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THE AUDITOR-GENERAL

ON

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

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

RABAI 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)

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee.....	vii
4. NG-CDFC Chairman’s Report	x
5. Statement of Performance Against Predetermined Objectives for FY2024/25.....	xv
6. Governance Statement	xviii
7. Management Discussion and Analysis.....	xxiii
8. Environmental and Sustainability Reporting	xxvi
9. Statement of Management Responsibilities.....	xxxi
10. Report of the Independent Auditor on the NGCDF- Rabai Constituency	xxxiii
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement of Financial Position as At 30th June, 2025.....	3
13. Statement of Changes in Net Assets for the year ended 30 June 2025	5
14. Statement Of Cash Flows for The Year Ended 30th June 2025	6
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	8
16. Budget Execution by Sectors and Projects for The Year Ended 30 th June 2025.....	12
17. Notes to the Financial Statements	19
18. Annexes	57

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Rabai Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Amina Ali
2.	National Sub-County Accountant	Ganja Mwalolo Mwangemi
3.	Chairman NGCDFC	Emmanuel Muhaso Muhaso
4.	Member NGCDFC	Elvis Bokoro Hare
5.	Member NG CDFC	Marion Nzale Mbaru

(c) Fiduciary Oversight Arrangements

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

Mazeras-Kaloleni Road
Shika Adabu
P.O Box 119-80114
Mazeras

(e) NGCDF Rabai Constituency Contacts

Telephone: (254) 0703 155871
E-mail: cdfra@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Rabai Constituency Bankers

1. Bank A(Operations) Family Bank A/C no.095000063501
Moi Avenue
P.O. Box 13889-00800
Mombasa.
2. Bank B. (Deposit) Family Bank A/C no.095000068811.
Moi Avenue
P.O. Box 13889-00800
Mombasa.
3. Bank C.(PMC Accounts) Co-operative Bank
Marikani Branch
P.O. Box 435-80113
Mariakani.

(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





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

3. NGCDF Committee

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

Name	Details
 <p data-bbox="180 882 568 958">EMMANUEL MUHASO- Chairperson</p>	<p data-bbox="655 506 1465 548">Date of Birth: 1st January 1965.</p> <p data-bbox="655 548 1465 772">Qualifications and Experience: Certificate of Clearing & Forwarding at Institute of Personnel Training & Consultant 1985-1986. Worked as Port Clerk in Shipping till retirement on 13th December 2013. Currently is a minster in Church and doing Farming and has been in NG-CDF committee for the past two years.</p>
 <p data-bbox="180 1305 568 1350">ELVIS BOKORO HARE</p>	<p data-bbox="655 958 1465 1001">Date of Birth: 1st March 1958.</p> <p data-bbox="655 1001 1465 1337">Qualifications and Experience: Diploma in Education Management in 2016, Served as Untrained teacher for 6 years. Underwent an in-service teacher Training Course at shanzu Teachers College, Appointed as Deputy Head teacher on 5/01/2009. Promoted Head teacher status on 11/12/2015 and served at Mnazimwenga Primary School to successful retirement on 30/06/2018. Currently is a minster in Church and doing Farming and has been in NG-CDF committee for the past two years.</p>
 <p data-bbox="180 1648 568 1686">PATIENCE IDZA NYAKI</p>	<p data-bbox="655 1350 1465 1393">Date of Birth: 1st June 1971.</p> <p data-bbox="655 1393 1465 1538">Qualifications and Experience: Kenya Certificate in Early Childhood at Kilifi Decece Institute, A teacher at Mwalau ECD from 2016 to date and has been in NG-CDF committee for the past two years.</p>
	<p data-bbox="655 1686 1465 1729">Date of Birth: 14th April 1993</p> <p data-bbox="655 1729 1465 1874">Qualifications and Experience: Kenya Certificate of Secondary Education at 2013, Curretly doing small scale business and has been in NG-CDF committee for the past two years.</p>

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

SARAH NYAMVULA FOLENI	
	<p>Date of Birth: 4th July 1977 Qualifications and Experience: Certificate in Housekeeping & Laundry Techniques in 2013, Currently doing business & hospitality on call and has been in NG-CDF committee for the past two years.</p>
AGNETTA MBODZE MWARUA	
	<p>Date of Birth: 28th December 1999 Qualifications and Experience: Kenya Certificate of Secondary Education, Currently doing small scale business and has been in NG-CDF committee for the past two years.</p>
MARION NZALE MBARU	
	<p>Date of Birth: 1st July 1975 Qualifications and Experience: Kenya Certificate of Primary Education, Currently is a minister in Church and doing Farming and has been in NG-CDF committee for the past two years.</p>
JOSEPH FUNGO FERREJI	
	<p>Date of Birth: 13th June 1998. Qualifications and Experience: Diploma in Electrical & Electronics engineering at KPLC Institute and has been in NG-CDF committee for the past two years.</p>
CLINTON MAGUO	

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



AMINA ALI- Fund Account
Manager

Date of Birth: 26th January 1976.
Qualifications and Experience: Holder of BA international studies and Diplomacy. Working as a Fund Account Manager since 8th June 2009 up to date.

4. NG-CDFC Chairman's Report



Mr. Emmanuel Muhaso Muhaso

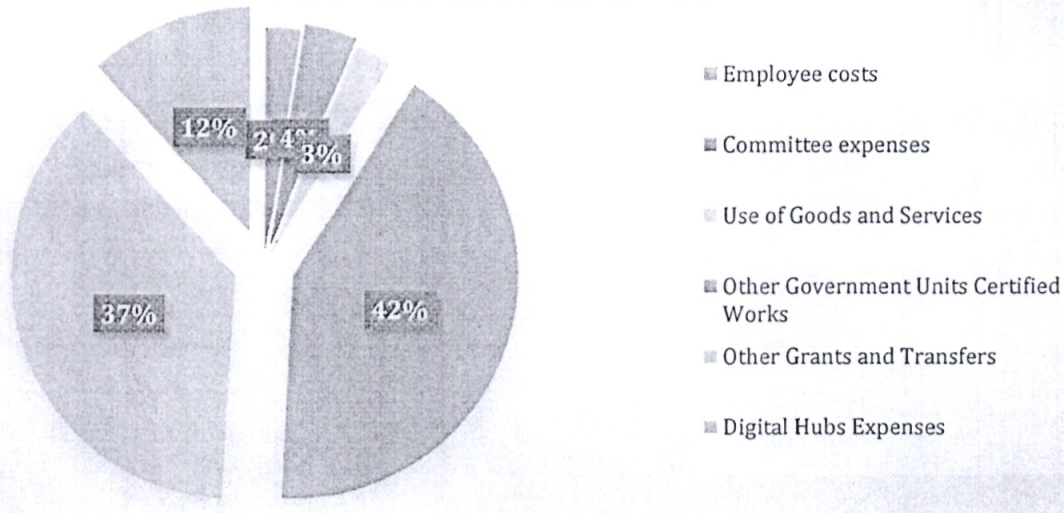
It gives me great pleasure to thank the people of Rabai Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is with great joy that I present to you NGCDF Rabai annual report and financial statements for the year ended 30th June 2025.

Rabai Constituency is in Kilifi County. The constituency borders Kaloleni Constituency, Kinango constituency and Jomvu constituency. It borders Mombasa County and Kwale County.

Key to note is that the Budget allocation from the NG-CDF Board is not sufficient for all project proposed by NGCDF Rabai Residents during the public participation. Bursary being the major project, the percentage allocated is not adequate to support the high demand of needy cases. This financial year the average allocation to individual students improved by 37% the same applies to tertiary institutions. This means an increase in the population of students retained in schools was higher. We also recognize the continuous support we have had from the management of the NGCDF board.

I take this opportunity on behalf of the NG CDF Rabai to highlight on achievements, challenges and my opinion on the way forward on better utilization of this fund and delivery of service to my constituents. We have received funds from the NG CDF Board and have utilized the funds efficiently. The original budget was 170,469,857 out of this budget we allocated 117,425,000 (Bursary Kshs. 46,000,000 and primary institutions Kshs.71, 425,000) towards Education projects. Which is equivalent to 69 % of the original budget for education projects which will highly improve education in the region. Then Kshs. 46,000,000 Which is 26 % of the original budget was channeled towards bursary for secondary school and tertiary institution needy students. This makes 78% for promotion of education and further eradicates poverty.

BUDGET APROPRIATION



Major physical facilities funded are infrastructure such as classrooms, laboratory, dormitories, toilets, security facilities and supply of desks. The continued funding towards the education and security sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates and equally reducing the burden of education for low income families as well as enhancing security respectively.

