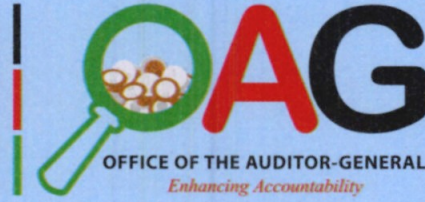



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY REPORT	
DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY: Hon. (Dr.) Robert Rukore	on behalf of leader of majority Lonsale
CLERK-A THE-TABLE: OF	

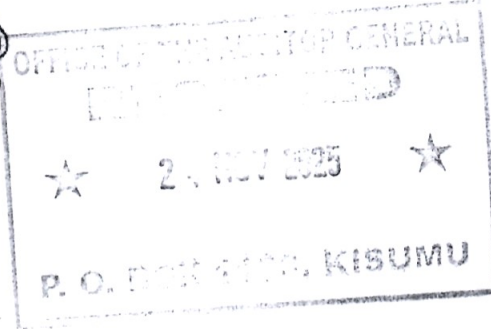
PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KISUMU WEST
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KISUMU WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2025

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committees	viii
4. NG-CDFC Chairman’s Report.....	xii
5. Statement of Performance against Predetermined Objectives for FY2024/25	xxiii
6. Governance Statement.....	xxviii
7. Management Discussion and Analysis	xxxvii
8. Environmental and Sustainability Reporting	xlvii
9. Statement of Management Responsibilities.....	li
10. Report of the Independent Auditor on the NGCDF- Kisumu West Constituency.....	liii
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement of Financial Position As At 30th June, 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
14. Statement of Cash Flows for The Year Ended 30th June 2025.....	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	7
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	11
17. Notes to the Financial Statements.....	27
18. Annexes	67

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
NCSA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

c) Fiduciary Oversight Arrangements

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

NGCDF Building, Ojolla
Kisumu West Sub County Headquarters
off Kisumu – Busia Road,
Kisumu, KENYA

e) NGCDF Kisumu West Constituency Contacts

P.O. Box 3652, 40100
Telephone: (254) 720399068
E-mail: cdfkisumuwest@ngcdf.go.ke
Website: www.kisumuwestcdf.go.ke

f) NGCDF Kisumu West Constituency Bankers

1. Operations accounts

Kenya Commercial Bank, Kisumu Airport Branch.

P.O. Box Kisumu 48400-00100

Equity Bank(Kenya) Ltd

Kisumu Branch

P.O. BOX 3621-40100 Kisumu

2. Deposit account

Family Bank.

Kisumu Express Branch

Reliance Building ,Railways- Oginga Odinga Road

3. Project Management Committee Bankers

Kenya Commercial Bank
Kisumu Airport Branch.
P.O. Box Kisumu 48400-00100

Equity Bank(Kenya) Ltd
Kisumu Branch
P.O. Box 3621-40100 Kisumu

Family Bank
Kisumu Express Branch
Reliance Building ,Railways- Oginga Odinga Road

Sidian Bank(Kenya)
Kisumu Branch
Imperial Express, Oginga Odinga Rd, Kisumu
P.O BOX 25363-00603, Nairobi

g) Independent Auditor

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

h) Principal Legal Adviser

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

3. NGCDF Committees

Benson Okello Odondi **Chairman, Kisumu West NGCDF Committee**



Benson Odongo has chaired the NG-CDF since 2022, providing strategic leadership, presiding over meetings, engaging stakeholders, facilitating training, and overseeing project reporting. Born on 1 June 1948 in South West Kisumu Ward, he holds a Kenya Preliminary Examination qualification. A former Councillor and Deputy Mayor of Kisumu City Council (2009–2012) and Board Member of St. Mark Obambo Secondary School, he leverages his governance experience to align

community needs with national priorities, strengthening civic engagement and education in Kisumu West

Pamella Awuor Ochieng' **Secretary , Kisumu West NGCDF Committee**



Pamella Awuor Ochieng', 52, has served as Secretary of the Kisumu West NG-CDF Committee since 2022, representing Female Adults and serving on the Monitoring and Evaluation Sub-Committee. A resident of West Kisumu Ward, she holds a Diploma in Project Management, a Kenya Business Education Certificate, and is pursuing a Bachelor's degree at the Management University of Africa. She is also a Board Member at St.

Mark Obambo Secondary School and active in church and women's leadership. Her duties include coordinating meetings, maintaining records, and supporting project development, compliance, and stakeholder engagement.



Samuel Onyango Ong'ai

Member, Male Youth Representative

Samuel Onyango Ong'ai has represented Male Youth since 2022, serving on the Bursary Sub-Committee and the Constituency Roads Committee. He resides in North Kisumu Ward, is 40 years old, holds KCPE and KCSE qualifications, and is pursuing a Bachelor's in Accounting at the Kenya College of Accountancy. Through youth initiatives and volunteer teaching, he

contributes to ward forums, proposal submissions, PMC operations, and the delivery of bursary and road projects that promote youth empowerment and constituency growth.



Ms. Mary Atieno Otieno

Member, Female Adult Representative

Appointed in 2022, Mary Atieno Otieno represents Female Adults and serves on the Bursary Sub-Committee. She lives in West Kisumu Ward, is 64 years old, a certified Trainer of Trainers, and actively promotes women's empowerment. She participates in community engagement for project identification, proposal preparation, PMC support, and ensures bursary programs address educational needs aligned with national priorities.



Antony Kennedy Odhiambo Atito

Member (Male Adult)

Antony Kennedy Odhiambo Atito has represented Male Adults since 2022, serving on the Bursary Sub-Committee, Ethics and Complaints Committee, and Monitoring and Evaluation Sub-Committee. A resident of Central Kisumu Ward, he is 34 years old, holds KCSE qualifications, and is active in community organizations. He facilitates forums, supports proposal development, oversees PMCs, and promotes ethics, bursary

allocation, and evaluation for inclusive constituency growth



Lavina Adhiambo Oriri
Member (Female Youth)

Lavina Adhiambo Oriri has represented Female Youth since 2022, serving on the Monitoring and Evaluation and Bursary Sub-Committees. She is 29 years old, lives in North West Kisumu Ward, holds KCSE qualifications, and is pursuing a degree at Maseno University. She advocates for youth leadership, supports community priority setting, assists in proposal development, and ensures effective bursary program delivery



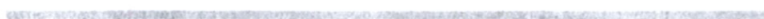
Debora Aluoch Ogada
Member (Representing Persons with Disability)

Since 2022, Debora Aluoch Ogada has represented Persons with Disability, She chairs the Ethics and Complaints Committee and a member of Bursary Sub-Committee. She resides in Central Kisumu Ward, is 57 years old, and holds KCPE qualifications. She champions inclusive planning, ethical compliance, PMC support, and equitable bursary allocation to meet diverse community needs.



Willis Otieno Omuche
Co-opted Member

Co-opted to the Committee in 2022, Willis Otieno Omuche serves on the Monitoring and Evaluation Sub-Committee. He is 50 years old, resides in West Kisumu Ward, and holds KCSE qualifications. His role includes project identification, proposal formulation, PMC facilitation, and monitoring to ensure projects meet quality standards and timelines.





Kipngetich Langat

Fund Account Manager(Ex-Officio Member)

As the Fund Account Manager for the Kisumu West NGCDF, Kipngetich Langat oversees financial stewardship, ensuring compliance, prudent resource use, and timely disbursement to priority projects. With over 17 years' experience in public sector project administration, budgeting, and capacity building, he directs planning, procurement, monitoring, and reporting to guarantee accountability. He holds an MBA in Finance, a BCom in Accounting, and is pursuing a PhD in Entrepreneurship, alongside advanced training in senior management and results-based management. Also serving as National Chairman of CDF Sacco Limited, Langat is recognized for integrity, strategic vision, and dedication to impactful community development.

4. NG-CDFC Chairman's Report



"Kisumu West advanced education and infrastructure in 2024/2025, fully funding bursaries and upgrading schools despite funding delays, inflation, and a challenging policy environment."

Benson Odoni

**Chairman,
Kisumu West National Government Constituency
Development Fund**

Executive Summary

The 2024/2025 financial year was one of resilience, determination, and measurable progress for Kisumu West Constituency. Guided by our Five-Year Strategic Plan, we maintained a clear focus on development priorities that directly address community needs, with the greatest attention devoted to education infrastructure, equitable bursary support, and the early stages of digital transformation. In a year marked by challenges that were largely beyond our control, most notably the delayed disbursement of NG-CDF funds the Constituency Development Fund Committee nonetheless succeeded in delivering tangible results that will serve our people for years to come. We constructed and renovated classrooms, improved sanitation facilities, secured school compounds, and provided bursary support to thousands of deserving students.

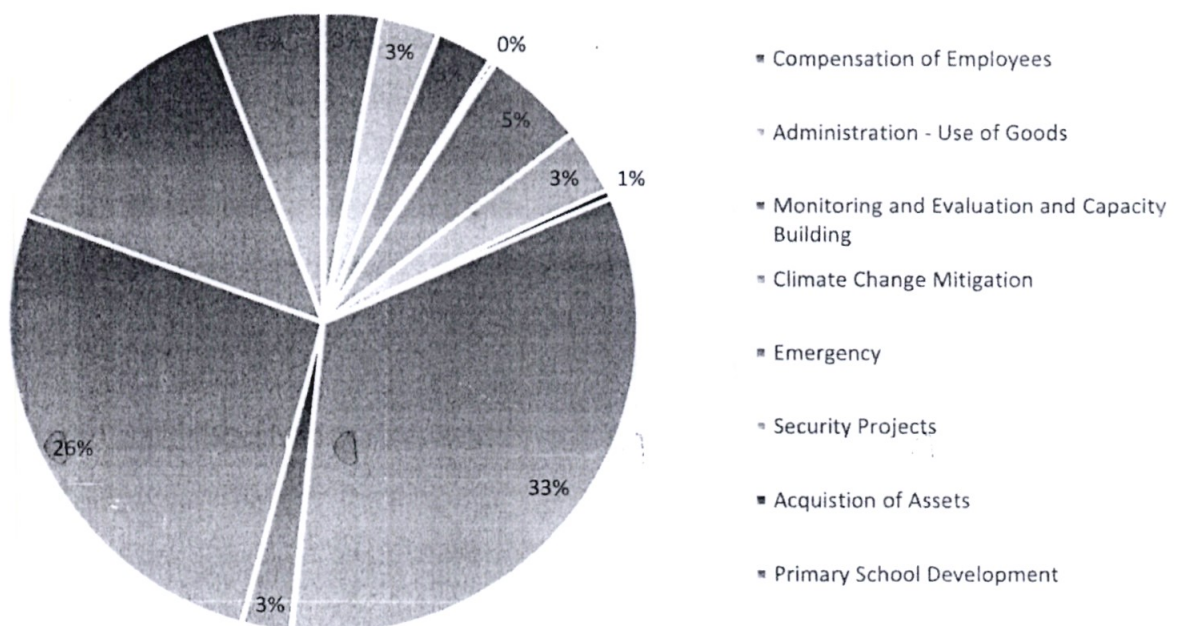
These achievements took place in the context of inflationary pressures, procurement complexities, the evolving Competency-Based Curriculum requirements, and heightened compliance demands, all of which underscored the importance of improved resourcing and the timely release of funds.

This Committee remains dedicated to overcoming these challenges, advocating for Kisumu West's equitable share, and ensuring transformative development through NG-CDF. We extend gratitude to the NG-CDF Board, the community, and our partners for their support

Sector allocation and performance

The allocation across sectors reflected a deliberate bias towards education and skills development, with over 73 percent of resources directed towards primary and secondary school infrastructure, bursaries for secondary and tertiary learners, and other education-related interventions. Primary School Development received Ksh 59.7 million, or 33.27 percent of the total, followed by bursaries for secondary schools at Ksh 47.28 million (26.35 percent), and bursaries for tertiary institutions at Ksh 24.5 million (13.65 percent). Significant but smaller allocations included Ksh 10.4 million (5.8 percent) for the establishment of digital hubs, Ksh 9.44 million (5.26 percent) for the emergency fund, and Ksh 6.07 million (3.38 percent) for security projects. Administration, monitoring and evaluation, employee compensation, and secondary school development each accounted for around 2–3 percent of the budget, while asset acquisition and climate change mitigation received less than one percent combined

Sector Allocations - 2024-2025



Financial Performance & Budget Utilization

Kisumu West was allocated Ksh 302,381,043 for the year, comprising Ksh 179,441,954 from the 2024/2025 allocation, Ksh 72,428,096 in opening balances, and Ksh 50,510,993 in

outstanding disbursements from the NG-CDF Board. of this total, the constituency received Ksh 259,939,089, representing 86 percent of the approved budget. The overall utilization stood at Ksh 162,812,144, or 54 percent, with unutilized funds amounting to Ksh 181,010,854. These comprised Ksh 42,441,955 still undisbursed by the Board and Ksh 139,568,899 already received but unspent, having been committed to ongoing projects for which works had been procured but not yet paid due to contractual obligations.

The constituency’s financial performance, as detailed in the budget utilization table, reflects a mixed outcome across various sectors, with a total budget of Ksh 302,381,043 and an actual expenditure of Ksh 162,812,144, resulting in an overall utilization rate of 54%. The primary revenue source, transfers from the NGCDF Board, amounted to Ksh 302,381,043, of which Ksh 259,939,089 was utilized, achieving an 86% utilization rate. This shortfall stemmed largely from delays in fund disbursements from the NGCDF Board, a recurring challenge that impacted several sectors. The figure below illustrated the sectorial allocation and

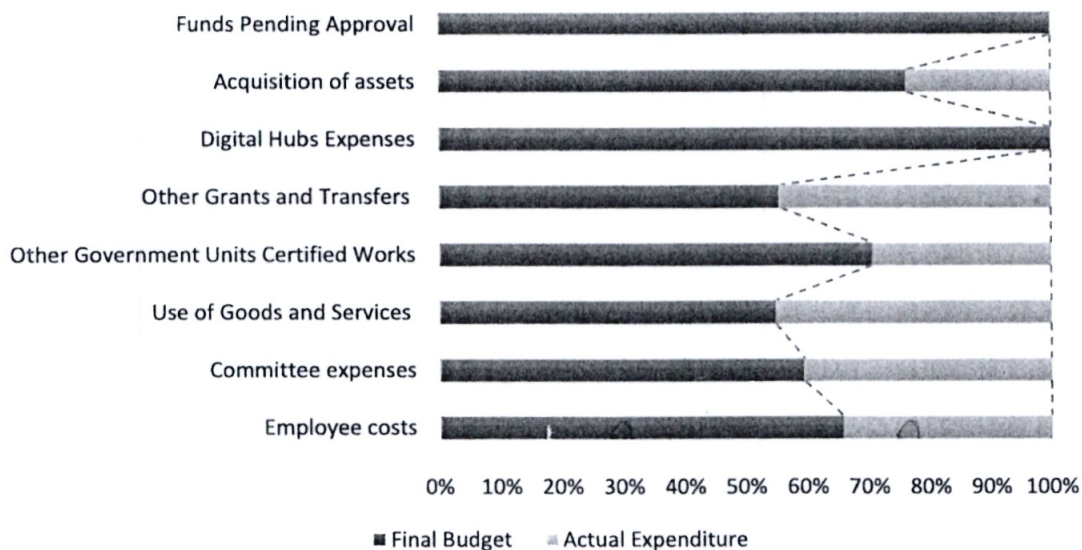


Fig1: Final Budget Vs Actual Expenditure

Employee costs, budgeted at Ksh 7,340,081, saw only Ksh 3,805,446 spent, yielding a 52% utilization rate. This low expenditure was due to provisions set aside for employee gratuities, payable at the end of their contracts. Committee expenses, with a budget of Ksh 9,666,673,

recorded Ksh 6,387,634 in spending, achieving a 66% utilization rate. The deferment of planned training and capacity-building programs for newly appointed NGCDF Committee members and staff, caused by delayed fund releases, contributed to this underutilization.

