,690	-	-	8,494,340

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings	16,211,679	400,000	3,600,000
Plant And Machinery			
Motor Vehicles, Including Motorcycles	10,115,120	1,889,325	5,667,975
Computers And Related Equipment	1,207,531	227,034	984,746
Office Equipment, Furniture, And Fittings	2,890,312	235,787	1,650,506
Total	30,424,642	2,752,146	11,903,227

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

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	% of the Total
Under one year	-	%	-	%
1-2 year	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-			

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27. Third-Party deposits

	2024/2025
	KShs
Retention as at 1 st July (A)	277,250
Retention held during the year (B)	1,573,318
Retention paid during the Year (C)	415,000
Closing Retention as at 30 th June D= A+B-C	1,435,568

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% 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	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	--	-
Paid during the year		-
At end of the year	-	-

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July	885,360
Gratuity held during the year	1,200,000
Gratuity paid during the year	286,440
Total Gratuity Provision 30th June (A+B-C)	1,798,919

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30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	11,659,040
Adjusted for:	
Depreciation	2,466,294
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 Prepayment	-
Changes in receivables	11,356,989
Changes in deferred income	-
Changes in Third party deposits	1,158,318
Changes in gratuity provision	913,560
Changes in payments received in advance	-
Net cash flow from operating activities	27,554,201

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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 30 June 2025				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	35,441,954	35,441,954	-	-
Bank balances	65,136,650	65,136,650	-	-
Total	100,578,604	100,578,604	-	-
As at 30 June 2024				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	29,625,903	46,798,943	-	-
Bank balances	80,157,007	37,582,448	-	-
Total	109,782,910	84,381,391	-	-

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

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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 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,797,837	1,797,837
Total	-	-	-	-
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

The Entity has no 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.

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
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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.

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

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	94,179,416	94,179,416
Retained Earnings	11,659,040	-
Capital Reserve	-	-
Total Funds	105,838,456	94,179,416
Total Borrowings	-	-
Less: Cash and Bank Balances	65,136,650	37,582,448
Net Debt/(Excess Cash And Cash Equivalentents)	40,701,806	56,596,968
Gearing	0%	0%

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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	9,475,710	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	190,798,943.	-
Total	200,274,653	-

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 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized 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 Kitui central Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NGCDFC 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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20. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	16,211,679	-	-	16,211,679
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	10,115,120	-	-	10,115,120
ICT Equipment and Other ICT Assets	1,207,531	-	-	1,207,531
Other Machinery and Equipment	2,890,312	-	-	2,890,312
Intangible assets	-	-	-	-
Total	30,424,642	-	-	30,424,642

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

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kiviu Primary School	Sidian Bank	01017710004544	4,745	1,998,975
Kitui School for the Mentally Handicapped	Sidian Bank	01017030000225	407	19,522
Kithambangii Primary School	Sidian Bank	01017710004394	170	1,998,975
Kathungi Primary School	Sidian Bank	01017710004014	457	2,000,025
Kathukini Primary School	Sidian Bank	01017710004114	830	16,945
Kangose Primary School	Sidian Bank	01017710004334	-	1,998,975
Imale Primary School	Sidian Bank	01017030000535	98,295	-
Yakalia Primary School	Sidian Bank	01017710004364	60	1,700,075
Umuu Primary School	Sidian Bank	01017030001203	230	2,000,075
St Stephen Kaveta Primary School	Sidian Bank	01017030000255	137	864,367
St Andrew's Mwala Primary School	Sidian Bank	01017030000775	62,320	62,320
Ng'oleni Primary School	Sidian Bank	01017030001703	-	80,438
Ngiini Primary School	Sidian Bank	01017030001703	105	2,000,235
Mwanyani Primary School	Sidian Bank	01017030000235	3,757	2,000,987
Mutune Girls Primary School	Sidian Bank	01017710004354	4,360	1,998,975
Mukuku Primary School	Sidian Bank		95	1,800,855

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Miambani Primary School	Sidian Bank	01017710004614	221,245	2,198,975
Makaani Primary School	Sidian Bank	01017710001637	188	128,585
Kitui Comprehensive School for Visually Impaired	Sidian Bank	01017710006150	388	-
Ithookwe Primary School	Sidian Bank	01017030000505	107,305	420
AIC Katisaa Primary School	Sidian Bank	01017710006670	110,803	-
Mwania Primary School	Sidian Bank	01017710006700	100,994	-
Kakuuni Primary School	Sidian Bank	01017710006710	99,910	-
Nzaaya Primary School	Sidian Bank	01017710006110	150,796	-
Kamuti Primary School	Sidian Bank	'01017710006750	55,121	-
Maamani Primary School	Sidian Bank	'01017710006680	100,910	-
Mutula Primary School	Sidian Bank	01017030001073	109,815	545
Tiva Mixed Day Primary School	Sidian Bank	01017710006350	860	-
Kwa Mboo Primary School	Sidian Bank	01017710006720	99,745	-
Waluku Primary School	Sidian Bank	01017710006760	103,514	-
Kitundu Primary School	Sidian Bank	01017030001653	100,395	35
Kavuvuu Primary School	Sidian Bank	01017030001333	1,500,715	715
Kwa Maingi Primary School	Sidian Bank	01017030009075	2,298,975	-
Ivovoa Primary School	Sidian Bank	01017030000425	2,300,345	345
Kikumini Primary School	Sidian Bank	01070300000515	600,375	375