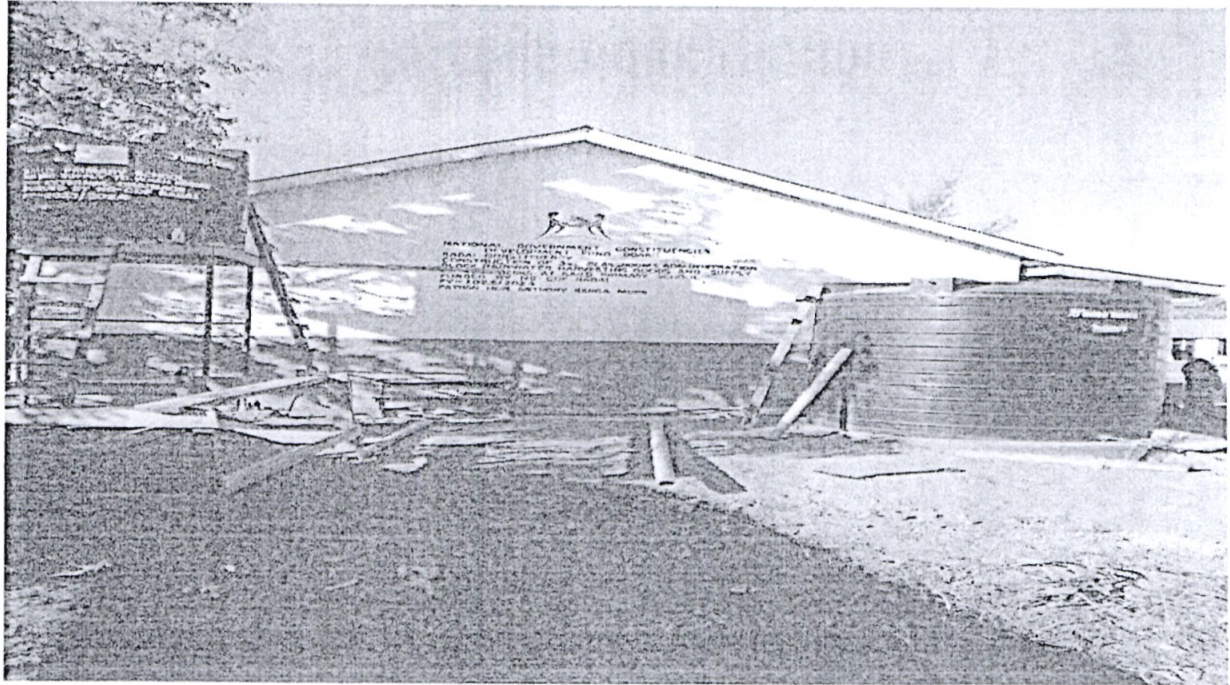
Some of the projects undertaken during the financial year were Kailo Primary school, Mwangutwa primary school, Mikomani Primary School and Rev. Canon Kuri Secondary school

Summary of Key Achievements

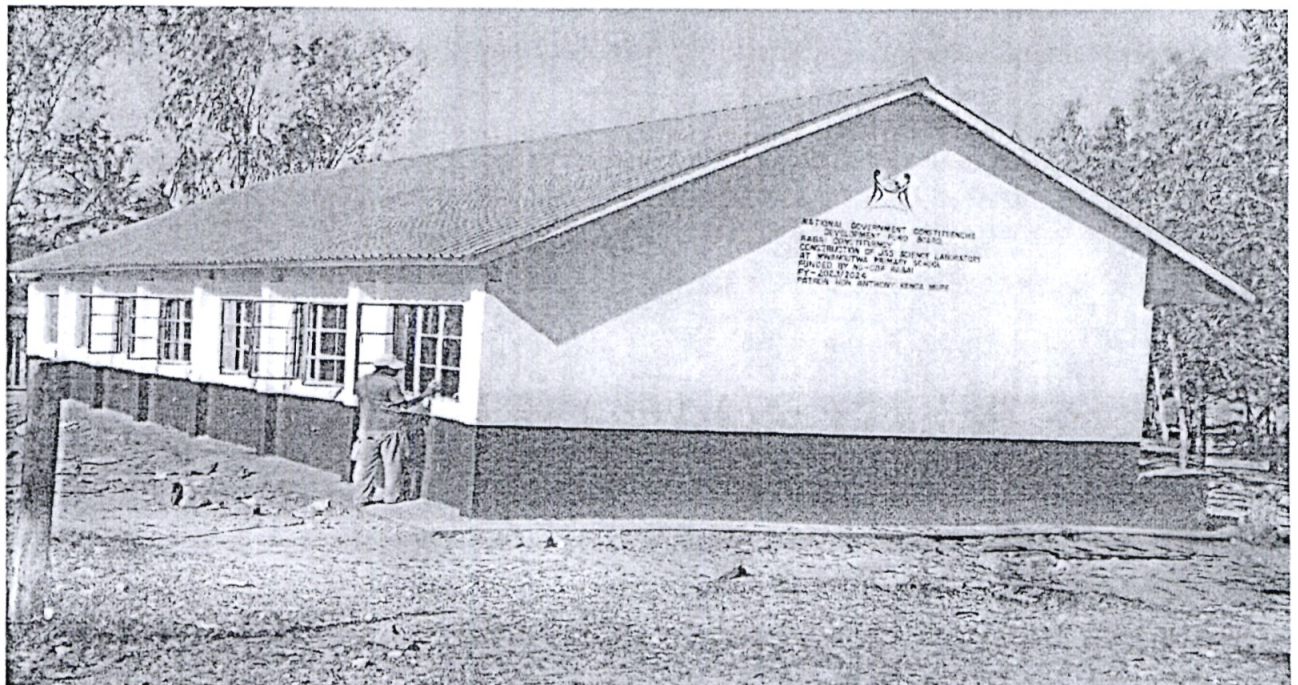
Construction of 3 No. Classroom and Administration Block – Kailo Primary school

This project has uplifted the physical standards of the school. Teachers enjoy a better working environment and pupils are motivated to attend school regularly

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



Construction of 45 No. Capacity JSS laboratory – Mwangutwa primary school
This Science lab has brought learning to life. Students can now conduct real experiments and visualize the concepts they read about



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

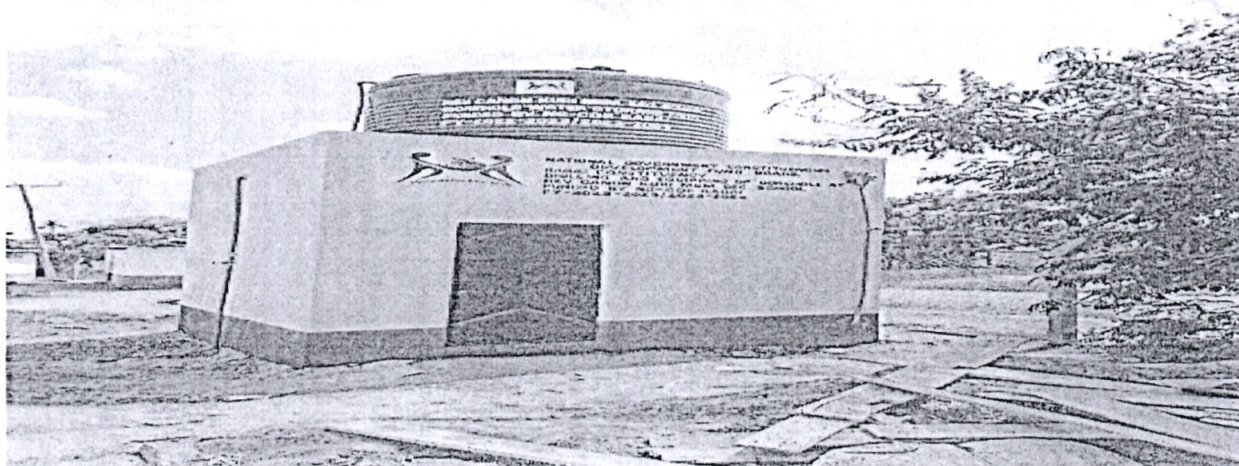
Renovation of 8 No. Classroom – Mikomani Primary School

The renovation has brought about a remarkable transformation through safe and conducive learning environment, improved academic focus, boost in school image and morale



Drilling and Equipping of Borehole – Rev. Canon Kuri Secondary school

Transformational impact behind this project are Reliable water supply, improved hygiene and health, support for agriculture, reduced burden on students and staff



CHALLENGES

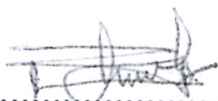
- Insufficient funds for monitoring and evaluation, capacity building and training is big challenge.
- Late disbursement of funds for Re-allocations should be fast tracked.
- Delay in disbursing funds from NG-CDF Board.

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

WAY FORWARD.

- NG-CDF Board to release funds to the constituencies on time.
- Allocation of monitoring & evaluation vote and capacity building should be improved.
- Employment of FAM should be reviewed often to avoid the shortages being experienced.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2024/2025.