The use of goods and services performed strongly, with Ksh 5,596,987 spent out of Ksh 6,009,253, resulting in a 93% utilization rate, reflecting efficient operational spending. However, infrastructure development under other government units certified works saw a significantly lower utilization rate of 41%, with only Ksh 67,438,926 spent from a Ksh 162,820,680 budget. This was due to delays in fund receipts, procurement challenges, and conflicts with school calendars and national examinations, which disrupted project timelines.

Other grants and transfers, allocated Ksh 98,252,205, had Ksh 77,925,153 spent, achieving a 79% utilization rate. Within this sector, bursary programs excelled with 100% utilization, but climate change mitigation projects stalled due to adverse weather conditions and delayed funds. The establishment of two digital hubs, a key initiative aligned with the government's digital economy agenda, saw no progress despite a Ksh 13,250,817 allocation, as late fund receipts and cost escalations prevented commencement, resulting in a 0% utilization rate.

Asset acquisition, budgeted at Ksh 1,468,741, had only Ksh 458,000 spent, yielding a 31% utilization rate, likely due to procurement delays. Other payments, with Ksh 1,900,993 allocated, saw Ksh 1,200,000 spent, achieving a 63% utilization rate, indicating partial completion of planned activities. Funds pending approval, totaling Ksh 1,671,600, remained unspent at 0% utilization, as they awaited clearance.

The constituency's development strategy is guided by a five-year strategic plan developed in 2022/2023, which shapes its sustainable development goals. Notably, the Ksh 10,400,000 allocated in the 2024/2025 budget for digital hubs underscores the commitment to advancing the national digital economy, despite implementation hurdles caused by funding delays and rising costs.

Key Achievements

Despite these constraints, the year's achievements were significant. Education infrastructure was strengthened through an investment of Ksh 64.38 million, which delivered 23 new classrooms in seven schools — all designed to meet CBC and Junior Secondary School standards — and the renovation of 48 classrooms in six schools to restore functionality and improve learning conditions. Four six-door toilet blocks were constructed to enhance sanitation, particularly benefiting girls, while six perimeter fences were erected to protect school property and secure learning environments. Alongside this physical infrastructure came the flagship “Gifted & Lifted” bursary and scholarship programme, which disbursed Ksh 75.10 million to 11,682 students across secondary schools, tertiary institutions, and universities. A rigorous vetting process ensured that only registered voters of Kisumu West benefited, thereby safeguarding the programme from leakages and ensuring that support reached the most deserving residents.

Our commitment to preparing the constituency for the digital economy was reflected in the allocation of Ksh 10.4 million for two state-of-the-art Digital Hubs. While full implementation was delayed by cost escalations and fund timing, preparatory work was completed, setting the stage for facilities that will serve as centres for ICT training, online job access, and innovation.

Some of the projects that were successfully completed during the year are illustrated below.



Fig 1.1 Construction to completion of 3 classrooms at Ogongo Primary and Junior School

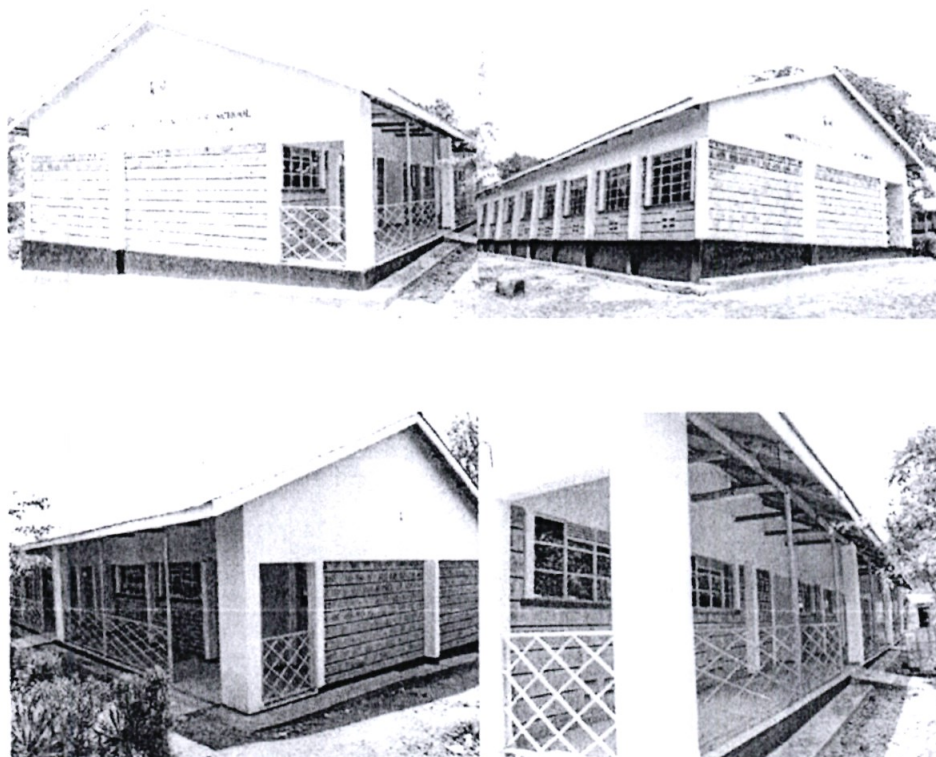


Fig 1.2: Construction to completion of 3 modern classrooms at Mbotto Sunrise Primary and Junior School.

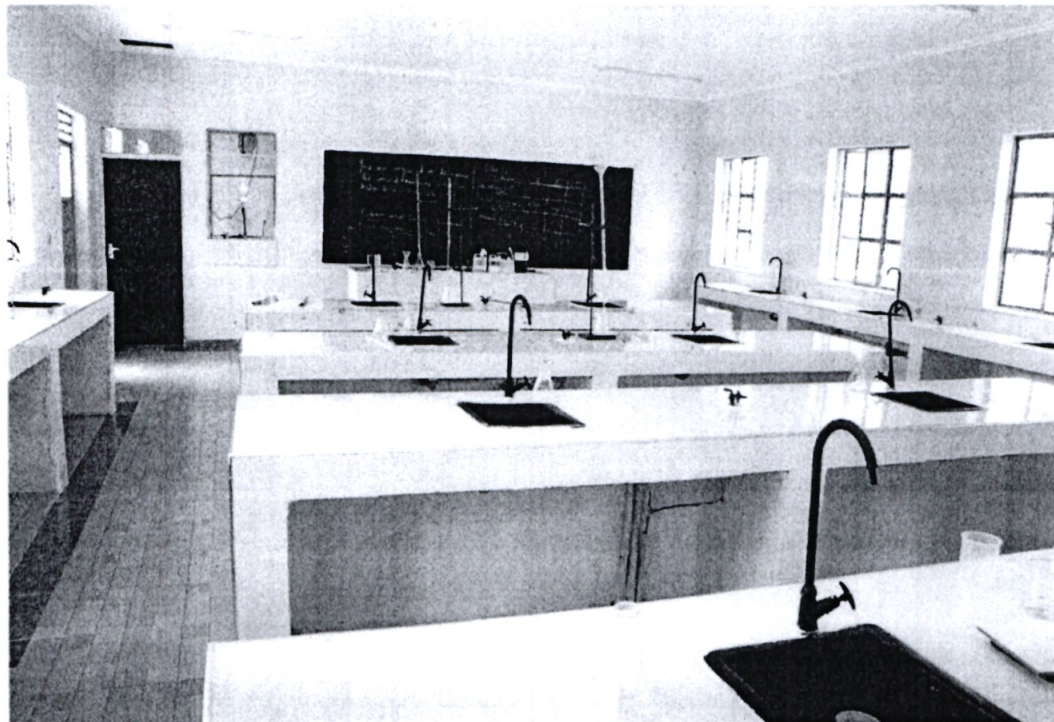


Fig 1.3: Completed modern Laboratory at Ogal Secondary school



Fig 1.4 Photo of completed Science Laboratory at Maliera Secondary School

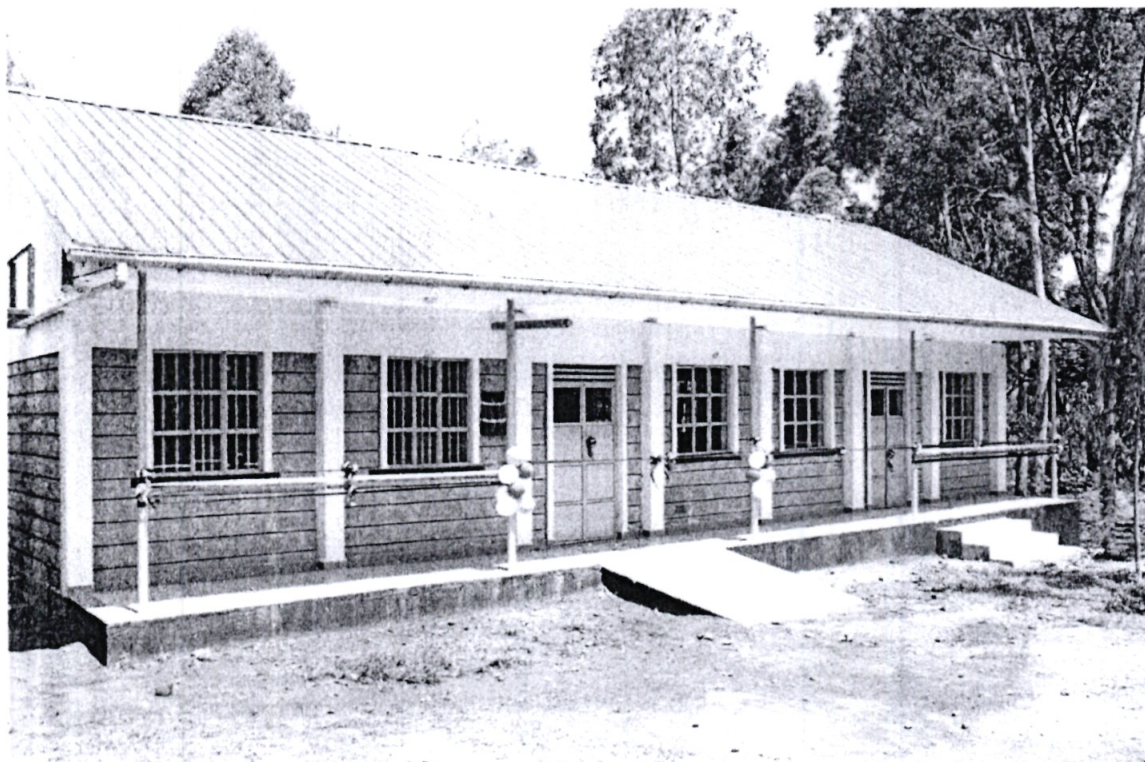


Fig 1.5 Photo of completed Science Laboratory at St. Gabriel's Bar Andingo Secondary School



Fig 1.6: Photo of a completed construction of 4 door toilet at Mkendwa muslim primary and junior school

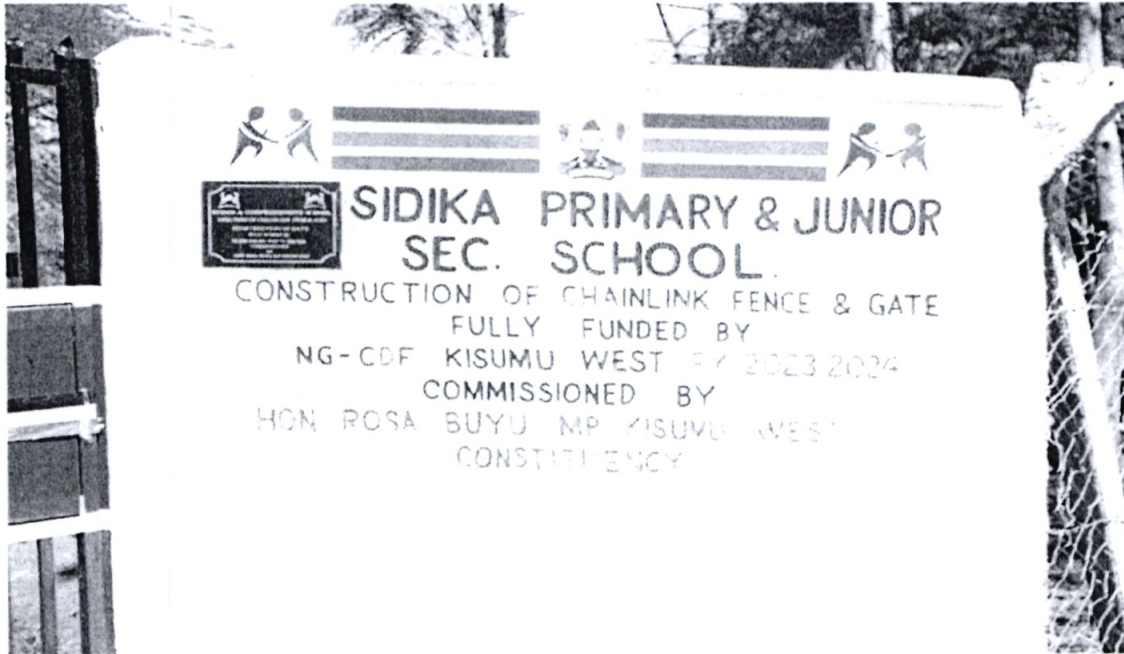


Fig 1.7: Photo of completed and installed construction of chainlink fence and gate at Sidika Primary School

Implementation Challenges & Mitigation Strategies

The constituency has faced several implementation challenges during the review period, each requiring targeted mitigation measures to safeguard project delivery and service continuity.

The late disbursement of NG-CDF funds has been a persistent constraint, causing start-up delays and low utilization rates. To address this, the constituency will intensify lobbying of the NG-CDF Board for timelier releases while prioritizing “shovel-ready” projects that can begin immediately upon receipt of funds, ensuring no loss of implementation time. Closely related is the mismatch between the NG-CDF funding schedule and the academic calendar. Bursary funds are typically received in January, yet some learners, particularly in colleges and universities, are required to report as early as September of the preceding year. This misalignment forces families to find alternative means to meet initial fees, creating financial strain.

Bursary demand has also risen sharply following the introduction of the Higher Education Funding Model (NHEFM), which has increased out-of-pocket expenses for many households. This has placed significant pressure on the bursary allocation, requiring the constituency to

stretch limited resources across a growing pool of applicants. Further uncertainty has been introduced by the recent court ruling declaring the NG-CDF Act unconstitutional, with operations mandated to cease by 30 June 2026. This has generated anxiety among community members, staff, and contractors and complicated the planning of multi-year projects.