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Nzunguni Primary School	Sidian Bank	01017030000655	1,000,735	735
Mwania Primary School	Sidian Bank	'01017710006700	2,000,000	-
Kwa Mboo Primary School	Sidian Bank	01017710006720	2,300,000	-
Mikuyuni Primary School	Sidian Bank	01017030000615	1,500,165	165
AIC Ngungi Primary School	Sidian Bank	01017030000375	2,300,015	15
kitui school for the deaf	Sidian Bank	01017710000701	2,000,005	5
Mwatuni Primary School	Sidian Bank	01017030000675	1,200,905	905
Mutendea Primary school	Sidian Bank	01017030000215	1,000,447	447
Kamandio Mixed Sec School	Sidian Bank	01017710003214	560	1,800,405
Tiva Boys Sec School	Sidian Bank	01017710003019	570	1,617,300
St Charles Lwanga Sec School	Sidian Bank	01017710001890	245	4,000,975
Kyangunga Secondary school	Sidian Bank	010170300001263	1,000,970	970
St Thomas Aquinas Kalawa Secondary School	Sidian Bank	01017710005242	3,680	
Kwa Ukungu Secondary School	Sidian Bank	01017030000495	2,500,000	
Kitui Teachers Training College	Sidian Bank	'01017710004324	5,000,000	
Ihookwe assistant chief	Sidian Bank	010177100009415	1,200,000	
Kitui Central DCC Office	Sidian Bank	01017710009175	2,000,000	
Mulundi Police Post	Sidian Bank	'01017710009315	1,000,000	
Kalundu Assistant Chief's office	Sidian Bank	01017710004084	1,200,000	

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kwa Malusi Sand Dam	Sidian Bank	01017710001464	146	
Kwa Makuthu Sand Dam	Sidian Bank	01017710004004	85	
Nzevu Sand Dam	Sidian Bank	01017710002614	85	
Kwa Maundu Sand Dam	Sidian Bank	01017710009018	85	
Kwa Mutwii Sand dam	Sidian Bank	01017710003026	85	
Kwa Mathula Sand Dam	Sidian Bank	01017710002026	85	
wayani Sand Dam	Sidian Bank	01017710004890	85	
Kitisya Sand Dam	Sidian Bank	01017710002018	85	
Kwa Katana Sand Dam	Sidian Bank	01017710002879	85	
Makongo Sand Dam	Sidian Bank	01017710008907	85	
Ithiani Digital Hub	Sidian Bank	01017710009395	4,000,000	
Miambani Digital Hub	Sidian Bank	01017710009405	4,000,000	
Nduumoni Primary School	Sidian Bank	01017710009401	620	500,735
Kang'au Primary School	Sidian Bank	01017710009300	460	500,075
Imale Primary School	Sidian Bank	01017710004024	-	500,025
Ilooi Primary School	Sidian Bank	01017710009407	360	498,975
Ngiini Primary School	Sidian Bank	01017030001703	500,000	-
Kasyala Primary School	Sidian Bank	01017030001903	120	3,235
Mikuyuni Secondary school	Sidian Bank	01017710009095	498,975	-

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Museve Secondary School	Sidian Bank	01017030001283	500,015	15
Kyamathyaka Secondary School	Sidian Bank	01017030001603	500,005	5
Kaumba Primary School	Sidian Bank	01017710009105	498,975	-
Kyambiti Primary School	Sidian Bank	01017710009045	498,975	-
King'oini Primary School	Sidian Bank	01017030000945	501,015	1,015
Kilukuya Primary School	Sidian Bank	01017710009014	410	500,025
Katulani Boys Sec School	Sidian Bank	010177100049087	400	500,000
Kwa Ukungu Secondary School	Sidian Bank	01017030000495	503,535	3,535

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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)
OAG/MRO/NGCD-KITC/2023/2024(7)	Budgetary Control and Performance-The summary of appropriation reflects final receipt budget and actual amounts on comparable basis of Kshs 256,022,053 and Kshs 209,223,110 respectively resulting in an underfunding of Kshs 46,798,943 or approximately 18% of the approved budget	The funds had not been received from the NGCDF Board as at the closure of the financial year, however the funds were received later and all the projects in respect to the funding were implemented to completion	Not resolved	After a schedule by the DFAC committee of parliament and the Auditor to appear before the committee .
OAG/MRO/NGCD-KITC/2023/2024(7)	Project Implementation Status- Review of the project implementation status report as at 30 June 2024	.	Not resolved	After a schedule by the DFAC committee of parliament and the Auditor to appear before the committee .

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	<p>revealed that the fund allocated an amount of Ksh 105,963,363 for the implementation of sixty six (66) Projects .out of the 66 fifty eight (58) projects worth Kshs 74,426,230 had been completed while two (2) projects with a total cost of Kshs 3,200,000 were ongoing si projects with a total cost of Kshs 28,337,133 had not started as at the time of audit in November 2024</p>			
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Name: Josephine Mutua
Fund Account Manager.