.....
Name: Mr. Emmanuel Muhaso Muhaso
Chairman NGCDF Committee

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

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 Rabia Constituency 2022-2027 plan are to:

- 1) To improve access to education and training
- 2) To improve learning environment
- 3) To improve the working environment of security and interior personnel
- 4) To enhance environmental conservation
- 5) To build youth talents and skills in sports
- 6) To improve access to ICT infrastructure.

Progress on the attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve access to education and training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Increased number of students accessing education - Increased number of schools with adequate facilities and equipment - Improved performance in national examinations - Increased number of schools with 	<p>In FY 24/25-we increased number of useable classrooms by 66 through renovations and constructed 14 new ones for students and added new secondary 2 schools and 1 tertiary institution</p> <p>3000 students benefited from Bursary</p>

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

Constituency Program	Objective	Outcome	Indicator	Performance
			adequate sanitation facilities	
Security	To improve the working and living conditions of security personnel in the Constituency	Increase and Improve the conditions of police stations within the constituency	- Increased number of housing units and offices for security personnel	In FY 24/25 we worked on completion of 3 Chief's offices and fenced other two offices
Environment	To promote environmental conservation in the Constituency	Increase in knowledge, skills and passion for sustainable environment practices	- Increased number of institutions with adequate sanitation facilities and water storage facilities and increase afforestation	In FY 24/25 we invested in water harvesting program in 10 schools by providing 10,000 liters water tanks, water harvesting gutters for hygiene and improved sanitation & tree planting.
Sports	To build and enhance youth skills through sports interventions	Promotion of youth initiatives in building and nurturing their talents and skills in sports	- Increased sports activities through annual sports tournaments, Building more facilities in schools, provision of equipment and sports kits	In FY 24/25 hosting of constituency tournament which involved youths teams from all 6 wards.
EMERGENCY	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk and disaster preparedness	- Improved Constituency Internal Control System - Reduced level of complaints; resolved past	In the FY 24/25 We improved internal control system through checks an Strengthening corporate governance by inculcating a culture of best

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

Constituency Program	Objective	Outcome	Indicator	Performance
			<p>cases and reduced reporting of present cases</p> <p>- Securing the services of a security firm</p>	<p>practices on NG-CDF mandate</p> <p>Installed fire extinguishers, to mitigate risks of fire and detergents, fumigation chemicals and water tanks to help improve hygiene.</p> <p>Maintained an open door policy of feedback and respecting criticism while taking corrective measures and drawing valuable lessons learnt from reported complaints</p>

6. Governance Statement

Establishment of the Fund

Section 4 (1) of the National Government Constituencies Development Fund (NG-CDF) Act state that: - There is established a fund to be known as the National Government Constituencies Development Fund which shall:-

- a. be a national government fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;
- b. Comprise of any monies accruing to or received by the Board from any other source; and
- c. Be administered by the Board

Mandate of the NGCDF Committee

Section II, (I) of the regulations to NGCDF Act 2016 outlines functions of the NGCDF Committee as follows:

- Build the capacity of project management committees and Committee.
- Sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- 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;
- Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- Ensure that all projects receive adequate funding and are completed within three years;
- 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;
- Ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board;
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- Ensure that project reports are prepared and submitted to the Board;

National Government Constituencies Development Fund (NGCDF)

Rabai Constituency

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

- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain-a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
- Enter into performance contracting with the Board on an annual basis;
- In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- Receive returns from project management committees in accordance with regulation 15;
- Maintain a database of project management committees and reports from the respective committees;
- Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- Ensure that the committee does not enter into commitments for which funding has not been allocated;
- Ensure projects are labeled in accordance with the guidelines issued by the Board

Appointment of NGCDFC Members

Section 43(1), (2), (3) and (4) of the national Government Constituencies Development Fund (NG-CDF) Act state that:-

There is established a National Government Constituencies Development fund committee for every constituency.

Each constituency committee shall comprise of

- a) The national government official responsible for co- ordination of national government functions.
- b) Two men each nominated in accordance with subsection (3) one of whom shall be a youth at the date of appointment.
- c) Two women nominated in accordance with subsection (3) one of who shall be a youth at the date of appointment.
- d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
- e) Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act:

- f) The officer of the Board seconded to the constituency committee by the board that shall be an ex officio member without a vote.
- g) One member co-opted by the board in accordance with regulations made by the board. The seven persons referred to in sub-section (2) (b), (c), (d) and (e) shall be selected in such a manner and shall have such qualifications as the board may, by regulation, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the board to the national assembly for approval before appointment and gazettelement by the board. The Fund account managers are required initiate the process of appointment of the members of the national government constituencies development fund committees (NG-CDFCs) In their respective constituencies by first constituting selection panel pursuant to the provisions of the regulations 5(4) of the regulations to the act. The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

Removal of NGCDFC Member

Section 43(8) 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.

In addition, regulations 5(2) (a) of the regulations to the act states that, a vacancy shall occur in constituency committee upon - commencement of a new parliamentary term.

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

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

Member Eligibility Criteria for appointment

Regulations 5 and 6 of the NG-CDF regulations 2016 provide for the eligibility criteria and procedures for nomination of five members of the NG-CDF committee as outlined in section 43(2) paragraphs (b) (c) and (d) of the principal Act through a selection panel(regulations 5(4) composed of:

- i. One person nominated by the national government official in charge of sub-county , or a designated representative who shall chair the panel.
- ii. The officer of board seconded to the constituency who shall be the secretary to the selection panel and.
- iii. Two persons, one of either gender, nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

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

- a. A citizen of Kenya
- b. Ordinarily resident and a voter in the constituency

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

- c. Able to read and write, and to communicate in English and Kiswahili.
- d. Meet the requirement of chapter six of the constitution of Kenya
- e. Is available to participate in activities of a constituency committee

Conflict and dispute Resolution

Section 31 of the regulation states that: A Constituency Committee shall establish and maintain a Complaint and complaints register in respect of all complaints received with regard to dispute resolution. The operations of the Fund in the Constituency, and shall forward a status report of the complaints to the Board at the end of each quarter in a financial year. A Constituency Committee shall address all complaints made to it before forwarding the complaints to the Board. A complainant shall, in forwarding a dispute to the Board for consideration, demonstrate efforts made to have the matter resolved at the Constituency level. A Constituency Committee shall, as much as possible, ensure and demonstrate the effort made towards resolving a complaint at the Constituency level. A Constituency Committee shall maintain a clearly marked and secured complaints submission box in accordance with guidelines issued by the Board. The Board shall issue guidelines to a Constituency Committee on mechanisms and procedures for handling complaints and litigation. NGCDF Rabai observed and put into practice all the above guidelines.

Rabai NGCDF Committee Members meeting attendance check list

No	NAME OF THE COMMITTEE MEMBER	MEETING HELD													
		03.07.24	31.07.24	09.08.24	10.09.24	25.10.24	20.11.24	18.12.24	28.01.25	20.03.25	13.05.25	26.05.25	30.05.25	16.06.25	23.06.25
1	Emmanuel Muhaso	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Elvis Bokoro Hare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Patience Idza Nyaki	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Sarah Nyamvula Foleni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Agnetta Mbodze Mwarua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Marion Nzale Mbaru	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Joseph Fungo Fereji	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Clinton Maguo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Murrampi lenkarie-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

NCDFC member's remuneration

Section 33 of the regulations states: - The Cabinet Secretary shall, with the approval of the National Assembly Select Committee on National Government Constituencies Development Fund, issue guidelines on allowances payable to members of a constituency committee and other government officers involved in the management of the Fund. Currently the Chairperson to the NGCDFC earns a sitting allowance of Kshs. 7,000 while a committee member is paid Kshs. 5,000.

Conduct and Ethics of a committee member

The chapter six of the Constitution on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being objective and impartial in ensuring that decisions are not influenced by nepotism, favoritism, corruption or other improper motives. NGCDF Rabai regularly trains its Committee members on commitment to abide to this chapter six of the Constitution

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

7. Management Discussion and Analysis

The National Government Constituencies Development Fund Committee (NG-CDFC) Rabai is a Kenyan government entity responsible for managing funds allocated to the constituency for socio-economic development. The NGCDF Rabai ensures efficient disbursement and management of the funds through PMC Accounts, to support projects that were approved by the Board through public participation.

Disbursement of funds from NGCDF Rabai Account

Each and every disbursement from NGCDFC Account shall be approved and recorded in the minutes of the NGCDF Committee. All disbursements from the main account shall be for specific projects as per the approved code list once the PMC Accounts are formed by the development committee of the institution being funded. All disbursements shall be made through PMC bank accounts opened specifically for the project. All PMC files are maintained at the NGCDF Rabai office.

Bursary Disbursement

Once the allocation is approved and we receive funds from the NGCDF Board. We distribute bursary forms to applicants in ward level. After receiving all bursary application forms. The NGCDFC Rabai Bursary sub-committee creates bursary awarding criteria and do vetting before awarding.