Delays in procurement, often stemming from compliance requirements and lengthy approval cycles, have slowed project initiation and completion. Inflation and exchange rate fluctuations have compounded the challenge, inflating construction costs and in some cases necessitating scope adjustments or re-tendering. The transition to the electronic Government Procurement System (e-GPS), while enhancing transparency and accountability, has exposed capacity gaps among Committee members, staff, and contractors. Without sufficient training, the system risks becoming a bottleneck to procurement efficiency.

In bursary administration, inconsistent collection of signed acknowledgement receipts from institutions has hampered full accountability during audits and limited the ability to track fund utilization. Inflation and market cost variations have further strained budgets, leading to overruns and stalled works. To mitigate this, budgeting will be based on up-to-date market rates, and phased implementation will be adopted for large or cost-sensitive projects, providing flexibility to adapt to changing prices while maintaining project momentum.

Way Forward

Looking ahead, our strategy for the 2025/2026 financial year and beyond is anchored on sustaining momentum, safeguarding past gains, and positioning the Fund for maximum impact despite emerging uncertainties. A key priority will be advocating for timely disbursements by engaging the NG-CDF Board and other relevant authorities to align bursary release schedules with the academic calendar. This will ensure funds reach students before reporting dates, easing financial strain on families. In response to the rising demand under the NHEFM, we will pursue supplementary funding partnerships with the county government, corporate sponsors, and development partners to expand bursary and scholarship coverage, thereby increasing the pool of available resources for learners in need.

In light of the recent court ruling, we will strengthen legal preparedness by participating actively in national policy dialogues on the future of constituency-based development funding while ensuring the completion of all ongoing projects within the current operational framework. Simultaneously, we will build capacity for seamless adoption of the e-GPS platform through targeted training for NG-CDFC members, staff, and contractors, thereby reducing procurement delays and enhancing compliance.

To accelerate delivery, we will maintain a robust pipeline of fully designed, costed, and approved projects ready for immediate implementation once funds are released, ensuring full absorption of allocations within the financial year. Our accountability systems will be reinforced through stricter bursary monitoring mechanisms, requiring all disbursing institutions to provide signed acknowledgement receipts as verifiable proof of impact. Finally, we will safeguard hard-earned development gains by prioritizing projects with both immediate and long-term benefits, particularly in education, health, and ICT, ensuring that the constituency continues to progress even in a shifting policy and fiscal environment.

Conclusion

The 2024/2025 year tested our resilience, but it also showcased the resourcefulness and dedication of the Kisumu West NG-CDFC. Our classrooms, toilets, fences, bursary support, and digital readiness initiatives are more than just statistics — they represent hope, opportunity, and progress for thousands of residents.

We remain committed to our mission of delivering inclusive, people-centred development. With the continued support of the NG-CDF Board, community members, and our partners, Kisumu West will continue to be a model constituency in transparent, impactful, and needs-driven use of public resources.

.....

Benson Okello Odondi
Chairman NGCDF Committee

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

Introduction

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

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

- a) Improve education quality and access by constructing or renovating classrooms, laboratories, libraries, dormitories, toilets, and staff houses.
- b) Provide essential infrastructure and resources including access roads, desks, electricity, and bursaries.
- c) Organize education days, counselling sessions, water harvesting projects, and fencing of school compounds.
- d) Empower youth through campaigns on drug abuse and HIV/AIDS awareness, support for youth groups, and provision of technical training.
- e) Offer entrepreneurship training for youth and women, and establish ICT hubs.
- f) Implement emergency response measures to address unforeseen challenges in education, security, and administration.
- g) Promote environmental sustainability through tree planting, nursery establishment, and water harvesting in schools and offices.
- h) Enhance security by upgrading offices and housing for chiefs, commissioners, and police officers.
- i) Strengthen performance monitoring through training of NG-CDFC and Project Management Committees, continuous project monitoring, and periodic review of the strategic plan.

- j) Strengthen the NGCDF office by equipping it with necessary resources, organizing staff bonding activities, and sensitizing teachers for improved collaboration and service delivery.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 .The constituency put in place funds towards <ul style="list-style-type: none"> • 4 laboratories constructed in secondary school • -Constructed a total of 23 new classrooms in 7 schools • fencing done in Kirembe, Nyakune • Nyang'inja, Odowa and Sidika Primary Schools • -Renovated a total of 48 classrooms from 6 schools. • Constructed a total of 18 doors toilets in Orinde Primary and Mbotto Sunrise Primary School • Completion of 1 administration blocks in Tiengre Secondary School

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

Sector	Objective	Outcome	Indicator	Performance
				<ul style="list-style-type: none"> - Bursary to a total of Kshs 75,103,726 to 11,682 beneficiaries at all levels.
Security	-To improve access to security services	-Improved service delivery to wananchi	-To improve access to security services	<ul style="list-style-type: none"> • Additional funds were allocated for construction of 40 roomed police divisional headquarters • Equipped 3 administration blocks for are chiefs/ assistant chief offices with furniture
Climate change mitigation activities	-To increase forest cover and clean trading centres	-Reduced erosion and flood control -clean environment to for constituents	-purchase and plantation of seedlings -purchase of desks -Repair and installation of water catchment tanks	<ul style="list-style-type: none"> • In liaison with KCB bank planted total of 40,000 tree seedlings in 30 schools within the constituency. <p>Ensured all projects have a component of planting trees and installation of water tank with three hand washing points.</p>
Emergency	To Mitigate on unexpected occurrences that affects the welfare of constituents within the national	Availing of Funds to mitigate on the negative effects occasioned by unexpected occurrences	Support the re-construction of damaged National Government Projects Provide Funds for the provision of urgently needed facilities	Allocated funds towards the reconstruction of ablution blocks in Usari and Mkendwa Primary Schools

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

Sector	Objective	Outcome	Indicator	Performance
	government facilities		in National Government Facilities	
Sports	To harness talent and empower youth	Active participation of youth in sports and advocacy activities	Number of sporting field rehabilitated	Field grading and pitch enhancement
Intuitional strengthening	To promote performance of management and smooth running of NGCDF operations	<ul style="list-style-type: none"> - Quality of work from motivated staff - Effective and active NGCDF Committee and harmonized governance body - Reflective and dynamic committee and staff able to 	<ul style="list-style-type: none"> - Work plans, reports, accountabilitys, Board minutes, resolutions, evaluation report 	<ul style="list-style-type: none"> - 10 staff employed and well enumerated. - File of all management resolutions well kept. - All reports due to the board submitted within the given timelines. <p>Developed work plans and submitted to the board</p>

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

Sector	Objective	Outcome	Indicator	Performance
		adjust to changing operational circumstances.		
Tracking of results	To improve on tracking of implementation of NGCDF projects	<ul style="list-style-type: none"> Strengths and Weaknesses in project implementation identified and addressed Audit report, enhance and improved standards in financial management 	<ul style="list-style-type: none"> Reports, Success and case stories Audit report, Financial report 	<ul style="list-style-type: none"> Quarterly and annual reports submitted with the timelines Audit reports responded to and advice on the same adhered to.

6. Governance Statement

The Kisumu West National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2023/2024 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

We continually evaluate our governance operational framework to ensure the presence of robust internal governing bodies and effective systems and processes that support the Board and management in driving change, setting strategic direction, and formulating high-level objectives and policies. The governance of the organization falls under the purview of the Kisumu West National Government Constituency Development Fund Committee. Committee members are deeply committed to fulfilling their fiduciary responsibilities and have implemented a range of principles essential for ensuring that good governance is adhered to in all interactions with the organization's constituents, customers, and other pertinent stakeholders.

a) Organizational Structure:

- i) **The National Treasury and Planning** is responsible for allocating budgetary provisions and providing policy guidance on development matters to the fund. It also funds the NGCDF budgets and offers financial directives for the effective and efficient management of the Fund.
- ii) **The NG-CDF Board** operates as a corporate board under the jurisdiction of the National Treasury and Planning. Its primary role is to ensure the efficient management of funds within constituencies. The board has a secretariat located in Nairobi, led by the Chief Executive officer.

- iii) **The NG-CDF Committee (NG-CDFC)** is tasked with formulating project proposals in consultation with the local community through periodic ward-level forums. These proposals are then submitted to the NG-CDF Board for approval, and the committee facilitates Project Management Committees (PMCs) in the planning, implementation, and sustainability of projects at the constituency level.
- iv) **The Project Management Committee (PMC)** is responsible for executing projects on behalf of the local community. They collaborate with relevant government departments and prepare reports for submission to the NG-CDF Committee.
- v) **The NGCDFC staff** comprises key personnel responsible for managing the affairs of the constituency. Key positions within the current staffing include the Clerk of Works, Accountant, Account Assistant, Records officer, ICT officer, Receptionist/Tea Girl, Driver and Grounds man.

b) NG-CDFC process of appointment

Section 43(1) to (4) of the National Government Constituencies Development Fund (NG-CDF) Act provides for the establishment and composition of the National Government Constituency Development Fund Committee (NGCDFC) in every constituency.

The Committee comprises several categories of members, including the national government official responsible for coordinating national government functions; three men nominated in accordance with subsection (3), one of whom must be a youth at the date of appointment; and three women similarly nominated, one of whom must also be a youth. In addition, one person with a disability, nominated by a registered group representing persons with disabilities in the constituency, is included, alongside two persons nominated by the constituency office established under Regulations made pursuant to the

Parliamentary Service Act. The officer of the Board seconded to the Committee serves as an ex officio member without voting rights, and the Board may also co-opt one member in line with its regulations.

The seven individuals referred to in subsection (2)(b), (d), and (e) are selected in a manner and with qualifications prescribed by the Board through regulations. Their names are then submitted to the National Assembly for approval before appointment and gazettelement by the Board. In Kisumu West Constituency, the current NGCDFC members were formally appointed through Gazette Notice Vol. CXXIV, No. 254 of 8th April 2025, while the previous committee had been appointed and gazetted on 29th November 2022 under Gazette Notice Vol. CXXII, No. 154.

c) Constitution of Sub Committee

Sub Committees include Bursary, Monitoring and Evaluation, Ethics and Complaints Committee, Constituency Roads Committee and Other Sub Committees appointed on a need basis.

Members are appointed to the subcommittee via a minute resolutions of the main committee, members appointed, serve for a term of 2 years.

Bursary subcommittee members are appointed vide a circular and guidelines from the NGCDF board

d) Composition of NGCDFC

The persons appointed are drawn from different groupings as follows:

No	Name	Category	Ward	Position
1.	Benson Odondi	Male (Adult)	South West	Chairperson
3.	Pamela Awuor	Female (Adult)	West Kisumu	Secretary
2.	Samwel Onga'i	Male (Youth)	North Kisumu	Member
4.	Lavina Adhiambo	Female(Youth)	North West Kisumu	Member
5.	Deborah Ogada	Representative of Persons with Disability	Central Kisumu	Member

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

No	Name	Category	Ward	Position
6.	Anthony Kennedy Atito	Male (Adult)	Central Kisumu	Member
7.	Mary Atieno	Female (Adult)	West Kisumu	Member
8.	Willis Omuche	NGCDF Board Coopted	West Kisumu	Member
9.	Maurice Wanyonyi	Deputy County Commissioner		Member
10.	Kipngetich Langat	Fund Account Manager		Member

e) NG-CDFC Tenure

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The committee appointed vide Gazette Notice Vol. CXXII, No. 154 dated November 29, 2022 served until November 28, 2024 and a new committee appointed on April 8, 2025. The term of the new committee will expire on April 7, 2027.

f) The Role of the Constituency Committee

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

The roles and functions of NG-CDFC are as follows; -

- (i) Build the capacity of project management committees and Committee.
- (ii) Sensitize the Community on the operations of the Fund;
- (iii) Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- (iv) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;1956 - Kenya Subsidiary Legislation, 2016
- (v) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and

- make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- (vi) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
 - (vii) Ensure that all projects receive adequate funding and are completed within three years;
 - (viii) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

g) Removal of NG-CDFC Members

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behavior in public, advocating unethical behaviors, creating discord within the committee, Suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

h) Succession plan

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

i) Induction and Training of NG-CDFC Members:

In the year 2024/2025, the NGCDF Committee were trained by the NGCDF Board. The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource management,

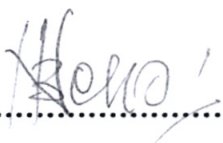
National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Accounting officer in charge of the NGCDF Kisumu West 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- Kisumu West Constituency financial statements were approved and signed by the Accounting officer on _____ 2025.


.....
Benson Okello Odondi
Chairman – NGCDF Committee


.....
Kipngetich Langat
Fund Account Manager

9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting officer in charge of the NGCDF-Kisumu West 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-Kisumu West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting officer charge of the NGCDF- Kisumu West 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.

6. Public Participation in Project Identification, Implementation, and Monitoring

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

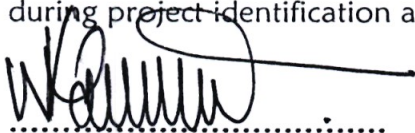
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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



Kipngetich Langat
Fund Account Manager.

put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Kisumu West Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kisumu West 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.

2. Environmental performance

- The constituency has ensured that its projects supported environment conservation by making it mandatory that all construction projects must have water harvesting component in the bill of quantities, this includes provision of water tank (10,000 litter), gutters and hand washing points. All contracts have a tree planting where contractors are supposed to plant a minimum of 100 trees. Tend to them while on site and handover during commissioning of projects. we also build eco-friendly toilets in schools
- The constituency has allocated funds for construction of Police Headquarters that will be fully equipped with personnel and unit to deal with alcohol and drug abuse. During trainings of PMC the constituency emphasizes on need of sensitizing the community on effects of drug abuse in the community.

3. Employee welfare

We invest in providing the best working environment for our employees. Kisumu West 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. Kisumu West 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

8. Environmental and Sustainability Reporting

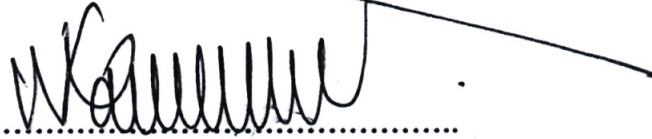
1. Sustainability strategy and profile -

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

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

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

By aligning resources, strengthening partnerships, and leveraging strategic foresight, Kisumu West NG-CDF is poised to deliver a constituency that is safer, smarter, greener, and more inclusive, ensuring that every resident benefit from the transformative power of community-driven development.



A handwritten signature in black ink, appearing to read 'Kipngetich Langat', is written over a horizontal dotted line. A long, thin horizontal line extends from the right side of the signature across the page.

Kipngetich Langat
Fund Account Manager

Inflationary pressures have further complicated the Fund's efforts, with rising construction costs eroding the purchasing power of allocated budgets. This has resulted in fewer project units being delivered for the same financial outlay, slowing the pace of development and forcing difficult trade-offs in project prioritization.

Way Forward

Looking ahead, Kisumu West NG-CDF is committed to consolidating its gains, addressing challenges, and positioning the constituency for sustained, inclusive growth. The immediate priority is to complete ongoing projects before embarking on new large-scale capital commitments. To this end, Project Management Committees will receive targeted training to enhance oversight, ensure procurement compliance, and accelerate delivery timelines. This will help mitigate delays and improve budget absorption rates.