All bursary Cheaque are awarded to beneficiary institution not an individual. And we receive acknowledgement for the same.

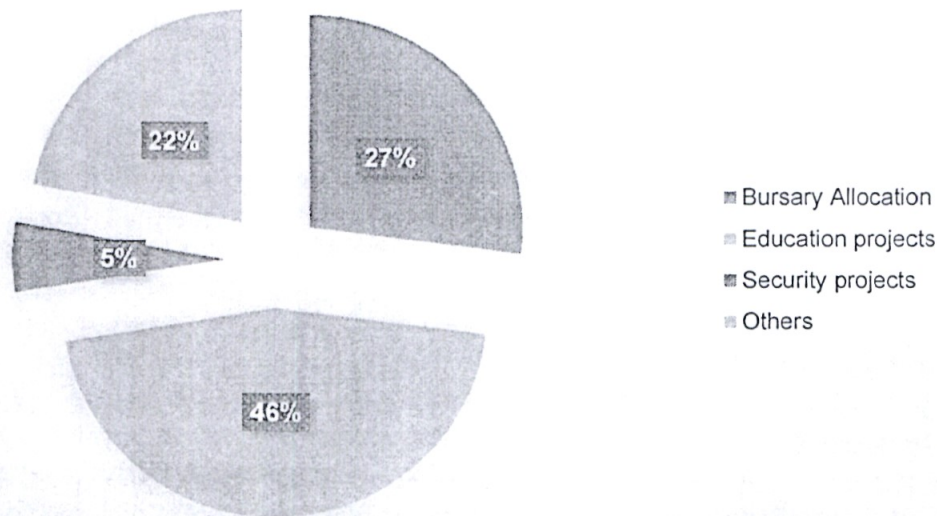
For the past five (5) financial year the constituency received funds from the NG -CDF Board totaling to Kshs. 759,994,851.

A total allocation of Kshs. 204,991,154 of the funds was channeled towards bursary for supporting needy leaners to easing the burden of school fees from parents. And also a total of Kshs. 345,006,267 was channeled on educational project infrastructure as shown below.

Allocation For The Last 5 Financial Years					
Financial Year	F/Y Allocation	Bursary Allocation	Education Projects	Security Projects	Others
2020-2021	137,295,379	35,500,000	56,574,773	19,400,000	25,820,606
2021-2022	137,088,879	40,124,154	61,875,118	13,200,000	21,889,607
2022-2023	138,318,033	37,000,000	63,937,199	8,375,000	29,005,834
2023-2024	176,822,703	46,367,000	91,194,177		39,261,526
2024-2025	170,469,857	46,000,000	71,425,000		53,044,856
Totals	759,994,851	204,991,154	345,006,267	40,975,000	169,022,430

The graphical representation of the budgeted funds with others representing emergency projects, M&E, Administration costs and NGCDF office projects.

Allocation for the last 5 financial years



As an entity we continually appreciate every efforts the NGCDF board makes to fund our projects on time. We also encourage them disburse funds in a timely manner to ensure that our projects code list is fully funded in the same financial year to avoid delays in implementation of our projects.

The funds key funded projects.

As per the allocation bursary is our biggest project. We fund also infrastructure such as classrooms, laboratory, dormitories, toilets, security facilities and supply of desks. The continued funding towards the education and security sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary. Which includes Education projects

1. Construction of first floor dormitory to completion of capacity 200 girls, 11 no. cubicles, 10 toilets and 7 bathrooms at Kombeni Girls Secondary School at a cost of KSHS. 10,000,000. (F/Y 2020/2021)

2. Construction to completion of a twin science laboratory of a capacity of 120 students. Includes 16no. Sinks, Gas chambers and soil drainage at Rabai Secondary School at a cost of KSHS. 10,000,000(F/Y 2022/2023)

Security projects

1. Construction of a Police Administration block comprising of a Board room, 11 Offices, amoury burglar proof roof, 4 Cells, Radio room, Records room, Exhibit store, waiting area , 4 Wash centers with 2 showers And kitchen substructure works and walling at Kambe/Ribe police Station at a cost of KSHS. 8,000,000(F/Y 2020/2021)

2. Construction of a Police Administration block comprising of a Board room, 11 Offices, amoury burglar proof roof, 4 cells, radio room, records room, Exhibit store, waiting area , 4 No. Wash /shower centers and kitchen substructure works and walling at Rabai Police Station (F/Y 2020/2021)

Major Risks Facing the Fund

The NGCDF Rabai has faces several significant risks, including political interference, and the risk of projects conflict of interest. Land ownership documents for projects, and challenges in road infrastructure while accessing these project during implementation. Furthermore, legal challenges and the impact of unforeseen events like pandemics can disrupt project implementation.

Here's a more detailed breakdown:

Political Interference and Influence:

Political factors can affect project prioritization and implementation, potentially undermining the NGCDF Rabai development objectives.

Concerns about political influence in NGCDF committees and Staffs employment. And some time influence Fund account manager transfers.

Way forward

All NGCDFC Rabai are appointed through free and fair environment including staffs recruitment

Land ownership documents

Most of the projects are implemented on community land which to prove ownership is a challenge.

Way forward

All projects before implantation the institution must prove ownership of the land.

Security concerns and pandemics can hinder project implementation and monitoring.

Addressing these risks requires a multi-pronged approach, including strengthening oversight mechanisms, promoting transparency and accountability, enhancing technical capacity, and ensuring projects align with local needs and priorities.



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Name Amina Ali
Fund Account Manager

8. Environmental and Sustainability Reporting

NG-CDF- Rabai exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support and Environment. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- NG-CDF Rabai supported pupils and students in carrying out environmental conservation activities. During the year under review, the NGCDF-Rabai in support of learners within the constituency planted more than 1,200 trees across 7 different schools within the constituency. We also plan to do water conservation in schools by purchasing 7 water tanks of 10,00litres capacity and piping the same tanks. The Environment projects were funded to a tune of Ksh 3,500,000. The Schools benefitted from this climate mitigation project include:- Kawala Primary school, Makanzani Primary School, Changombe Primary School, Bwagamoyo Primary School, Kaoyeni Primary School, Boyani Primary School and Makobeni Primary School
- During the launch of the tree planting exercise, the NGCDF Rabai in conjunction with constituency office and other stakeholders Sensitized youth/ community on the impact of drugs and substance abuse and also the importance of environmental conservation and its impact on climate change.

3. Employee welfare

We invest in providing the best working environment for our employees. Rabai 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. Rabai constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also

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

4. Marketplace practices-

Rabai 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-

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

Public Participation in Project Identification, Implementation, and Monitoring

Rabai 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

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

identified list of priority projects, both immediate and long-term, was submitted to the NCDF 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. Rabai Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


.....
Name: Amina Ali
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- Rabai 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- Rabai 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 in charge of the NGCDF- Rabai 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.

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

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



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Name: Emmanuel Muhaso Muhaso
Chairman – NGCDF Committee



.....
Name: Amina Ali
Fund Account Manager

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RABAI 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 - Rabai Constituency set out on pages

1 to 63, 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 - Rabai Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Presentation and Disclosure of the Annual Report and Financial Statements

Review of the annual report and financial statements revealed the following:

- i. The statement of financial performance reflects a surplus of Kshs.21,569,682 while the statement of changes in net assets and statement of financial position reflect Nil accumulated surplus.
- ii. The statement of changes in net assets reflects revaluation reserve as at of Kshs.129,239,489. However, the Fund balance as at 30 June, 2024 of Kshs.41,172,655 and surplus for the period of Kshs.21,569,682 have been incorrectly disclosed under revaluation reserve instead of accumulated surplus/deficit as per the requirement of the reporting template. In addition, the recognition of assets of Kshs.67,676,377 and recognition of liabilities of Kshs.1,179,225 has been incorrectly disclosed as revaluation reserves instead of reserves. The amounts have also not been supported by a detailed breakdown.
- iii. The prior year audited Project Management Committee (PMC) balances amounted to Kshs.13,353,674 while the financial statements reflect an opening balance of Kshs.20,853,674 resulting in unexplained variance of Kshs.7,500,000.
- iv. The statement of financial position reflects property, plant and equipment balance of Kshs 602,075 while Note 23 reflect a balance of Kshs.762,120 resulting in a variance of Kshs.160,045.
- v. Annex 2 reflects sixteen (16) PMC bank accounts with balances totaling to Kshs.46,062,973. However, the annex does not disclose banks and bank account details.

- vi. Fourteen (14) PMC bank accounts have been disclosed twice in annex 2 with different opening and closing balances. This discrepancy has not been explained or corrected.

In the circumstances, the accuracy and completeness of the presentation and disclosure in the annual report and financial statements could not be confirmed.

2. Use of Goods and Services

The statement of financial performance reflects expenditure on use of goods and services totalling to Kshs.4,354,712 as disclosed in Note 12 to the financial statements. Review of supporting documentation revealed the following:

i. Inaccurate and Unsupported Expenditure on Fuel, Oil and Lubricants

Included in the expenditure on use of goods and services is Kshs.998,286 on fuel, oil and lubricants paid to two (2) companies in the year under review. However, the expenditure was not supported by procurement records, suppliers fuel statements and an updated fuel register.

ii. Unsupported Expenditure on Utilities, Supplies and Services

Included in the expenditure on use of goods and services is utilities, supplies and services amount of Kshs.2,142,250 out of which Kshs.2,087,800 was paid to the Fund Account Manager. However, the payments were not supported by electricity and water bills and the amount incurred exceeded the budgeted amount of Kshs.90,000 by Kshs.2,052,250.

In the circumstances, the accuracy and completeness of expenditure on use of goods and services totalling Kshs.4,354,712 could not be confirmed.

3. Inaccurate and Unsupported Gratuity Provision

The statement of financial performance reflects expenditure on employee costs totalling Kshs.4,057,701 as disclosed in Note 10 to the financial statements. Included in the expenditure is Kshs.744,000 on gratuity to contractual employees. However, the corresponding ledger amount is Kshs.1,923,225 resulting to unreconciled variance of Kshs.1,179,225. In addition, the statement of financial position and Note 29 to the financial statement reflects gratuity provisions of Kshs.341,000 that has not been supported by a breakdown or register.

In the circumstances, the accuracy and completeness of expenditure on gratuity totalling Kshs.744,000 could not be confirmed.

4. Inaccurate and Unsupported Expenditure on Bursary

The statement of financial performance reflects expenditure on other grants and transfers totalling to Kshs.57,673,680 as disclosed in Note 14 to the financial statements. Included in this expenditure is Kshs.45,886,861 on bursary out of which Kshs.27,761,000 was in respect of bursary to secondary schools' students and Kshs.18,125,861 was in respect of beneficiaries in tertiary institutions. However, Management did not provide a breakdown indicating the secondary schools and tertiary institutions paid to support the bursary expenditure.

In the circumstances, the accuracy and completeness of expenditure on bursary totalling Kshs.45,886,861 could not be confirmed.

5. Inaccurate and Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.91,201,240 as disclosed in Note 19 to the financial statements. Included in the cash and cash equivalents balance is PMC bank accounts balance of Kshs.57,469,433 that was not supported by certificate of bank balances. In addition, included in the PMC bank balance are nine (9) PMC bank accounts that was not supported by bank statements.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.91,201,240 could not be confirmed.

6. Inaccurate and Unsupported Deposit Balance

The statement of financial position reflects third-party deposits balance of Kshs.4,791,561 as disclosed in Note 27 to the financial statements. However, the corresponding retention bank account balance in Note 19 reflect a balance Kshs.341,360 resulting to an unexplained variance of Kshs.4,450,201. In addition, the supporting schedule/register indicating the suppliers owed retention balance of Kshs.4,791,561 was not provided for audit.

In the circumstances, the accuracy and completeness of deposits balance of Kshs.4,791,561 could not be confirmed.

7. Inaccurate Expenditure on Other Grants and Transfers

Included in the statement of financial performance is other grants and transfers of Kshs.70,095,505 as disclosed in Note 13 to the financial statements. Included in the expenditure is Kshs.5,730,035 in respect of expenditure incurred on projects in two (2) secondary schools. Review of tender and payment records revealed that expenditure amounting Kshs.6,996,465 in respect of unpaid certified works and unremitted taxes had been omitted from the financial statements.

In the circumstances, the accuracy and completeness of expenditure on other grants and transfers totalling Kshs.70,095,505 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 - Rabai Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.278,689,489 and Kshs.236,915,392 respectively resulting to an under-funding of Kshs.41,774,097 or 15% of the budget.

Similarly, the Fund spent an amount of Kshs.145,714,152 against actual revenue of Kshs.236,915,392 resulting to an under-utilization of Kshs.91,201,240 or 38%.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Fund in 2024/2025 revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023/2024	Inaccurate payments for use of goods and services
2.	2023/2024	Inaccurate payment of bursary
3.	2023/2024	Inaccurate payments on committee expenses
4.	2023/2024	Unsupported payments on security projects
5.	2023/2024	Irregular procurement of proposed strategic plan

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management's 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. Ineffective Vetting and Award of Bursary

The statement of financial performance and Note 14 to the financial statement reflects bursary secondary schools' amount of Kshs.27,761,000 and bursary tertiary institutions amount of Kshs.18,125,861 totaling to Kshs.45,886,861. However, the minutes of the bursary committee provided did not disclose the total number of all applications received and was not accompanied with lists of successful applications.

In addition, bursary application forms were not signed by chairperson of NG-CDF and bursary sub-committee and also did not include all the required information to enable the committee identify and award bursaries to needy cases while the bursary sub-committee did not make follow up and provide a report on the impact of bursary disbursement. This was contrary to NG-CDF Board circular Ref no. NG-CDFB/CEO/BOARD Vol II (021) dated 18 June, 2020 on guidelines for administration of education bursary schemes, mock examination and continuous assessment test requires that NG-CDF Committee to establish a sub-committee for efficient and effective administration of education bursary scheme.

In the circumstances, Management was in breach of the bursary guidelines

2. Irregular and Unsupported Expenditure on Climate Change

The statement of financial performance reflects expenditure on other grants and transfers totalling Kshs.57,673,680 as disclosed in Note 14 to the financial statements. The expenditure includes climate change mitigation expenditure of Kshs.3,249,131 that was incurred by seven (7) primary schools to purchase a 10,000-litre water tank, install gutters and supply fifty (50) assorted tree seedlings. However, the expenditure was not supported by tender opening and evaluation minutes, monitoring and evaluation report and environmental impact assessment reports despite the fact that an amount of Kshs.300,067 was spent on administration cost by the PMCs.

In addition, projects verification at changombe primary schools revealed that all the fifty (50) trees planted had dried up while at makanzani primary only fifteen (15) trees or 30% trees out of the total fifty (50) trees planted had survived and hence the project was unlikely to achieve the intended impact to the community. This was contrary to Regulation, 104 (1) of the Public Finance Management (National Government)

Regulations, 2015 which requires that all receipts and payments voucher of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

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

3. Implementation of Projects

The statement of financial performance reflects other government units' actual expenditure totalling to Kshs.70,095,505 as disclosed in Note 13 to the financial statements. The expenditure included expenditure on projects in primary schools of Kshs.64,365,471 and expenditure on projects in two (2) secondary schools of Kshs.5,730,035 in respect of drilling and equipping of bore holes. Review of tender and payment records revealed the following:

3.1 Irregularities in Implementation of Projects in Primary Schools

- i. The amount spent on a project in Mwele Primary School for Kshs.12,095,111 included a variation of Kshs.1,391,663 from the original tender sum of Kshs.10,703,448 which was initiated before expiry of one (1) year.
- ii. Jimba Primary School PMC account was used to implement two (2) different projects namely proposed drilling and equipping of borehole at Jimba Primary School project at a cost of Kshs.2,782,023 and construction of three (3) classrooms and administration block project at a cost of Kshs.11,466,445. However, the borehole project was not yet operational due to lack of a three-phase electricity connection.
- iii. It was noted that two (2) projects implemented at a cost of Kshs.23,331,266 had not been issued with certificate of practical completion and handing over minutes: This was contrary to Section 139 (3) of Public Procurement and Asset Disposal Act, 2015 which states that no contract price shall be varied upwards within twelve months from the date of the signing of the contract and section 68(1) of Public Finance management Act, 2012 which states that an accounting officer for a national government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is lawful and authorised; and effective, efficient, economical and transparent

3.2 Irregular Implementation of Projects in Secondary Schools

The constituency incurred an expenditure on drilling and equipping of bore holes in two secondary schools at a cost of Kshs 5,730,035. The payments made to the two (2) contractors and not supported by completion certificates and pump test reports. This was contrary to Section 154 of Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring entity shall close out a procurement contract immediately after completion and the close out, the head of procurement function shall issue a certificate to the contractor confirming delivery and acceptance of goods, works and services, where the contract is not complex and specialized.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

08 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Rabai 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	170,469,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	66,360
Total revenue		170,536,217
Expenses		
Employee costs	10	4,057,701
Committee expenses	11	6,742,092
Use of Goods and Services	12	4,354,712
Other Government Units Actual expenditure	13	70,095,505
Other Grants and Transfers Actual expenditure	14	57,673,680
Depreciation and amortization expense	15	160,045
Digital Hubs Expenses Actual expenditure	16	5,882,799
Total expenses		148,966,535
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		21,569,682

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


and signed by:



Chairman NG-CDF
Committee
Name: Emmanuel Muhaso
Muhaso



National Sub-County
Accountant
Name: : Ganja Mwalolo
Mwangemi
ICPAK M/No: 27869



Fund Account Manager
Name: Amina Ali

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

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


National Government Constituencies Development Fund (NGCDF)
Rabai 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	91,201,240	62,026,329
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	46,822,703
Prepayments	22	98,878	-
Total Current Assets		133,769,975	108,849,032
Non-Current Assets			
Property, Plant and Equipment	23	602,075	533,484
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		602,075	533,484
Total Assets (A)		134,372,050	109,382,516
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	4,791,561	-
Lease Liabilities	28	-	-
Gratuity provision	29	341,000	1,179,225
Total Current Liabilities		5,132,561	1,179,225
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		5,132,561	1,179,225
Net Assets (A-B)		129,239,489	108,203,291
Represented by:			
Revaluation Reserves		129,239,489	108,431,927
Accumulated Surplus			
Total Net Assets		129,239,489	108,431,927

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


The Constituency financial statements set out on pages 1 to 21 approved by NG CDFC on _____ 2025 and signed by:



Chairman NG-CDF
Committee
Name: Emmanuel Muhaso
Muhaso



National Sub-County
Accountant
Name: : Ganja Mwalolo
Mwangemi
ICPAK M/No: 27869



Fund Account Manager
Name: Amina Ali

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

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	41,172,655		41,172,655
Adjustments			
Recognition of Assets	67,676,377	762,120	68,438,497
Recognition of Liabilities	1,179,225		1,179,225
As at July 1, 2024	107,669,807		108,431,927
Surplus/(Deficit) For the Period	21,569,682		21,569,682
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	129,239,489	-	129,239,489

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

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		174,822,703
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		66,360
Total Receipts		174,889,063
Payments		4,895,926
Employee costs		6,742,092
Committee expenses		4,453,590
Use of Goods and Services		65,892,002
Other Government Units Certified Works		57,673,680
Other Grants and Transfers		5,294,741
Digital Hubs Expenses		144,952,032
Total Payments		29,937,031
Net Cash Flows from/ (used in) Operating Activities	30	
Cash flows From Investing Activities		762,120
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		762,120
Net Cash Flows from Investing Activities		29,174,911
Net increase/(decrease) in cash & Cash equivalents		
Cash Flows from Financing Activities		
Lease Payment		-

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

Net Cash Flows from Financing Activities		29,174,911
Cash and cash equivalents at 1 July	19	62,026,329
Cash and cash equivalents at 30 June	19	91,201,240

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	62,092,689	46,060,583	278,623,129	236,915,392	41,707,737	85%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	66,360	-	66,360		66,360	

*National Government Constituencies Development Fund (NGCDF)
Rabai 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
Totals	170,469,857	62,159,049	46,060,583	278,689,489	236,915,392	41,774,097	85%
Expenses							
Employee costs	4,353,778	1,170,030	300,000	5,823,808	4,895,926	927,882	84%
Committee expenses	6,362,246	2,000,000	5,593,721	13,955,967	6,742,092	7,213,875	48%
Use of Goods and Services	4,626,263	1,066,360	975,760	6,668,383	4,453,590	2,214,793	67%
Other Government Units Certified Works	71,425,000	44,853,674	31,928,982	148,207,656	65,892,002	82,315,653	44%
Other Grants and Transfers	58,472,088	8,002,625	6,500,000	72,974,713	57,673,680	15,301,032	79%
Others	25,230,482	5,000,000	-	30,230,482	5,294,741	24,935,741	18%
Acquisition of assets			762,120	762,120	762,120	-	100%
Funds Pending Approval**	-	66,360	-	66,360	-	66,360	0%

*National Government Constituencies Development Fund (NGCDF)
Rabai 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
Total Expenditure	170,469,857	62,159,049	46,060,583	278,689,489	145,714,152	132,975,337	52%
Surplus for the period							

**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.

NOTES;

- I. *Budget utilization was due to late disbursements of funds*
- II. *Underutilization for all other items was occasioned by delays in disbursement of funds from NG-CDF Board, again towards the end of the closure of the FY 2024/2025 subsequently ksh . 42,469,857 had not been disbursed.*
- III. *Underutilization of Employee costs was caused by some staff contract ending and recruiting new staff took time.*
- IV. *Underutilization of transfers to other grants and other grants and transfers was due late disbursement/release of funds from the board.*

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	132,975,337
Less undisbursed funds receivable from the Board as at 30 th June 2025	41,774,097
Cash and Cash Equivalents at the end of the 30 th June 2025	91,201,240

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on _____ 2025 and signed by:



Chairman NG-CDF Committee

Name: Emmanuel Muhaso Muhaso



National Sub-County Accountant

Name: : Ganja Mwalolo Mwangemi

ICPAK M/No: 27869



Fund Account Manager

Name: Amina Ali

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

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

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on 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	4,353,778	1,170,030	300,000	5,823,808	4,895,926	927,882
1.2 Committee Allowances	2,645,150		2,593,721	5,238,871	2,327,800	2,911,071
1.3 Use Of Goods And Services	3,229,263	1,066,360	837,880	5,133,503	2,978,264	2,155,239
Sub-Total	10,228,191	2,236,390	3,731,601	16,196,182	10,201,990	5,994,192
2.0 Monitoring And Evaluation						-
2.1 Capacity Building	1,817,096		1,800,000	3,617,096	1,742,700	1,874,396
2.2 Committee Allowances	1,900,000	2,000,000	1,200,000	5,100,000	2,671,592	2,428,408
2.3 Use Of Goods And Services	1,397,000		137,880	1,534,880	1,475,326	59,554
Sub-Total	5,114,096	2,000,000	3,137,880	10,251,976	5,889,618	4,362,357
3.0 Emergency						-
3.1 Unutilized	8,972,088	2,000,000		10,972,088		10,972,088
3.2 Masaani Primary School		2,900,000		2,900,000	2,510,063	389,937
3.3 Mikomani Primary School		1,102,625		1,102,625	1,027,625	75,000
				-		-
Sub-Total	8,972,088	6,002,625	-	14,974,713	3,537,688	11,437,025
4.0 Bursary And Social Security						-
4.1 Primary Schools				-		-
4.2 Secondary Schools	27,000,000	2,000,000	-	29,000,000	27,761,000	1,239,000

*National Government Constituencies Development Fund (NGCDF)
Rabai 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
4.3 Tertiary Institutions	19,000,000		3,000,000	22,000,000	18,125,861	3,874,139
4.4 Special Needs				-		-
4.5 Education Support Programmes				-		-
4.6 Social Security				-		-
Sub-Total	46,000,000	2,000,000	3,000,000	51,000,000	45,886,861	5,113,139
5.0 Climate Change Mitigation						-
5.1 Rabai Ng-Cdf Office	100,000			100,000		100,000
5.2 Kawala Primary School			500,000	500,000	498,344	1,656
5.3 Makanzani Primary School			500,000	500,000	498,344	1,656
5.4 Changombe Primary School			500,000	500,000	479,277	20,723
5.5 Bwagamoyo Primary School			500,000	500,000	498,344	1,656
5.6 Kaoyeni Primary School			500,000	500,000	498,344	1,656
5.7 Boyani Primary School			500,000	500,000	278,134	221,866
5.8 Makobeni Primary School			500,000	500,000	498,344	1,656
				-		-
Sub-Total	100,000	-	3,500,000	3,600,000	3,249,131	350,869
6.0 Primary Schools Projects						-
6.1 Boyani Primary School	12,000,000			12,000,000		12,000,000
6.2 Benyoka Primary School	4,500,000			4,500,000		4,500,000
6.3 Chonyi Primary School	12,000,000			12,000,000		12,000,000
6.4 Dzanikeni Primary School	3,000,000			3,000,000		3,000,000

National Government Constituencies Development Fund (NGCDF)
Rabai 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
6.5 Mbwaka Primary School	2,500,000			2,500,000		2,500,000
6.6 Kailo Primary School	2,500,000			2,500,000		2,500,000
6.7 Chiferi Primary School	6,000,000			6,000,000		6,000,000
6.8 Mwangutwa Junior Primary School	3,380,000			3,380,000		3,380,000
6.9 Mwandodo Junior Primary School	1,710,000			1,710,000		1,710,000
6.10 Bedida Junior Primary School	1,710,000			1,710,000		1,710,000
6.11 Kaoyeni Primary School	6,500,000			6,500,000		6,500,000
6.12 Lugwe Primary School	6,500,000			6,500,000		6,500,000
6.13 Mgalla Primary School	6,500,000			6,500,000		6,500,000
6.14 Boyani Primary School	525,000			525,000		525,000
6.15 Benyoka Primary School	525,000			525,000		525,000
6.16 Chonyi Primary School	525,000			525,000		525,000
6.17 Chiferi Primary School	525,000			525,000		525,000
6.18 Dzanikeni Primary School	525,000			525,000		525,000
6.19 Kawala Primary School		25,808		25,808	-	25,808
6.20 Mwangutwa Primary School		1,888		1,888	-	1,888
6.21 Jimba Primary School		2,864,775		2,864,775	2,506,128	358,647
6.22 Kailo Primary School		66,884		66,884	10,557	56,327
6.23 Boyani Primary School		125,631		125,631	-	125,631
6.24 Muleji Primary School		75		75	-	75
6.25 Kasidi Primary School		50,014		50,014	-	50,014