In education, the Fund will maintain bursary funding at current levels while actively seeking partnerships with private and public entities to expand scholarship opportunities, particularly for disadvantaged students. The operationalization of new ICT hubs in Nyahera and Holo will be prioritized, with plans to integrate these facilities with school e-learning programmes to bridge the digital divide and empower youth with skills for the digital economy.

Environmental sustainability efforts will be scaled up, with a target of establishing at least one active tree nursery in every ward by 2026. These nurseries will support school greening initiatives and contribute to broader climate change mitigation goals. Security and administrative infrastructure will continue to receive attention, with additional chiefs' offices planned to strengthen grassroots governance and ensure that law enforcement is both visible and effective across the constituency.

The vision for a Kenya Medical Training College will be revisited through a partnership-driven approach to upgrade local health facilities, addressing the prerequisite for KMTC approval. By fostering collaboration with relevant stakeholders, the Fund aims to unlock this transformative project, which promises to enhance healthcare training and service delivery in Kisumu West.

and community members. Two additional ICT hubs have been approved for Nyahera and Holo, with plans to operationalize them in the near future. These hubs are envisioned as catalysts for innovation, enabling young people to acquire digital skills, access online education, and explore entrepreneurial opportunities in an increasingly digital world.

Environmental Sustainability: Greening the Future

Environmental stewardship has been a consistent priority for Kisumu West NG-CDF, reflecting a commitment to sustainable development and climate change mitigation. Each year, the Fund has allocated resources to establish tree nurseries and implement school greening projects, with over ten educational institutions participating to date. These initiatives have not only enhanced the aesthetic appeal of school compounds but also provided shade and contributed to the constituency's long-term goal of increasing tree cover. By fostering a culture of environmental responsibility, these efforts are laying the groundwork for a greener, more sustainable Kisumu West.

Challenges

Despite its impressive achievements, Kisumu West NG-CDF has faced several challenges that have tested its resilience and adaptability. Funding constraints and prolonged procurement processes have delayed the completion of some projects, particularly in the security and education infrastructure sectors. The public bursary vetting process, while improving fairness and transparency, has significantly expanded the beneficiary pool, stretching available resources to the point of threatening the programme's long-term sustainability.

The ambition to establish a Kenya Medical Training College (KMTC) in the constituency has been stalled due to the absence of a qualifying health facility, a prerequisite for approval. This setback has delayed a critical opportunity to enhance healthcare training and service delivery in the region. Similarly, the implementation of the CBC has exposed persistent infrastructure gaps in Junior Secondary Schools, particularly in the availability of specialised rooms and equipment needed to fully support the curriculum's requirements.



Fig 2; Otonglo Divisional Headquarters – Implemented in collaboration with Parliamentary Budget Committee

Digital Access: Bridging the Digital Divide

Recognizing the transformative power of technology, the Fund has prioritized investments in ICT to enhance access to digital services and opportunities. The establishment of the **Ojolla Huduma Centre** stands out as a groundbreaking achievement, being the only sub-county-level facility of its kind in Kisumu County outside the main headquarters. This center has brought essential government services closer to residents, significantly reducing travel time and costs for accessing critical documents and services.

Complementing this effort is the creation of the constituency's first ICT hub, a facility designed to serve as a gateway to e-learning, online business opportunities, and digital literacy for youth

of-the-art laboratory apparatus and safety systems, enabling students to engage in practical science experiments in safe and well-resourced environments. These investments underscore the Fund's commitment to fostering innovation and critical thinking among learners.

Beyond infrastructure, the Fund's social investment in education through bursaries and scholarships has been transformative. Since 2022, approximately 29,300 students have benefited from bursary support, with a deliberate policy to allocate 25% of annual funds to support needy learners. The **Gifted and Lifted** scholarship programme, launched to nurture high-potential but disadvantaged students, awards 10 scholarships annually based on performance contracts, ensuring that talent is not stifled by financial constraints. Additionally, the Fund has sustained legacy programmes such as **Wings to Fly**, albeit on a smaller scale, to continue supporting earlier beneficiaries and maintain continuity in its commitment to educational equity.

Infrastructure and Security

In the realm of infrastructure and security, Kisumu West NG-CDF has made significant strides to enhance safety and administrative efficiency. A flagship achievement is the completion of the **Otonglo Police Divisional Headquarters**, a project brought to fruition through effective resource mobilization. The Fund secured KSh 20 million in external funding to construct and equip this facility with modern offices, secure cells, perimeter fencing, and sanitation systems. This development has significantly strengthened law enforcement capacity in the region, fostering a safer environment for residents.

Across the constituency, chiefs' offices have either been constructed or upgraded to improve grassroots governance and service delivery. These facilities serve as critical hubs for administrative functions, dispute resolution, and community engagement. Plans are underway to extend similar upgrades to additional wards in the coming year, ensuring that every corner of Kisumu West benefits from accessible and effective local governance.

Achievements

Education: Building Foundations for the Future

Education remains the cornerstone of Kisumu West NG-CDF's transformative agenda, reflecting a deep commitment to empowering the next generation through access to quality learning environments and opportunities. The Fund's strategic approach to education, as outlined in its 2022/2023–2026/2027 Strategic Plan, adopts a balanced, four-pronged framework that emphasizes the construction of laboratories, renovation of existing facilities, development of new classrooms, and fencing of school compounds to ensure equitable development across all wards.

Over the review period, the Fund has made substantial strides in upgrading educational infrastructure. More than 40 new classrooms have been constructed and fully furnished with desks, chairs, and other essential learning resources. These modern facilities have replaced outdated structures, many of which previously suffered from leaking roofs, cracked walls, and inadequate sanitation systems. Additionally, over 20 schools have undergone comprehensive renovations, resulting in what the Fund proudly refers to as “model schools.” These institutions now boast tiled floors, durable roofing, efficient water systems, and enhanced safety provisions, creating environments that inspire learning and academic excellence.

The introduction of Junior Secondary School (JSS) facilities has been a landmark achievement, aligning with the national rollout of the Competency-Based Curriculum (CBC). In 2023/2024, the Fund invested KSh 30.6 million in a pioneering “shilling-for-shilling” partnership with the Ministry of Education to construct and equip 26 JSS classrooms across the constituency. These classrooms are not merely physical structures but fully equipped learning hubs, complete with desks, chairs, and teaching aids tailored to the CBC's hands-on, skills-based approach. This initiative has ensured that Kisumu West's young learners are well-prepared to thrive in the evolving educational landscape.

Science education has also received significant attention, with nine laboratories either constructed or renovated to modern standards. Five schools have been equipped with state-

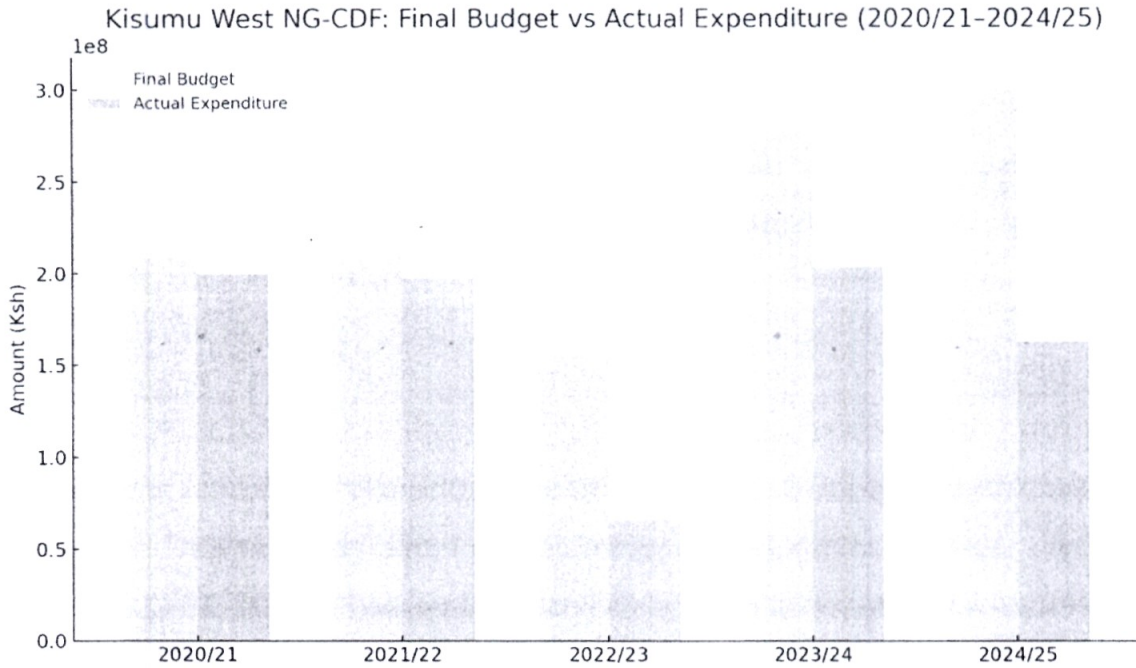


Figure 1: Final Budget vs Actual Expenditure (2020/21 -2024/24)

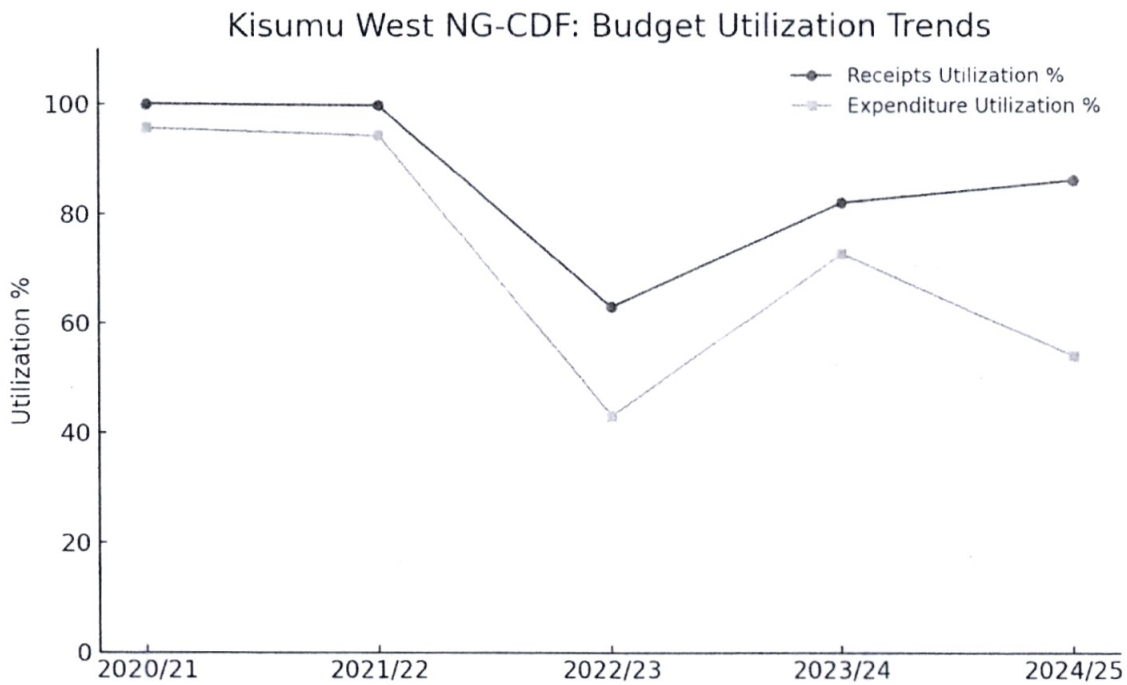


Figure 2: Receipts and Expenditure Utilization Trends

million, indicating ongoing challenges in securing timely disbursements from the NG-CDF Board.

The 2024/25 fiscal year saw the highest budgeted receipts in the period, totaling KSh 302.38 million. However, receipts utilization stood at 86%, and expenditure utilization was only 54%, with actual expenditure amounting to KSh 162.81 million well below the budgeted amount. This significant shortfall points to operational bottlenecks, particularly in executing capital-intensive projects, which likely impeded the full realization of planned activities.

Expenditure patterns have shifted over time. Early years focused heavily on transfers and grants, while later years saw increased allocations to committee expenses, goods and services, and asset acquisition. Notably, transfers to other government units peaked in 2023/24 (KSh 145.6 million) but declined sharply in 2024/25 (KSh 67.4 million actual against KSh 162.8 million budgeted). Employee costs remained relatively small but fluctuated, with utilization ranging from 44% (2021/22) to 79% (2020/21), before dropping to 52% in 2024/25. Certain budget lines, such as digital hubs in 2024/25, recorded zero expenditure despite a KSh 13.25 million allocation, pointing to procurement or planning inefficiencies.

The persistent underutilization in categories like asset acquisition and digital hubs, coupled with large unspent balances in capital-intensive projects, underscores the need for improved project planning and execution to maximize the impact of available funds.

Financial Performance

The financial performance of Kisumu West NG-CDF over the five-year period reveals both strengths and areas for improvement. The following analysis highlights key trends in revenue, expenditure, and budget utilization:

<i>Year</i>	<i>Final Budget</i>	<i>Actual Receipts</i>	<i>Receipts Utilization %</i>	<i>Actual Expenditure</i>	<i>Expenditure Utilization %</i>
<i>2020/21</i>	209,070,676	209,070,675	100%	199,860,062	95.6%
<i>2021/22</i>	210,055,220	209,361,145	99.7%	197,826,712	94.2%
<i>2022/23</i>	155,282,757	97,878,897	63%	66,903,109	43.1%
<i>2023/24</i>	280,095,726	229,584,733	82%	203,657,184	72.7%
<i>2024/25</i>	302,381,043	259,939,089	86%	162,812,144	54.0%

Table : Comparative Summary Table

Between the fiscal years 2020/21 and 2021/22, robust financial discipline was evident, characterized by high expenditure utilization rates of 95.6% and 94.2%, respectively. During these years, actual receipts aligned closely with the final budgets, achieving near-perfect receipts utilization of 100% and 99.7%. This reflected efficient fund disbursement processes by the NG-CDF Board, ensuring minimal discrepancies and effective use of allocated resources.

However, the 2022/23 fiscal year marked a notable downturn. Receipts utilization fell sharply to 63%, driven by a significant shortfall of KSh 57.4 million between the final budget of KSh 155.28 million and actual receipts of KSh 97.88 million. Expenditure utilization also dropped to a low of 43.1%, signaling substantial unspent balances and challenges in project implementation, which hindered the effective deployment of funds.

In 2023/24, there was a partial recovery in utilization rates. Receipts utilization improved to 82%, and expenditure utilization reached 72.7%. Despite this progress, a KSh 50.5 million gap persisted between the final budget of KSh 280.10 million and actual receipts of KSh 229.58

7. Management Discussion and Analysis

Overview

The Kisumu West National Government Constituency Development Fund (NG-CDF) has, over the past five financial years, pursued an ambitious vision to transform the lives of its constituents through strategic, community-centered, and sustainable development initiatives. Guided by the 2022/2023–2026/2027 Strategic Plan, the Fund has prioritized investments in education, infrastructure, security, information and communication technology (ICT), and environmental sustainability. This period has been characterized by remarkable achievements, navigated through significant challenges, and underpinned by a steadfast commitment to fostering equitable growth and improving quality of life across the constituency. The following discussion provides a comprehensive overview of the Fund's performance, detailing key successes, challenges encountered, financial trends, and the strategic roadmap for the future.