*National Government Constituencies Development Fund (NGCDF)
Rabai 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
6.26 Ziro Primary School		394		394	-	394
6.27 Mitsajeni Primary School		36,753		36,753	-	36,753
6.28 Mbwaka Primary School		102,362		102,362	-	102,362
6.29 Chiferi Primary School		3,136,426		3,136,426	2,256,549	879,877
6.30 Chang'ombe Primary School		149,090		149,090	-	149,090
6.31 Lugwe Primary School		217,746		217,746	-	217,746
6.32 Mikomani Primary School		61,688		61,688	-	61,688
6.33 Kaoyeni Primary School		137,443		137,443	-	137,443
6.34 Bwagamoyo Primary School		17,131		17,131	-	17,131
6.35 Mwele Primary School		42,835		42,835	-	42,835
6.36 Jimba Primary School	-	12,000,000		12,000,000	10,341,484	1,658,516
6.37 Kailo Primary School	-	12,000,000		12,000,000	12,000,000	-
6.38 Mwele Primary School	-	-	12,000,000	12,000,000	10,723,154	1,276,846
6.39 M'bwaka Primary School	-	-	9,500,000	9,500,000	7,730,194	1,769,806
6.40 Mwangutwa Primary School	-	-	5,114,491	5,114,491	4,845,744	268,747
6.41 M'bungoni Primary School	-	-	5,114,491	5,114,491	4,876,558	237,933
6.42 Boyani Primary School		750,000		750,000	-	750,000
6.43 Changombe Primary School		750,000		750,000	-	750,000
6.44 Kaoyeni Primary School		750,000		750,000	725,008	24,992
6.45 Bwagamoyo Primary School		750,000		750,000	732,519	17,481
6.46 Kawala Primary School		750,000		750,000	733,828	16,172

National Government Constituencies Development Fund (NGCDF)

Rabai 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
6.47 Mwangutwa Primary School		750,000		750,000	750,000	-
6.48 Kasidi Primary School		750,000		750,000	750,000	-
6.49 Lugwe Primary School		750,000		750,000	749,840	160
6.50 Ziro Primary School		750,000		750,000	-	750,000
6.51 Mitsajeni Primary School		750,000		750,000	713,000	37,000
				-	-	
Sub-Total	71,425,000	38,536,940	31,728,982	141,690,922	60,444,563	81,246,359
7.0 Secondary Schools Projects (List All The Projects)						-
7.1 Rev. Canon Kuri Sec School		2,960,635		2,960,635	2,856,952	103,683
7.2 Ribe Girls Secondary School		3,356,099		3,356,099	2,590,488	765,611
7.3 Kamoti Secondary School			200,000	200,000		200,000
Sub-Total	-	6,316,734	200,000	6,516,734	5,447,440	1,069,294
8.0 Tertiary Institutions Projects (List All The Projects)						-
				-		-
				-		-
Sub-Total	-	-	-	-	-	-
9.0 Security Projects						-
9.1 Jimba Chiefs Office	1,700,000			1,700,000		1,700,000
9.2 Mikomani Chiefs Office	1,700,000		-	1,700,000		1,700,000

*National Government Constituencies Development Fund (NGCDF)
Rabai 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
				-		-
Sub-Total	3,400,000	-	-	3,400,000	-	3,400,000
10.0 Acquisition Of Assets						-
10.1 Motor Vehicles (Including Motorbikes)			-	-		-
10.2 Purchase Of Furniture And Fitiings				-		-
10.3 Construction Of CDF Office				-		-
Sub-Total	-	-	-	-	-	-
11.0 Others						-
11.1 Rabai Kisutini Digital Hub	20,230,481.92	-	-	20,230,482	5,294,741	14,935,741
11. 2Rural Electrification And Renewable Energy Cooperation MATCHING FUND	5,000,000.00	-	-	5,000,000		5,000,000
11.3 Kaliangome/Mwele Electricy		5,000,000.00	-	5,000,000	5,000,000	-
Sub-Total	25,230,482	5,000,000	-	30,230,482	10,294,741	19,935,741
Funds Pending Approval**				-		-
Unapproved Projects		-		-		-
AIA	-	66,360		66,360		66,360
Sub-Total	-	66,360	-	66,360	-	66,360
Total	170,469,857	62,159,049	46,060,583	278,689,489	145,714,152	132,975,337

National Government Constituencies Development Fund (NGCDF)

Rabai Constituency

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

(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 Rabai Constituency principal activity is funding education project, security projects and bursary to needy students.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and international Public sector Accounting Standards (IPSAS).The NGCDF Rabai has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach; Therefore this is the 1st Transitional financial statements.(The NG-CDF Rabai has recognized all financial Assets Which includes cash and cash equivalent for operational account, deposit account and PMC balances, Receivables(owing from the Board and others), Prepayments, PPE and intangible assets acquired in F/Y 2023/2024 to date of reporting. Liabilities recognized includes trade and other payables, third party deposits and gratuity provisions. Recognition of all other non-financial assets acquired in f/y prior to 2023/2024 to be recognized in the third year of transition after identification and valuations have been done.)

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

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	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is not applicable to the constituency</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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>This IPSAS is not applicable to the constituency</p>

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

<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized 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>This IPSAS is applicable effective 1st July,2025</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable effective 1st July,2025</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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

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

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	66,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (Deposit of opening bank account)	360
Total	66,360

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

10. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,840,717
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	744,000
Employer Contributions Compulsory national social security schemes	305,744
Employer Contributions Compulsory Housing levy	83,880
Employer contributions to National Industrial Training Authority	4,800
Other Specify(SHIF)	78,560
Total	4,057,701

11. Committee Expenses

	2024-2025
	Kshs
Sitting allowance	1,565,500
Other Committee expenses	5,176,592
Total	6,742,092

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

12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	2,142,250
Communication, supplies and services	-
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	-
Insurance costs	8,855
Specialized materials and services	-
Office and general supplies and services	150,480
Fuel, oil & lubricants	998,286
Bank charges	51,929
Routine maintenance – vehicles and other transport equipment	1,002,913
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	4,354,712

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	64,365,471
Secondary Schools Actual expenditure	5,730,035
Tertiary Institutions Actual expenditure	-
Total	70,095,505

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

14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	27,761,000
Bursary – tertiary institutions	18,125,861
Bursary – special schools	-
Bursary - Education Support programs	-
Social Security programs (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	3,249,131
Emergency projects Actual expenditure	3,537,688
Roads projects Actual expenditure	-
Others specify	5,000,000
Total	57,673,680

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	160,045
Intangible Assets	-
Total	160,045

16. Digital Hubs Expenses

Description	2024-2025
	Kshs
Construction/ renovation/ Actual expenditure	5,882,799
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
Total	5,882,799

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

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Family Bank A/C no.095000063501 (Operations account)	33,390,446	41,172,655.00
Operations account pending closure (Indicate name & account no.)	-	-
Family Bank A/C no.095000068811 (Deposit account)	341,360	-
Co-operative Bank, Various. (PMC accounts)	57,469,433	20,853,673.79
Total	91,201,240	62,026,329
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

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

(A schedule of all reconciled PMC bank balances as at the end of the period is annexed.)

20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 st July 24
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

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

i. Ageing Analysis for Receivables

Description	2024-2025		Opening Statement 1 st July 2024	
	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)	-	%	-	%

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

21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,469,857		46,822,703	
Outstanding imprest	-		-	
Total	42,469,857		46,822,703	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
	42,514,495		46,867,342	
Less than 1 year	-	100%	-	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	98,878		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (Specify)	-		-	
Total	98,878		-	

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	762,120	-	-	762,120
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	762,120	-	-	762,120
Depreciation And Impairment								
Opening Depreciation		-	-	-	228,636	-	-	228,636
Depreciation	-	-	-	-	160,045	-	-	160,045
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	-	-	-	-	-
Net Book Values		-	-	-				
Opening Bal as at 1 st July 2024	-	-	-	-	533,484	-	-	533,484
As At 30 th June 2025	-	-	-	-	762,120	-	-	762,120

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

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	762,120	160,045	602,075
Office Equipment, Furniture, And Fittings	-	-	-
Total	762,120	160,045	602,075

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

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

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

24. 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 1 st 2024	-
NBV at June 30 th 2025	-

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
Accumulated Depreciation				
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				

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

As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2024. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

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

27. Third-Party deposits

	2024-2025
	KShs
Retention as at 1 st July (A)	-
Retention held during the year (B)	7,528,934
Retention paid during the Year (C)	2,737,373
Closing Retention as at 30 th June D= A+B-C	4,791,561

Retentions aging analysis.