Effects of Economy and Politics on NGCDF (2020-2025)

The National Government Constituencies Development Fund (NGCDF), allocating funds for local projects in constituencies under the purview of national government functions, has been pivotal for grassroots economic transformation, aligning with national agendas like the Bottom-Up Economic Transformation and empowering communities for inclusive growth. However, economic and political dynamics have significantly influenced its operations and future.

Amid fiscal fragility, high debt, and slowed growth, NGCDF faced disbursement delays and budget constraints. This risked stalling local projects, exacerbating inequalities in a context of weak revenue growth and cost-of-living pressures, though the fund's role in uplifting education standards, has bolstered local economies and aligned with recovery efforts.

In line with our dedication to transparency, integrity, and the highest ethical standards, it is essential that all committee members and staff within our organization disclose any potential conflicts of interest that may arise during the course of their responsibilities. This act of disclosure is crucial to guarantee that our decision-making processes remain impartial, equitable, and in the best interests of our constituents and stakeholders. By promptly identifying and addressing conflicts of interest, we demonstrate our commitment to preserving the trust vested in us by the community we serve and upholding our organization's credibility.

Moreover, ethical conduct stands as a fundamental pillar of our organization's mission, and we anticipate all committee members and staff to strictly adhere to a code of ethics in the execution of their professional duties. This commitment encompasses the preservation of confidentiality, avoidance of any actions that could jeopardize our organization's integrity, and the enactment of behaviors that align with our core values. Our unwavering dedication to ethical behavior not only reinforces our standing but also ensures that our actions consistently conform to the principles of equity, accountability, and responsibility that serve as the foundation of our work.

k) Remuneration Rates

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receive a sitting allowance of Ksh 5,000 per session, while the chairperson is entitled to Ksh 7,000 per session.

l) Ethics and Conduct

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

m) Risk Management:

As part of the training organized by the NG-CDF Board, committee members were educated on the intricacies of risk management, equipping them with the skills necessary to address risks at the constituency level. Recognizing that risk management is an essential component of sound governance and exemplary management practices within the constituency.

Moreover, the committee was informed that the Risk Policy underscores NG-CDF's commitment to cultivating a risk-aware culture that promotes deliberate and proactive risk management, aligned with NG-CDF's strategic objectives. Specific examples of identified risks and their corresponding management responses were also provided.

n) Conflict of Interest and Ethical Practice

Kisumu West NGCDF requires all individuals associated with our organization to promptly and openly disclose any conflicts of interest that may arise in the course of their duties. Such disclosures are crucial to maintaining the integrity and impartiality of our decision-making processes, ensuring transparency, and upholding the highest standards of ethics and accountability. All disclosures shall be to the Fund Account Manager and the Chairman of the Committee.

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

6.	Lavina Adhiambo	Member	√	√	√	√	√	√	√	√	√	√	√	√
7.	Willys Otieno	Member	√	√	√	√	√	√	√	√	√	√	√	√
8.	Kennedy Atito	Member	√	√	√	√	√	√	√	√	√	√	√	√
9.	Maurice Wanyonyi	Member	√	√	×	√	√	√	×	√	√	×	√	√
10.	Kipngetich Langat	Member	×	×	×	√	√	√	√	√	√	√	√	√
11.	Haron Kiptoon	Member	√	√	√	×	×	×	×	×	×	×	×	×

b. Sub Committee Meetings

Sn	Name of Committee Member	Date	Sub Committee Meetings				NGCDF Committee Selection Panel	
			11-Sep-24	03-Dec-24	27-Mar-25	26-Jun-25	05-Dec-24	19-Dec-24
1.	Debora Aluoch		√	√	√	√	×	×
2.	Samuel Onyango		√	√	√	√	×	×
3.	Mary Atieno		√	√	√	√	×	×
4.	Lavina Adhiambo		√	√	√	√	×	×
5.	Willys Otieno		√	√	√	√	×	×
6.	Kennedy Atito		√	√	√	√	×	×
7.	Maurice Wanyonyi		×	×	×	×	√	√
8.	Kipngetich Langat		×	×	×	×	√	√

taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

j) Number of meetings;

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

In Kisumu West Constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

a. NGCDF Meetings

Sn	Meetings Attended													
	NGCDF Meetings													
		Date	10-Jul-	26-Aug-	20-Sep-	14-Oct-	10-Dec-	16-Dec-	13-Jan-	25-Feb-	12-Mar-	17-Mar-	28-May-	05-Jun-
	Name of Committee Member	Position												
1.	Ben Odondi	Chairman	√	√	√	√	√	√	√	√	√	√	√	√
2.	Pamela Ochieng	Secretary	√	√	√	√	√	√	√	√	√	√	√	√
3.	Debora Aluoch	Member	√	√	√	√	√	√	√	√	√	√	√	√
4.	Samuel Onyango	Member	√	√	√	√	√	√	√	√	√	√	√	√
5.	Mary Atieno	Member	√	√	√	√	√	√	√	√	√	√	√	√

put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Kisumu West Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kisumu West 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.

6. Public Participation in Project Identification, Implementation, and Monitoring

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

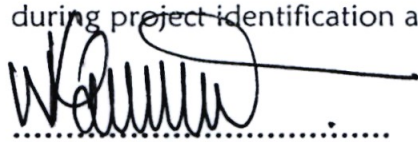
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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



Kipngetich Langat

Fund Account Manager.

9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting officer in charge of the NGCDF Kisumu West 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.

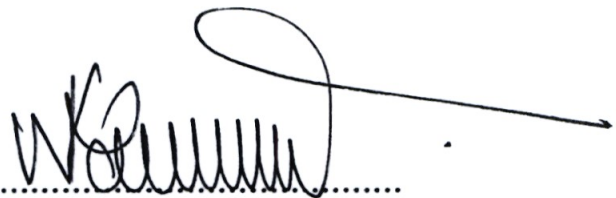
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Kisumu West Constituency financial statements were approved and signed by the Accounting officer on _____ 2025.



.....
Benson Okello Odondi
Chairman – NGCDF Committee



.....
Kipngetich Langat
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Kisumu West Constituency set out on pages 1 to 84, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kisumu West Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), Public Finance Management Act, 2012 and The National Treasury Circular No.3 of 14 April, 2025).

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position reflects opening cash and cash equivalents balance of Kshs.71,091,830 which, as disclosed in Note 19 to the financial statements, includes PMC balance of Kshs.45,164,281. However, the prior year audited financial statements reflect opening balance of Kshs.43,395,697 in respect of PMC balance resulting in unreconciled variance of Kshs.1,768,584.

In the circumstances, the accuracy and completeness of the opening cash and cash equivalents balance of Kshs.71,091,830 could not be confirmed.

2. Variances in the Financial Statements

Review of the financial statements submitted for audit against the ledgers and schedules revealed various variances as detailed below;

- i. The statement of financial performance and as disclosed in Note 13 to the financial statements reflects other government units' expenditure of Kshs.80,989,963. Included in the expenditure is primary schools' expenditures of Kshs.69,008,005. However, the ledger provided for audit reflected an expenditure Kshs.45,053,629 resulting to unexplained and unreconciled variance of Kshs.23,954,376.
- ii. Further, other government units' expenditure includes secondary schools' expenditures of Kshs.11,981,958 which is at variance with the ledger balance of Kshs.3,170,000 resulting to an unexplained and unreconciled variance of Kshs.8,811,958.
- iii. In addition, the statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers of Kshs.78,005,926. Included in the amount is Kshs.2,902,200 relating to emergency projects. However, the ledger reflects an amount of Kshs.5,709,239 resulting to an unexplained variance of Kshs.2,807,039.
- iv. Included in employee costs is staff basic salaries of Kshs.2,782,710 which differs with the ledger amount of Kshs.2,718,960 resulting to a variance of Kshs.63,750.

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

3. Variances between Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts

The statement of cash flows reflects transfers from NG-CDF Board of Kshs.187,510,993 which varies with the statement of comparison of budget and actual amounts of Kshs.259,939,089 resulting to an unreconciled variance of Kshs.72,428,096. Further, the statement of cash flows reflects use of goods and services of Kshs.7,477,107. However, the amount is at variance with the actual on comparable basis of Kshs.5,596,987 resulting in an unreconciled variance of Kshs.1,880,120. In addition, the statement of cash flows reflects committee expenses of Kshs.5,707,514 whereas actual on comparable basis reflects Kshs.6,387,634 resulting to an unexplained variance of Kshs.680,120.

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

4. Unsupported Third-Party Deposits

The statement of financial position and as disclosed under Note 26 to the financial statements reflects a balance of Kshs.2,125,746 in respect of third party relating to retention monies from the Project Management Committee (PMC) Accounts. However, bank statements, cash books and detailed schedules in support of the deposits and retentions were not provided for review.

In the circumstances, the accuracy and completeness of the third-party deposits balance of Kshs.2,125,746 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.302,381,043 and Kshs.259,939,089 respectively resulting to an under-funding of Kshs.42,441,954 or 14% of the budget. Similarly, the Fund spent Kshs.174,318,208 out of the approved budget of Kshs.301,044,778 resulting to an under expenditure of Kshs.126,726,569 or 46% of the approved budget.

The under-funding and under-expenditure may impact negatively on delivery of services to the intended recipients.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following nine (9) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023-2024	Inaccuracies in the Financial Statements
2.	2023-2024	Unreconciled Project Management Committee (PMC) Bank Balances
3.	2023-2024	Inaccurate Cash and Cash Equivalents
4.	2023-2024	Budgetary Control and Performance
5.	2023-2024	Other Matters
6.	2023-2024	Misallocation of Environment Projects
7.	2023-2024	Irregular Use of Emergency Reserve
8.	2023-2024	Irregularities and Delay in Completion of Projects
9.	2023-2024	Unsupported Termination of Contract

2. Delay in Disbursement of Funds from the Board

The statement of financial performance reflects an amount of Kshs.179,441,954 in respect of transfers from National Government Constituencies Development Fund Board. The amount includes Kshs.66,000,000 or 48% of total receipts disbursed in the month of June, 2025. The late disbursements contravene Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year.

The late exchequer releases may have impacted negatively on the implementation of the planned activities and projects.

Other Information

The Management responsible for the Other Information set out on page iv to lii which comprise of Key Entity Information and Management, Chairman's Statement, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from non-exchange transaction balance of Kshs.42,441,954. The balance decreased by Kshs.8,069,039 or 19% from a closing balance of Kshs.50,510,993 as at 30 June, 2024. However, the total receivables still remain outstanding for over two (2) years as per the ageing analysis provided. The long outstanding receivables affected the funds cashflow and effective service delivery.

Failure by the NGCDF board to disburse the grants affected the planned activities and may have impacted negatively on service delivery to the public.

2. Delayed Implementation of Projects

Review of Project Implementation Status Report revealed that Management had thirty-seven projects during the year under review at a total contract cost of

Kshs.201,999,415 against an allocation of Kshs.158,097,265. Further, out of the thirty-five (35) projects initiated, eighteen (18) or 51 % of them are ongoing and remained incomplete as at the date of this report.

In the circumstances, value for money has not been realized with the continued delay/incompletion of the Project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Delay in Presentation of Bursary Cheques

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.84,284,615. The balance includes PMCs accounts balances of Kshs.18,368,940. Review of bank reconciliation statement as at 30 June, 2025 provided for audit in support of cash and cash equivalents revealed that payments of Kshs.10,566,096 were made in cash book but not in the bank (unpresented cheques) which relates to mainly to issuance of bursary funds. As at 31 October, 2025, cheques totalling Kshs.10,583,707 had been cleared. Although the Management explained that the unreconciled transactions was due to delay by institutions to present the cheques, the follow up mechanisms were weak.

In the circumstances, the effectiveness of internal controls in relation to disbursement management could not be confirmed.

2. Incomplete Fixed Assets Register

The statement of financial position and as disclosed in Note 22 to the financial statements reflect a balance of Kshs.888,169 in respect of property, plant and equipment whose fixed assets register was not updated. Review of the fixed asset register provided revealed that Management omitted the address, ownership status area, dates of acquisition, acquisition amount, disposal or major change in use, capital

expenditure, lease hold terms and the net book values of the assets. This is contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015. Further, the assets were not tagged with unique identification numbers for ease of traceability and accountability.

In the circumstances, the effectiveness of internal controls on safeguarding fixed assets could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

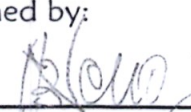
*National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	4,556,334
Committee expenses	11	5,707,514
Use of Goods and Services	12	7,477,107
Other Government Units Actual expenditure	13	80,989,963
Other Grants and Transfers Actual expenditure	14	78,005,926
Depreciation and amortization expense	15	192,310
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		176,929,153
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		2,512,802

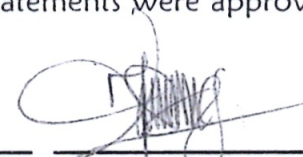
The Constituency financial statements were approved by the NGCDFC on _____ 2025

and signed by:


Chairman NG-CDF

Committee

Benson Okello Odondi



National Sub-County

Accountant

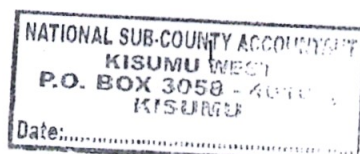
Isabella Sarange Nyamboki

Omoke

ICPAK M/No:20941


Fund Account Manager

Kipnetich Langat



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

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

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	84,284,615	72,428,096
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,441,954	50,510,993
Prepayments	22	-	-
Total Current Assets		127,614,739	122,939,089
Non-Current Assets			
Property, Plant and Equipment	23	888,169	622,479
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		888,169	622,479
Total Assets (A)		140,351,314	123,561,568
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	2,125,746	-
Lease Liabilities	28	-	-
Gratuity Provision	29	1,626,924	876,036
Total Current Liabilities		3,752,670	876,036
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,752,670	876,036
Net Assets (A-B)		123,862,068	122,685,532
Represented by:			
Revaluation Reserves		123,862,068	122,685,532

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

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Accumulated Surplus			
Total Net Assets		123,862,068	122,685,532

The Constituency financial statements set out on pages 1 to 142 approved by NG CDFC on _____ 2025 and signed by:



 Chairman NG-CDF Committee



 National Sub-County Accountant

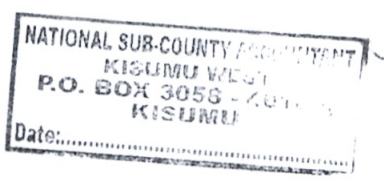


 Fund Account Manager


 Benson Okello Odondi

Isabella Sarange Nyamboki
 Omoke
 ICPAK M/No:20941

Kipngetich Langat



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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	25,927,549	-	25,927,549
Adjustments			
Recognition of Assets	96,297,754		97,634,019
Recognition of Liabilities	813,462		876,036
As at July 1, 2024	121,411,840		122,685,532
Surplus/(Deficit) For the Period	2,450,228		13,913,112
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	123,862,068	-	136,598,644

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.

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		187,510,993
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		187,510,993
Payments		
Employee costs		3,805,446
Committee expenses		5,707,514
Use of Goods and Services		7,477,107
Other Government Units Certified Works		78,944,990
Other Grants and Transfers		77,925,153
Digital Hubs Expenses		-
Total Payments		173,860,208
Net Cash Flows from/ (used in) Operating Activities	30	13,650,785
Cash flows From Investing Activities		
Purchase of PPE		458,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		458,000
Net increase/(decrease) in cash & Cash equivalents		13,192,785

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

	Notes	2024-2025
		Kshs
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		13,192,785
Cash and cash equivalents at 1 July	19	71,091,830
Cash and cash equivalents at 30 June	19	84,284,615

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	72,428,096	50,510,993	302,381,043	259,939,089	42,441,954	86%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	179,441,954	72,428,096	50,510,993	302,381,043	259,939,089	42,441,954	
Expenses							
Employee costs	5,271,245	2,068,836	-	7,340,081	3,805,446	3,534,635	52%
Committee expenses	5,211,000	4,035,415	-	9,246,415	6,387,634	2,858,781	69%
Use of Goods and Services	5,667,531	761,981	-	6,429,511	5,596,987	832,525	87%

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Other Government Units Certified Works	63,624,916	52,898,146	44,944,448	161,467,510	78,944,990	82,522,521	49%
Other Grants and Transfers	86,770,314	5,932,250	5,566,545	98,269,109	77,925,153	20,343,956	79%
Digital Hubs Expenses	10,400,000	2,850,817	-	13,250,817	-	13,250,817	0%
Acquisition of assets	846,949	621,792	-	1,468,741	458,000	1,010,741	31%
Other payments	-	1,900,993	-	1,900,993	1,200,000	700,993	63%
Funds Pending Approval**	1,650,000	21,600	-	1,671,600	-	1,671,600	0%
Total Expenditure	179,441,954	71,091,830	50,510,993	301,044,778	174,318,208	126,726,569	58%
Surplus for the period					84,284,615	84,284,615)	

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

Explanatory Notes.

- a) The Overall utilization of funds was 58% due to Delay in receipt of funds, delayed procurement and school calendars that delayed commencement of projects
- b) The underutilization in Other Government Units Certified Works (49%) was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects, additionally the school calendar and national exams delayed implementation.
- c) Underutilization of Other Grants and Transfers (79%) was as result of was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects. The utilization of bursary was however 100%
- d) The utilization of funds under committee expenses (69%) and Use of Goods (87%) was as a result of delay in receipt of funds which deferred planned activities like training of staff and NGCDF committee.
- e) Utilization of funds under Digital Hub Expenses was as a result of delays in approval of project proposals and lack of clear guidelines on its implementation
- f) Under Utilization of funds meant for acquisition of assets (31%) and other payments (63%) was as a result delay in receipt of funds from NGCDF board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	126,726,569
Less undisbursed funds receivable from the Board as at 30th June 2025	42,441,955
Cash and Cash Equivalents at the end of the 30 th June 2025	84,284,615

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on _____ 2025 and signed by:



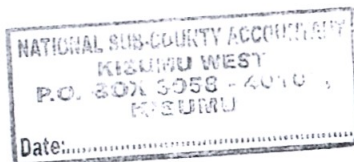
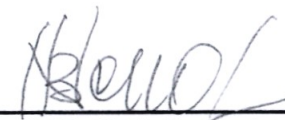
Fund Account Manager

Kipngetch Langat



National Sub-County Accountant

Isabella Sarange Nyamboki Omoke
 ICPAK M/No: 20941

Chairman NG-CDF Committee

Benson Okello Odondi

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,271,245	2,068,836		7,340,081	3,805,446	3,534,635
1.2 Committee allowances	2,068,000	2,292,109		4,360,109	3,656,032	704,077
1.3 Use of goods and services	3,427,272	308,617		3,735,889	3,558,137	177,752
Sub-total	10,766,517	4,669,561	-	15,436,079	11,019,615	4,416,464
2.0 Monitoring and evaluation				-		
2.1 Capacity building	735,000	77,051		812,051	680,120	131,931
2.2 Committee allowances	2,408,000	1,666,255		4,074,255	2,051,482	2,022,774
2.3 Use of goods and services	2,240,259	453,364		2,693,623	2,038,850	654,773
Sub-total	5,383,259	2,196,670	-	7,579,929	4,770,452	2,809,477
4.0 Emergency				-		
Mkendwa Muslim Primary School	2,063,100			2,063,100	2,061,815	1,285
NGCDF Office Renovations	847,320			847,320	660,793	186,527
Usari Primary School	2,700,000			2,700,000		2,700,000

National Government Constituencies Development Fund (NGCDF)
 Kisumu West Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 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
NGCDF Gate Construction		28,610		28,610	28,610	-
Kawino Primary School		70,209		70,209	70,209	-
Unutilized	3,833,893	1,989,247		5,823,140		5,823,140
Sub-total	9,444,313	2,088,066	-	11,532,379	2,821,427	8,710,952
5.0 Bursary and Social Security				-		
5.1 Primary Schools				-		-
5.2 Secondary Schools	47,076,000	3,543,314		50,619,314	54,939,546	(4,320,232)
5.3 Tertiary Institutions	24,500,000	-	16,545	24,516,545	20,164,180	4,352,365
5.4 special needs	200,000			200,000	-	200,000
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	71,776,000	3,543,314	16,545	75,335,859	75,103,726	232,134
7.0 Environment						
Bishop Okoth Ojolla Girls High School	111,020			111,020		111,020
Huma Girls High School	105,000			105,000		105,000
Sinyolo Girls High School	105,000			105,000		105,000

National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
St. Mark's Obambo Secondary School	105,000			105,000		105,000
Tiengre Secondary School	105,000			105,000		105,000
Gee Primary School			150,000	150,000		150,000
Kanyamony Primary School			150,000	150,000		150,000
Arude Secondary School			150,000	150,000		150,000
Ogal Secondary School			150,000	150,000		150,000
Odowa Primary School			150,000	150,000		150,000
Sub-total	531,020	-	750,000	1,281,020	-	1,281,020
8.0 Primary Schools Projects				-		
Aboge primary school		241,184		241,184	238,152	3,032
Aboge Primary School		19,039		19,039	-	19,039
Agulu Primary School		815		815	-	815
Akingli Primary		1,001		1,001	-	1,001
Akingli Primary School	2,620,000			2,620,000		2,620,000
Akingli Primary School		980		980	-	980
Alara Primary School	1,710,000			1,710,000		1,710,000

National Government Constituencies Development Fund (NGCDF)
 Kisumu West Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 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
Alara Primary School		8,930		8,930	-	8,930
Arude Primary School		309		309	-	309
Arude primary school		4		4	-	4
Bar Andingo School		-	700,000	700,000		700,000
Bar Mathonye Primary		478		478	-	478
Bar Ogwal Primary School	4,500,000			4,500,000		4,500,000
Bar OgwalPrimary School		-	1,200,000	1,200,000		1,200,000
Bar Union Primary School		11,780		11,780	-	11,780
Bara Primary School	4,950,000			4,950,000		4,950,000
Bara Primary School		7,902		7,902	-	7,902
Chulaimbo primary school		22,387		22,387	-	22,387
Chulaimbo Primary School		106		106	-	106
Dago Kokore Primary School		-	3,000,000	3,000,000	2,987,655	12,345
Dago Kokore Primary School		874		874	-	874
Dago Kokore Primary School		245		245	-	245
Dago Thim Primary School	5,000,000			5,000,000		5,000,000
Dago Thim Primary School		2,809		2,809	-	2,809

National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Dr. Robert Ouko Primary School		883		883	-	883
Dwele Primary School		-	4,150,000	4,150,000	4,143,701	6,299
Eluhobe primary school		551		551	-	551
Eluhobe primary school		3,224,395		3,224,395	3,216,716	7,680
Eluhobe Primary Schoool		20,000	-	20,000		20,000
Eshivalu primary school		-	4,500,000	4,500,000	4,281,247	218,753
Eshivalu Primary School		343		343	-	343
Geta Primary School		165,085		165,085	-	165,085
Gongo primary school		814		814	-	814
Huma Primary School		33,696		33,696	-	33,696
Kanyamony Primary School	5,750,000			5,750,000		5,750,000
Kanyamony Primary School		720,000	-	720,000		720,000
KAWINO PRIMARY SCHOOL		-	4,500,000	4,500,000	4,489,420	10,581
Kibwayi primary school		203,808		203,808	201,000	2,808
Kibwayi Primary School		1,620		1,620	-	1,620
Kirembe Primary School		2,198,975		2,198,975	2,177,849	21,126
Kirembe Primary School		15,112		15,112	-	15,112

National Government Constituencies Development Fund (NGCDF)
 Kisumu West Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 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
Kisian Primary School		1,251		1,251	-	1,251
Kodiaga Primary School		20,630		20,630	-	20,630
Kotetni Primary School	446,200	4,297,950		4,744,150	4,727,876	16,274
Kotetni Primary School		840		840	-	840
Kuoyo Primary School	4,950,000			4,950,000		4,950,000
kuoyo primary school		174,994		174,994	-	174,994
Lisuka Primary School	2,206,600			2,206,600		2,206,600
Lisuka Primary School		1,157		1,157	-	1,157
Lwala Kadawa Primary		27,467		27,467	-	27,467
Lwala Kadawa primary School		499		499	-	499
Maliera Primary School		359		359	-	359
Marera Primary School	538,246			538,246		538,246
Marera Primary School		8,456,586		8,456,586	8,412,273	44,314
Marera Primary School		1,501		1,501	-	1,501
Maseno Mixed Primary School		4,765		4,765	-	4,765
Maseno Mixed Primary School		1,047		1,047	-	1,047
Maseno school for the deaf		8,930		8,930	-	8,930

National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Mawembe Kodero Primary School		960,000	-	960,000		960,000
Mbaka Oromo Primary School		3,162		3,162	-	3,162
Mboto Sunrise Primary School		-	5,110,000	5,110,000	4,091,804	1,018,196
Mkendwa Muslim Primary School		5,940		5,940	-	5,940
Nametsa Primary School	1,580,000			1,580,000		1,580,000
Nametsa Primary School		36,168		36,168	-	36,168
Nawa primary school		495,373		495,373	494,915	458
Ngege Primary School	4,950,000			4,950,000		4,950,000
Ngege Primary School		162		162	-	162
Nyaduon'g Primary School		6,500		6,500	-	6,500
Nyaduo'ng Primary School		474		474	-	474
Nyakongo Primary School	5,500,000			5,500,000		5,500,000
Nyakongo Primary School		1,186		1,186	-	1,186
Nyakongo Primary School		40		40	-	40
Nyakune Primary School		1,798,360		1,798,360	1,796,597	1,763
Nyakune Primary School		1,025		1,025	-	1,025

National Government Constituencies Development Fund (NGCDF)
 Kisumu West Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 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
Nyakune Primary School		503		503	-	503
Nyang'inja Primary School		2,909,280		2,909,280	2,888,741	20,539
Nyawara Primary		2,895		2,895	-	2,895
Nyawara primary school		435	4,500,000	4,500,435	4,500,278	158
Obambo Primary School		3,158		3,158	-	3,158
Obede Primary School		166		166	-	166
Ochok Kadongo Primary School		503		503	-	503
Ochok Kadongo Primary School		218,709		218,709	202,729	15,980
Odowa Primary School		1,098,360		1,098,360	1,070,807	27,553
Odowa Primary School		62,098		62,098	-	62,098
Ogada Primary School		2,704,441	400,000	3,104,441	3,091,751	12,690
Ogal Primary School		13,260		13,260	-	13,260
Ogongo Primary School		-	4,200,000	4,200,000	4,114,479	85,522
Okore Ogonda Primary School		22,001		22,001	-	22,001
Okore Ogonda Primary School		1,021		1,021	-	1,021
Oluowa Primary School		614,735	185,265	800,000		800,000

*National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Oluowa primary school		9,258		9,258	-	9,258
Ongalo Primary school		-	1,200,000	1,200,000		1,200,000
Ongalo Primary School		5,965		5,965	-	5,965
Ongalo Primary School		1,230		1,230	-	1,230
Orinde Primary school		1,200,000	3,099,183	4,299,183	4,032,399	266,784
Osiri Primary School		84,569		84,569	-	84,569
Osiri Primary School		92,226		92,226	-	92,226
Oyiengo Primary School		198,186		198,186	193,911	4,275
Oyiengo Primary School		1,018		1,018	-	1,018
Oyiengo Primary School		507		507	-	507
Sabako Primary School	5,500,000			5,500,000		5,500,000
Sabembe Primary School		4,300,000		4,300,000	4,298,997	1,004
Sanganyinya Primary School	1,710,000			1,710,000		1,710,000
Sianda Primary School		45		45	-	45
Sidika Primary School		541		541	-	541
Sidika Primary School		1,398,360		1,398,360	1,394,737	3,623
St. Alloys Ojola Primary School		334		334	-	334

*National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Tiengre Primary School		-	1,200,000	1,200,000		1,200,000
Ulalo Primary School	5,500,000			5,500,000		5,500,000
Uradi Primary School		3		3	-	3
Usari Primary School		997		997	-	997
Usari Primary School		840		840	-	840
Wachara Primary School		748		748	-	748
Wandega Primary School	2,295,000			2,295,000		2,295,000
Wandega Primary school		156		156	-	156
Yath Rateng primary school		3,950		3,950	-	3,950
Sub-total	59,706,046	38,160,990	37,944,448	135,811,484	67,048,032	68,763,452
9.0 Secondary Schools Projects (List all the Projects)				-		
AIC Olago Aluoch sec		458		458	-	458
AIC Arude Secondary School		2,847,950		2,847,950	2,845,355	2,595
AIC Olago Aluoch Arude Mixed Secondary School		150,000		150,000		150,000
Bar Anding'o Secondary School	700,000			700,000		700,000

National Government Constituencies Development Fund (NGCDF)

Kisumu West Constituency

Annual Report and Financial Statements for The Year Ended June 30, 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
bar korumba secondary		6,745		6,745	-	6,745
Bar Korumba Secondary School		48		48	-	48
Chulaimbo Sec Sch		86,444		86,444	-	86,444
Dago Thim Secondary School		6,454		6,454	-	6,454
Dago Thim Secondary School		450		450	-	450
Eluhobe Secondary School		56,585		56,585	-	56,585
Huma Girls Secondary School		18,958		18,958	-	18,958
Kanyamedha Mixed Secondary School		128,130		128,130	-	128,130
Kawino Mixed Secondary School		31,534		31,534	-	31,534
Kawino Mixed Secondary School		25,766		25,766	-	25,766
Kisian Secondary School		-	4,500,000	4,500,000		4,500,000
kuoyo sec school		39,196		39,196	-	39,196
Iwala kadawa secondary school		26,767		26,767	-	26,767
Maliera Mixed Secondary		193		193	-	193
maliera mixed secondary school	700,000	2,143,524	700,000	3,543,524	3,541,989	1,535

National Government Constituencies Development Fund (NGCDF)
 Kisumu West Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 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
Maliera Secondary School		52,127		52,127	-	52,127
Mbaka Oromo Sec		70,946		70,946	-	70,946
Nyang'inja sec school		28,771		28,771	-	28,771
ogada secondary		332,685		332,685	241,834	90,851
ogal mixed secondary school	700,000	2,517,006		3,217,006	3,079,869	137,137
Oluowa Mixed Secondary Sch		67,162		67,162	-	67,162
Ongalo Mixed Secondary School		20,236		20,236	-	20,236
Osiri Secondary		10,265		10,265	-	10,265
Osiri Secondary School		-	1,800,000	1,800,000		1,800,000
sabembe secondary school		221,405		221,405	203,626	17,779
st gabriel andingo sec school		2,956		2,956	-	2,956
Sunga Secondary School	700,000			700,000		700,000
sunga secondary school		1,987,211		1,987,211	1,984,285	2,926
Tiengre Secondary School		1,471		1,471	-	1,471
Tieng're secondary school	1,118,870	3,852,252		4,971,122	-	4,971,122
tieng're secondary school		124		124	-	124
Ulalo Sec. School		2,656		2,656	-	2,656

National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
Wachara Secondary School		684		684	-	684
Sub-total	3,918,870	14,737,157	7,000,000	25,656,027	11,896,958	13,759,069
10.0 Tertiary institutions Projects (List all the Projects)				-		
Sub-total	-	-	-	-	-	-
11.0 Security Projects				-		
North Kisumu Chief's Office	4,500,000			4,500,000		4,500,000
West Kisumu Location Chief's Office	518,980			518,980		518,980
Kogony Assistant Chief's Office			3,500,000	3,500,000		3,500,000
Kogony Assistant Chief's Office			600,000	600,000		600,000
Kogony Assistant Chief's Office			350,000	350,000		350,000
East Kisumu Chief's office			350,000	350,000		350,000
Assistant County Commissioner's Office		686		686	-	686
Bar Police Patrol Base CDF		5,699		5,699	-	5,699
Dago Police Post		505		505	-	505
East Karateng Assistant Chief Office		38,043		38,043	-	38,043

*National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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
East Kisumu Chief Camp		-		-	-	-
Kisumu Maximum Prison		1,236		1,236	-	1,236
Kisumu West Divisional HQ		2,779		2,779	-	2,779
Kogony Assistant Chiefs Office		166		166	-	166
Korando Chief Offices		62		62	-	62
North West Kisumu Location Chief offices		1,300		1,300	-	1,300
Nyahera Chief Office		959		959	-	959
Obambo Chief's Office		577		577	-	577
Ogal Police Post		1,863		1,863	-	1,863
Ojolla Administration Police Line		2,086		2,086	-	2,086
South Kapounja Assistant Chief offices		292		292	-	292
South West Location Chief offices		243,147		243,147	-	243,147
West Kisumu Location Chiefs Office		1,470		1,470	-	
Sub-total	5,018,980	300,870	4,800,000	10,119,850	-	10,118,380

National Government Constituencies Development Fund (NGCDF)

Kisumu West Constituency

Annual Report and Financial Statements for The Year Ended June 30, 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
12.0 Acquisition of assets				-		
12.1 Motor Vehicles (including motorbikes)		560,000	-	560,000	458,000	102,000
12.2 Purchase of furniture and fittings	685,000	6,346		691,346		691,346
12.2 Construction of CDF office		55,446		55,446		55,446
Purchase of ICT Equipment	161,949			161,949		161,949
Sub-total	846,949	621,792	-	1,468,741	458,000	1,010,741
13.0 Other Payments				-		
Installation of Solar - NGCDF Office		11,220		11,220		
Strategic Plan		1,889,773	-	1,889,773	1,200,000	689,773
Sub-total	-	1,900,993	-	1,900,993	1,200,000	689,773
13.0 Others				-		
ICT Hubs and Digital Hubs				-		
Nyahera Chief's Office Digital Hub in North Ward	5,200,000	-	-	5,200,000		5,200,000
Holo Digital Hub in West Ward	5,200,000	-	-	5,200,000		5,200,000

National Government Constituencies Development Fund (NGCDF)

Kisumu West Constituency

Annual Report and Financial Statements for The Year Ended June 30, 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
Kisumu West ICT Hub		2,850,817	-	2,850,817		2,850,817
Sub-total	10,400,000	2,850,817	-	13,250,817	-	13,250,817
Funds Pending Approval**				-		-
Unapproved Projects		-		-		-
Chulaimbo Secondary School	600,000			600,000		600,000
Maseno Police Station	350,000			350,000		350,000
Dago - Kogony Police Station	350,000			350,000		350,000
Holo Police Station	350,000			350,000		350,000
AIA	-	21,600		21,600		21,600
Sub-total	1,650,000	21,600	-	1,671,600	-	1,671,600
Total	179,441,954	71,091,830	50,510,993	301,044,778	174,318,208	126,713,879

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kisumu West Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students 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 Kisumu West has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Kisumu West has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant,

and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.

	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>N/A</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>N/A</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>N/A</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>N/A</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>N/A</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>N/A</i></p>

IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>N/A</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>N/A</i></p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

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

f) Inventories

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

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

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

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

g) Provisions

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

h) Social Benefits

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

i) Contingent liabilities

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

j) Contingent assets

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

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

k) Employee benefits

Retirement benefit plans

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

l) Foreign currency transactions

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

m) Related parties

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

n) Cash and Cash Equivalents

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

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future

developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

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

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	-

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

8. Finance income

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

9. Miscellaneous income

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

10. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,782,710
Personal allowances paid as part of salary	-
House Allowance	439,200
Transport Allowance	408,000
Leave allowance	-
Gratuity to contractual employees	750,888
Employer Contributions Compulsory national social security schemes	116,640
Employer Contributions Compulsory Housing levy	53,496
Employer contributions to National Industrial Training Authority	5,400
Other Specify	-
Total	4,556,334

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	626,237
Other Committee expenses	5,081,277
Total	5,707,514

12. Use of Goods and services

	<i>2024-2025</i>
	Kshs
Utilities, supplies and services	103,038
Communication, supplies and services	2,470
Domestic travel and subsistence	201,900
Printing, advertising and information supplies & services	338,121
office Rent	-
Training expenses	680,120
Hospitality supplies and services	1,012,806
Insurance costs	148,950
Specialized materials and services	-
office and general supplies and services	1,096,672
Fuel, oil & lubricants	1,093,447
Bank charges	26,876
Routine maintenance – vehicles and other transport equipment	663,567
Routine maintenance – other assets	276,040
Strategic plan expenses	1,200,000
Other operating expenses	633,100
Total	7,477,107

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

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	69,008,005
Secondary Schools Actual expenditure	11,981,958
Tertiary Institutions Actual expenditure	-
Total	80,989,963

14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	54,939,546
Bursary – tertiary institutions	20,164,180
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	-
Emergency projects Actual expenditure	2,902,200
Roads projects Actual expenditure	-
Others specify	-
Total	78,005,926

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	192,310
Intangible Assets	-
Total	192,310

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	-

Gain/loss on Sale of Assets

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

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

17. Impairment Loss

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

18. 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)		
Kenya Commercial Bank, 1336764422 (Operations account)	63,420,437	-
Equity Bank – AC No. 0290262014406 (Operations account pending closure)	787,541	25,927,549
Family Bank – Ac No 028000055315 (Deposit account)	1,707,697	-
Various Bank Accounts (See Annex 2 PMC Balances)	18,368,940	45,164,281
Total	84,284,615	71,091,830
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

19. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1st 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 1st July 2024	
	Kshs		Kshs	
	Current FY	% 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)	-	-	-	-

20. Receivables from Non-Exchange Transactions

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	42,441,954	50,510,993
Outstanding imprest	-	-
Total	42,441,954	50,510,993

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

Ageing Analysis for Receivables

Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	42,441,954	100%	50,510,993	100%
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	42,441,954	100%	50,510,993	100%

21. Prepayments

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

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

22. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	711,405	-	-	-	711,405
Additions	-	-	458,000	-	-	-	-	458,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	458,000	711,405	-	-	-	1,169,405
Depreciation And Impairment								
Opening Depreciation	-	-	-	88,926	-	-	-	88,926
Depreciation	-	-	114,500	77,810	-	-	-	192,310
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	114,500	166,736	-	-	-	281,236
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	622,479	-	-	-	622,479
As At 30th June 2025	-	-	343,500	544,669	-	-	-	888,169

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	458,000	114,500	343,500
Computers And Related Equipment	-	-	-
office Equipment, Furniture, And Fittings	711,405	166,736	544,669
Total	1,169,405	281,236	888,169

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	-	-

23. Intangible Assets

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

24. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025(Comparative Period)	-	-	-	-
Additions				
As At 30 June 2025(Current FY)				
	-	-	-	-
Accumulated Depreciation	-	-	-	-

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

As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period				
As At 30 June 2025(Comparative period))				
Charge for the period	-	-	-	-
As At 30 June 2025(Current FY)	-	-	-	-
	-	-	-	-
Carrying Amount	-	-	-	-
As At 30 June 2025(Current FY)	-	-	-	-
As At 30 June 2025 (Comparative Period)	-	-	-	-

25. Trade and Other Payables

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

26. Third-Party deposits

	2024-2025	Opening Statement 1st July 2024
	KShs	KShs
Retention as at 1 st July 2024 (A)	-	
Retention held during the year (B)	4,766,705	-
Retention paid during the Year (C)	2,640,958	-
Closing Retention as at 30 th June 2025 (D= A+B-C)	2,125,746	-

Retentions aging analysis.

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	80,773	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	80,773	-	-	-

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

27. Lease Liabilities

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-

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

Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

28. Gratuity Provision

Description	2024-2025	
	Kshs	
Gratuity at the beginning of the year 1 st of July	813,462	-
Gratuity held during the year	813,462	-
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	1,626,924	-

29. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	2,512,802
Adjusted for:	
Depreciation	192,310
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(8,069,039)
Changes in deferred income	-
Changes in Third party deposits	(2,125,746)
Changes in gratuity provision	(750,888)
Changes in payments received in advance	-
Net cash flow from operating activities	13,650,785

30. Financial Risk Management

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

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

to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,441,954	42,441,954	-	-
Bank balances	84,284,615	84,284,615	-	-
Total	126,726,569	126,726,569	-	-
As at 30 June 2024	-	-	-	-
Receivables from exchange transactions	-	-	-	-

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

Receivables from non-exchange transactions	50,510,993	50,510,993	-	-
Bank balances	31,475,530	31,475,530	-	-
Total	81,986,523	81,986,523	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from Kisumu West. 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.

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

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 poportion of borrowings	-	-	-	-
Provisions	-	-	80,773	80,773
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,626,924	1,626,924
Total	-	-	1,707,697	1,707,697
As at 30th June 2024	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation				
Total	-	-	-	-

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the *Entity* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Entity's* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The *Entity's* Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit

and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) **Foreign currency risk**

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

Current FY

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

Previous FY			
Euro	10%	NA	NA
USD	10%	NA	NA

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

Financial Assets				
Quoted Equity Investments	NA	NA	NA	NA
Non- Financial Assets				
Investment Property	NA	NA	NA	NA
Land And Buildings	NA	NA	NA	NA
Total				

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

iv) Capital Risk Management

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

Description	2024-2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	123,862,068	121,349,266
Capital Reserve	-	-
Total Funds	123,862,068	121,349,266
Total Borrowings	-	-
Less: Cash and Bank Balances	84,284,615	71,091,830
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

31. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	626,237	2,608,760
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	187,510,993	198,087,603
Total	188,137,230	200,696,363

32. Segment information

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

33. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	NA	NA

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

Assets Arising from Determination of Court Cases	NA	NA
Reimbursable Indemnities and Guarantees	NA	NA
Receivables From Other Government Entities	NA	NA
Others (Specify)	NA	NA
Total	NA	NA

(Give details)

Contingent Liabilities

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

34. Capital Commitments

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

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been

authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

35. Events after the Reporting Period

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

36. Ultimate And Holding Entity

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

37. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	458,000	-	-	458,000
office equipment, furniture, and fittings	711,405	-	-	711,405
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	1,169,405	-	-	1,169,405

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Aboge Primary School	SIDIAN BANK KSM	1009710001414	3,032.00	241,184.00
Aboge Primary School	KCB Ksm Airport Branch	1202114717	18,957.50	18,957.50
Agulu Primary School	KCB Ksm Airport Branch	1285908325	815.00	815.00
Aic Arude Secondary School	SIDIAN BANK KSM	1009710005256	458.00	458.00
Aic Olago Alouch Alara Girls	KCB Ksm Airport Branch	1288734573	152,595.00	2,847,950.00
Akingli Primary	KCB Ksm Airport Branch	1285319508	1,001.00	1,001.00
Akingli Primary School	EQUITY- OGINGA ODINGA STREET	290261573253	980.00	980.00
Alara Primary School	EQUITY- OGINGA ODINGA STREET	290264420904	8,930.00	8,930.00
Arude Primary School	SIDIAN BANK KSM	1009710001573	4.00	4.00
Arude Primary School	EQUITY- OGINGA ODINGA STREET	290265914024	309.00	309.00
Arude Secondary School			150,000	
Assistant County Commissioners'	EQUITY- OGINGA ODINGA STREET	290264264618	685.55	685.55
Bar Andingo Primary School			700,000	
Bar Korumba Secondary	KCB Ksm Airport Branch	1317744683	6,745.00	6,745.00
Bar Korumba Secondary School	EQUITY- OGINGA ODINGA STREET	1260281153091	48.27	48.27
Bar Mathonye Primary	KCB Ksm Airport Branch	1285908465	478.00	478.00
Bar Ogwal Primary School			1,200,000	
Bar Police Patrol Base Cdf	EQUITY- OGINGA ODINGA STREET	290266934135	5,699.00	5,699.00
Bar Union Primary School	EQUITY- OGINGA ODINGA STREET	290263487586	11,780.00	11,780.00

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Bara Primary School	KCB Ksm Airport Branch	1286906083	7,902.00	7,902.00
Bara Primary School	KCB Ksm Airport Branch	1202503519	52,127.00	52,127.00
Chulaimbo Primary School	KCB Ksm Airport Branch	1181116503	106.00	106.00
Chulaimbo Primary School	SIDIAN BANK KSM	1009710001763	22,001.00	22,001.00
Chulaimbo Secondary School	KCB Ksm Airport Branch	1288338422	86,443.55	86,443.55
Dago Kokore Primary School	KCB Ksm Airport Branch	1293923052	245.00	245.00
Dago Kokore Primary School	KCB Ksm Airport Branch	1202705863	874.00	874.00
Dago Police Post	EQUITY- OGINGA ODINGA STREET	290264322975	505.00	505.00
Dago Thim Primary School	KCB Ksm Airport Branch	1295160862	2,809.00	2,809.00
Dago Thim Secondary School	KCB Ksm Airport Branch	1297594444	450.00	450.00
Dago Thim Secondary School	EQUITY- OGINGA ODINGA STREET	290293036145	6,453.98	6,453.98
Dr. Robert Ouko Primary School	KCB Ksm Airport Branch	1293795410	883.00	883.00
Dwele Primary School	KCB Ksm Airport Branch	1273825624	6,299.00	-
East Karateng Assistant Chief Off	KCB Ksm Airport Branch	117892930	36,168.00	36,168.00
Eluhobe Primary School	FAMILY	28000044370	7,679.60	3,224,395.40
Eluhobe Pri. School	KCB Ksm Airport Branch	1297851862	551.00	551.00
Eluhobe Secondary School	EQUITY- OGINGA ODINGA STREET	1120261748779	56,585.00	56,585.00
Esivalu Primary School	KCB Ksm Airport Branch	1286235308	343.00	343.00
Esivalu Primary School	FAMILY	28000053493	218,752.60	-
Gee Primary School			150,000	
Geta Primary School	FAMILY	28000042597	165,085.40	165,085.40

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Gongo Primary School	SIDIAN BANK KSM	1009710002731	814.00	814.00
Huma Girls Secondary School	KCB Ksm Airport Branch	1295161230	17,779.00	1,405.00
Huma Primary School	EQUITY- OGINGA ODINGA STREET	290280974961	31,534.00	31,534.00
Kanyamedha Mixed Secondary School	EQUITY- OGINGA ODINGA STREET	290264584906	128,129.50	128,129.50
Kawino Mixed Secondary School	EQUITY- OGINGA ODINGA STREET	290261749000	22,387.00	22,387.00
Kawino Mixed Secondary School	KCB Ksm Airport Branch	290281136321	28,771.00	28,771.00
Kawino Primary School			10,581	
Kibwayi Primary School	EQUITY- OGINGA ODINGA STREET	290264002311	1,619.85	1,619.85
Kibwayi Primary School	SIDIAN BANK KSM	1009710002861	2,808.00	203,808.00
Kirembe Primary School	EQUITY- OGINGA ODINGA STREET	1260299054322	13,260.00	13,260.00
Kirembe Primary School	KCB Ksm Airport Branch	290263663114	20,630.05	20,630.05
Kisian Primary School	EQUITY- OGINGA ODINGA STREET	290264283337	1,251.00	1,251.00
Kisumu Maximum Prison	KCB Ksm Airport Branch	1288178743	1,236.00	1,236.00
Kisumu West Divisional Hq	EQUITY- OGINGA ODINGA STREET		2,778.75	2,778.75
Kodiaga Primary School	KCB Ksm Airport Branch	1200093763	20,539.00	2,909,280.00
Kogony Assistant Chiefs Office	EQUITY- OGINGA ODINGA STREET	290267123237	166.39	166.39
Korando Chief Offices	KCB Ksm Airport Branch	1285339274	62.00	62.00
Kotetni Primary School	EQUITY- OGINGA ODINGA STREET	1260278943800	840.00	840.00
Kotetni Primary School	SIDIAN BANK KSM	1009710005266	15,980.00	218,709.00
Kuoyo Primary School	FAMILY	28000042764	174,994.05	174,994.05

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Kuoyo Sec. School	KCB Ksm Airport Branch	1285907981	38,043.00	38,043.00
Lisuka Primary School	KCB Ksm Airport Branch	1179867246	1,157.00	1,157.00
Lwala Kadawa Primary	KCB Ksm Airport Branch	1286594278	26,767.25	26,767.25
Lwala Kadawa Primary School	EQUITY- OGINGA ODINGA STREET	290261815569	498.75	498.75
Lwala Kadawa Secondary School	KCB Ksm Airport Branch	1317578279	25,766.00	25,766.00
Maliera Mixed Secondary	EQUITY- OGINGA ODINGA STREET	1260262267837	193.00	193.00
Maliera Mixed Secondary School	KCB Ksm Airport Branch	1317548124	1,535.00	2,143,524.00
Maliera Primary School	KCB Ksm Airport Branch	1285434409	359.00	359.00
Maliera Secondary School	KCB Ksm Airport Branch	1296126161	39,195.50	39,195.50
Marera Primary School	EQUITY- OGINGA ODINGA STREET	290261804444	1,501.11	1,501.11
Marera Primary School	SIDIAN BANK KSM	1009710003201	582,559.50	4,306,586.00
Maseno Mixed Primary School	KCB Ksm Airport Branch	1285423038	1,047.00	1,047.00
Maseno Mixed Primary School	EQUITY- OGINGA ODINGA STREET	290251767184	4,765.00	4,765.00
Maseno School For The Deaf	EQUITY- OGINGA ODINGA STREET	290262503343	8,930.00	8,930.00
Mawembe Kodero Primary School			960,000.00	
Mbaka Oromo Mixed Secondary School	EQUITY- OGINGA ODINGA STREET	290264376814	70,946.00	70,946.00
Mbaka Oromo Primary School	KCB Ksm Airport Branch	1285561821	3,161.50	3,161.50
Mboto Sunrise School	SIDIAN BANK KSM	1260278967937	1,018,196.00	-
Mkendwa Muslim Primary School			1,285.00	-

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Mkendwa Muslim Primary School	EQUITY- OGINGA ODINGA STREET	290279012599	5,940.00	5,940.00
Nametsa Primary School	KCB Ksm Airport Branch	1291913882	33,696.00	33,696.00
Nawa Primary School	SIDIAN BANK KSM	1009710003051	458.00	495,373.00
Ngcdf Office Renovations			105,754.00	
Ngege Primary School	EQUITY- OGINGA ODINGA STREET	290261736092	162.00	162.00
North West Kisumu Location Chief Offices	KCB Ksm Airport Branch	1285437829	1,300.00	1,300.00
Nyaduon'G Primary School	EQUITY- OGINGA ODINGA STREET	290264412994	6,500.00	6,500.00
Nyaduo'Ng Primary School	KCB Ksm Airport Branch	1285423038	474.00	474.00
Nyahera Chief Office	KCB Ksm Airport Branch	1204083274	959.00	959.00
Nyakongo Primary School	KCB Ksm Airport Branch	1285422309	40.00	40.00
Nyakongo Primary School	EQUITY- OGINGA ODINGA STREET	290264316629	1,186.25	1,186.25
Nyakune Primary School	EQUITY- OGINGA ODINGA STREET	290262896451	503.14	503.14
Nyakune Primary School	KCB Ksm Airport Branch	1206399848	1,025.00	1,025.00
Nyakune Primary School	FAMILY		1,762.60	1,798,360.00
Nyang'Inja Primary School	SIDIAN BANK KSM	1009710003211	20,236.00	20,236.00
Nyang'Inja Sec Sch	EQUITY- OGINGA ODINGA STREET	290278935458	27,552.80	1,098,360.00
Nyawara Primary	EQUITY- OGINGA ODINGA STREET	290261724513	2,895.00	2,895.00
Nyawara Primary School	SIDIAN BANK KSM	1009710001443	157.50	435.00
Obambo Chief'S Office	EQUITY- OGINGA ODINGA STREET	290265956621	577.00	577.00
Obambo Primary School	KCB Ksm Airport Branch	1326996967	3,158.00	3,158.00

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Obede Primary School	KCB Ksm Airport Branch	1286119634	166.00	166.00
Ochok Kadongo Pri. School	KCB Ksm Airport Branch	1297800907	503.00	503.00
Ochok Kadongo Primary School	SIDIAN BANK KSM	1009710003161	15,112.25	15,112.25
Odowa Primary School	FAMILY		27,467.00	27,467.00
Odowa Primary School	KCB Ksm Airport Branch	1288338589	62,098.00	62,098.00
Odowa Primary School			150,000	
Ogada Primary School	KCB Ksm Airport Branch	126130549	12,345.00	-
Ogada Secondary	KCB Ksm Airport Branch	1317931203	90,851.00	332,685.00
Ogal Mixed Secondary School	KCB Ksm Airport Branch	1317560515	137,137.00	2,517,006.00
Ogal Police Post	KCB Ksm West Branch	1206398752	1,863.00	1,863.00
Ogal Primary School	KCB Ksm Airport Branch	1202064922	12,690.00	2,704,441.00
Ogal Secondary School			150,000	
Ogongo Pri School	EQUITY- OGINGA ODINGA STREET	290280798194	85,521.50	-
Ojolla Administration Police Line	KCB Ksm Airport Branch	1293348805	2,086.00	2,086.00
Okore Ogonda Primary School	EQUITY- OGINGA ODINGA STREET	290195598751	1,021.00	1,021.00
Okore Ogonda Primary School	KCB Ksm Airport Branch	1202277853	21,126.00	2,198,975.00
Oluowa Mixed Secondary Sch	EQUITY- OGINGA ODINGA STREET	290263342063	67,162.00	67,162.00
Oluowa Primary School	SIDIAN BANK KSM	1009710001633	9,258.00	9,258.00
Ongalo Mixed Secondary School	EQUITY- OGINGA ODINGA STREET	290293059992	19,039.00	19,039.00
Ongalo Primary School	EQUITY- OGINGA ODINGA STREET	290261468266	1,230.00	1,230.00
Ongalo Primary School	KCB Ksm Airport Branch	1291715886	1,205,965	5,965

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Orinde Primary School			266,784.40	-
Osiri Primary School	EQUITY- OGINGA ODINGA STREET	290261735598	84,569.00	84,569.00
Osiri Primary School	KCB Ksm Airport Branch	1286130549	92,226.00	92,226.00
Osiri Secondary	EQUITY- OGINGA ODINGA STREET	290262147463	10,265.00	10,265.00
Oyiengo Primary School	EQUITY- OGINGA ODINGA STREET	290195292694	506.71	506.71
Oyiengo Primary School	KCB Ksm Airport Branch	1206398752	1,018.00	1,018.00
Oyiengo Primary School	SIDIAN BANK KSM	1009710001453	4,275.00	198,186.00
Sabembe Primary School	SIDIAN BANK KSM	1009710005186	1,003.50	4,300,000.00
Sabembe Secondary School	KCB Ksm Airport Branch	1317597133	16,274.00	4,297,950.00
Sianda Primary School	EQUITY- OGINGA ODINGA STREET	1260278950558	44.85	44.85
Sidika Pri. School	KCB Ksm Airport Branch	1294623605	541.00	541.00
Sidika Primary School	FAMILY		3,623.20	1,398,360.00
South Kapounja Assistant Chief Offices	KCB Ksm Airport Branch	1291715908	292.00	292.00
South West Location Chief Offices	KCB Ksm Airport Branch	1286130581	243,147.00	243,147.00
St Gabriel Andingo Sec School	KCB Ksm Airport Branch	1317548493	702,956.25	2,956.25
St. Alloys Ojola Primary School	KCB Ksm Airport Branch	1202426727	334.00	334.00
Sunga Secondary School	KCB Ksm Airport Branch	1317548337	2,926.00	1,987,211.00
Tiengre Primary School			1,200,000	
Tiengre Secondary School	EQUITY- OGINGA ODINGA STREET	290261712407	1,471.00	1,471.00
Tieng'Re Secondary School	KCB Ksm Airport Branch	1318353211	123.50	123.50

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2024-2025	2023-2024
Tieng'Re Secondary School	KCB Ksm Airport Branch	1285437799	3,852,251.95	3,852,251.95
Ulalo Sec. School	KCB Ksm Airport Branch	1293938882	2,655.50	2,655.50
Uradi Primary School	KCB Ksm Airport Branch	1275209688	3.00	3.00
Usari Primary School	EQUITY- OGINGA ODINGA STREET	290264344061	840.00	840.00
Usari Primary School	KCB Ksm Airport Branch	1297850823	997.00	997.00
Usari Primary School			2,700,000.00	
Wachara Primary School	KCB Ksm Airport Branch	1286345979	748.00	748.00
Wachara Secondary School	KCB Ksm Airport Branch	1285437799	684.00	684.00
Wandega Primary School	KCB Ksm Airport Branch	1201126509	156.00	156.00
West Kisumu Location Chiefs Office			520,450.25	1,470.25
Yath Rateng Primary School	KCB Ksm Airport Branch	1294815164	3,950.25	3,950.25
Total			18,368,940	45,164,281

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/KSM/AUD/11/9/ (7	Inaccuracies in the Financial Statements The statement of receipts and payments reflects payment of other grants and transfers of Kshs 92,020,785 as disclosed in note 8 to the financial statements which include Kshs	<ul style="list-style-type: none"> The variance of Ksh 800,000 relates to misclassification of Kshs 800,000 that relates to construction of chain link fence and erection of gate at Oluowa Primary School which was reported as emergency instead of transfer to other government units. 	Not Resolved	December 2025

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>10,214,380 in respect of roads projects.</p> <p>However, payments totalling Kshs. 11,014,380.00 were reflected in the ledger resulting to an unexplained variance of Ksh 800,000.</p> <p>Similarly, transfer to other government units of Kshs 93,616,142 include transfer to primary schools of Ksh 59,509,242 as</p>	<ul style="list-style-type: none"> We have amended the financial statements to reflect the true position. 		

National Government Constituencies Development Fund (NGCDF)

Kisumu West Constituency

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>disclosed in Note 7 to the financial statements. However, the amount is at variance with the ledger amount of Ksh 58,709,242 resulting to an unreconciled variance of Kshs. 800,000. The compensating error has not been explained.</p> <p>In the circumstances, the accuracy of the statements of receipts</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	and payments could not be confirmed.			
OAG/KSM/AUD/11/9/ (7	Unreconciled Project Management Committee (PMC) Bank Balances Note 19.4 to the financial statements reflects project management committee (PMC) account balances amounting to Kshs.43,395,697 and as detailed in Annex 5. However, bank reconciliation statements for the	<ul style="list-style-type: none"> The PMC bank balances were supported by certificate of balances and bank statements as at June 30, 2024. The cashbooks and bank reconciliation statements were undertaken by the various project committees, copies of which are attached to this response. See Annex 2A 	Not Resolved	December 2025

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>accounts and other related supporting documents such as bank statements and cashbooks were not provided for audit review contrary to Regulations 90(1) of the Public Finance Management (National Government) regulations 2015 which require that Accounting officers to ensure bank accounts reconciliations are completed for each</p>		Resolved	

National Government Constituencies Development Fund (NGCDF)
Kisumu West Constituency

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>bank account not later than the 10th day of the subsequent month to the National Treasury with a copy to the Auditor General.</p> <p>In the circumstances, the accuracy and completeness of the Project Management Committee account balances totalling to Kshs. 43,395,697 could not be confirmed.</p>			

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

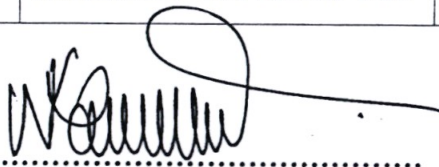
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KSM/AUD/11/9/ (7	Cash and Cash Equivalents The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.25,927,549. However, review of the bank reconciliation statement for the month of June, 2024 revealed payments in cash book not in bank amounting to Kshs.178,360. Further, the bank reconciliation statement shows	<ul style="list-style-type: none"> The bank reconciliation statement as at June 30, 2024 shows payments in the bank statement not in the cashbook amounting to Ksh 6,000. These relates to payment that could not be traced to the cashbook, the payments were in the month of May 8, 2024 (Vide Cheque No. 12892), a cheque series that had not been issued at the time. Management wrote to the bank to request for the correction of the anomaly 	Not Resolved	December 2025

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

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>payments in the bank statement not in the cash book amounting to Kshs.6,000. No explanation was provided by Management for these anomalies.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.25,927,549 could not be confirmed.</p>	<p>(see attached letter)- Annex 4.2A</p> <ul style="list-style-type: none"> The Bank Reconciliation statement as at June 30, 2024 indicate payments in cashbook not in bank statement (unpresented cheques) of Ksh 3,281,064.82 and not Ksh 178,360 as indicated by the auditor. The unpresented cheques were dated between 22/01/2024 and 28/06/2024 and as such they were not yet stale and hence could not be reversed in the cashbook. It's our 		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		position that these cheques were still valid and hence appeared as payments in cashbook not in bank statements. -See Annex 4.2B		



.....
 Kipnetich Langat
 Fund Account Manager.
 Kisumu West Constituency