	2024-2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year		%	-	%
1-2 years	4,791,561	100%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

28. Lease Liabilities

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

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 st of July	1,179,225
Gratuity held during the year	744,000
Gratuity paid during the year	(1,582,225)
Total Gratuity Provision 30th June (A+B-C)	341,000.

30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus/Deficit for the year	21,569,682
Adjusted for:	
Depreciation	160,045
Impairment	-
Gains and losses on disposal of assets	(-)
Working capital adjustments	
Increase/decrease in receivables	(4,253,968)
Increase/decrease in payables	838,225
Net cash flow from operating activities	24,985,425

31. Financial Risk Management

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

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

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 (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,469,857	42,469,857	-	-
Bank balances	91,201,240	91,201,240	-	-
Total	-	-	-	-
As at 30 June 2024 (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	46,822,703	46,822,703	-	-
Bank balances	62,026,329	62,026,329	-	-
Total	-	-	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025 (Current FY)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30th June 2024 (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
Rabai 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
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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Entity has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the Invoices 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 recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024-2025			
Euro	10%	-	-
USD	10%	-	-
2023-2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data

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

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.

iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	107,669,807	107,669,807
Retained Earnings	21,569,682	-
Capital Reserve	-	-
Total Funds	129,239,489	107,669,807
Total Borrowings	-	-
Less: Cash and Bank Balances	91,201,240	62,026,329
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
Gearing	0%	0%

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

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	6,472,092	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	174,822,703.00	-
Total	174,822,703.00	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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

Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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

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	350,000	-	-	350,000
Buildings and structures	17,498,279	-	-	17,498,279
Transport equipment	7,162,747	-	-	7,162,747
Office equipment, furniture, and fittings	1,553,878	-	-	1,553,878
ICT Equipment and Other ICT Assets		762,120.00	-	762,120.00
Other Machinery and Equipment	1,176,214	-	-	1,176,214
Intangible assets		-	-	
Total	27,741,118	762,120.00 -	-	28,503,238

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

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

PMC	Bank	Account Number	Bank Balance 2024-2025	Opening Statement 1 st July 2024
Kawala Primary School	Co-Operative Mariakani	01141764913500	-	25,808
Mwangutwa Primary School	Co-Operative Mariakani	01141765254100	-	1,888
Rev. Canon Kuri Sec School	Co-Operative Mariakani	01141764917500	103,683	2,960,635
Jimba Primary School	Co-Operative Mariakani	01141765611800	2,017,163	2,864,775
Kailo Primary School	Co-Operative Mariakani	01141765610600	56,327	66,884
Boyani Primary School	Co-Operative Mariakani	01141765506900	-	125,631
Muleji Primary School	Co-Operative Mariakani	01141765506800		75
Kasidi Primary School	Co-Operative Mariakani	01141765459400	5,064	50,014
Ziro Primary School	Co-Operative Mariakani	01141765458500	-	394
Mitsajeni Primary School	Co-Operative Mariakani	01141765254000	-	36,753
Mbwaka Primary School	Co-Operative Mariakani	01141765159100	1,872,168	102,362
Chiferi Primary School	Co-Operative Mariakani	01141764918400	879,877	3,136,426
Ribe Girls Secondary School	Co-Operative Mariakani	01141764915700	765,612	3,356,099

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

PMC	Bank	Account Number	Bank Balance 2024-2025	Opening Statement 1 st July 2024
Chang'ombe Primary School	Co-Operative Mariakani	01141764915600	-	149,090
Lugwe Primary School	Co-Operative Mariakani	01141764915400	-	217,746
Mikomani Primary School	Co-Operative Mariakani	01141764915100	135,897	61,688
Kaoyeni Primary School	Co-Operative Mariakani	01141764915000	-	137,443
Bwagamoyo Primary School	Co-Operative Mariakani	01141764914000	-	17,131
Mwele Primary School	Co-Operative Mariakani	01141254631900	1,319,681	42,835
Boyani Primary School	Co-Operative Mariakani	01141765506900	1,097,497	750,000
Changombe Primary School	Co-Operative Mariakani	01141764915600	919,813	750,000
Kaoyeni Primary School	Co-Operative Mariakani	01141764915000	164,091	750,000
Bwagamoyo Primary School	Co-Operative Mariakani	01141764914000	36,268	750,000
Kawala Primary School	Co-Operative Mariakani	01141764913500	43,637	750,000
Mwangutwa Primary School	Co-Operative Mariakani	01141765254100	268,748	750,000
Kasidi Primary School	Co-Operative Mariakani	01141765459400	51,014	750,000
Lugwe Primary School	Co-Operative Mariakani	01141764915400	217,906	750,000

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

PMC	Bank	Account Number	Bank Balance 2024-2025	Opening Statement 1 st July 2024
Ziro Primary School	Co-Operative Mariakani	01141765458500	750,394	750,000
Mitsajeni Primary School	Co-Operative Mariakani	01141765254000	73,753	750,000
Masaani Primary School	Co-Operative Mariakani	01141765159000	389,937	
Mbungoni Primary School	Co-Operative Mariakani	01141765459500	237,933	
Rabai Digital Hub	Co-Operative Mariakani		17,037,973	
Dzanikeni Primary School			3,000,000	
Boyani Primary School			525,000	
Bedida Primary School			1,710,000	
Mwandodo Primary School			1,710,000	
Chiferi Primary School			6,000,000	
Benyoka Primary School			4,500,000	
Dzanikeni Primary School			525,000	
Chiferi Primary School			525,000	
Benyoka Primary School			525,000	

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

PMC	Bank	Account Number	Bank Balance 2024-2025	Opening Statement 1 st July 2024
Chonyi Primary School			525,000	
Mwangutwa Primary School			3,380,000	
Mbwaka Pimary School			2,500,000	
Jimbe Chiefs Office			1,700,000	
Mikomani Cheifs Office			1,700,000	
Kamoti Secondary School			200,000	
Total			57,469,433	20,853,674

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

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Inaccurate Payments on Use of Goods and Services	The statement of receipts and payments and Note 6 to the financial statements reflects payments totaling to Kshs.4, 771,066 in respect of use of goods and services. However, budget execution by sectors and projects reflects actual payments on comparable basis totaling Kshs.6, 271,066 resulting to unexplained variance of Kshs.1, 500,000.	The inaccuracies, caused by over casting errors which have now been, corrected .see the attached amended financial statements. And all budget execution issues raised are now corrected.	Not Resolved	Awaiting Appearance before DFAC
2.0 Inaccurate Payments on Bursary	In the circumstances, the accuracy and completeness of bursary payments could not be confirmed.	The inaccuracies, caused by over casting errors which have now been, corrected .see the attached amended financial statements. And all budget execution issues raised are now corrected	Not Resolved	Awaiting Appearance before DFAC

**National Government Constituencies Development Fund (NGCDF)
Rabai 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)
3.0 Unsupported Payments on Security Projects	The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers payments totaling Kshs.58,764,715. Included in these payments is Kshs.6,700,000 in respect of four (4) security projects. However, the procurement records for these projects were not provided for audit review. In addition, the PMC bank accounts for the security projects was not disclosed.	The necessary schedules, procurement documents were provided to the auditor for review and verification.	Not Resolved	Awaiting Appearance before DFAC

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Name: Amina Ali
Fund Account Manager.

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

Turbi Police PMC	KCB Bank, Marsabit	1338032690	-	-
Turbi Quick Response Unit	KCB Bank, Marsabit	1338032690	-	-

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

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2022/2023/1	Lack of Employment Contracts	In progress	Not Resolved	30.06.2026
2022/2023/2	Failure to notify the NGCDFB on Emergency Fund	In progress	Not Resolved	30.06.2026
2022/2023/3	Unsupported Bursary Funds	In progress	Not Resolved	30.06.2026
2022/2023/4	Budgetary Control and Performance	In progress	Not Resolved	30.06.2026
2023/2024/1	Un accounted for Committee Expenses	In progress	Not Resolved	30.06.2026
2023/2024/2	Budgetary Control and Performance	In progress	Not Resolved	30.06.2026
2023/2024/3	Irregular Implementation of security Projects	In progress	Not Resolved	30.06.2026
2023/2024/4	Failure to Prepare and Table annual Schedule of Meetings	In progress	Not Resolved	30.06.2026
2023/2024/5	Anomalies in Project Implementation	In progress	Not Resolved	30.06.2026

*National Government Constituencies Development Fund (NGCDF)
North Horr 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)
2023/2024/6	Project Implementation Status	In progress	Not Resolved	30.06.2026
2023/2024/7	Failure to have Internal Audit Arrangements	In progress	Not Resolved	30.06.2026
2023/2024/8	Inefficiency of Management of Bursary	In progress	Not Resolved	30.06.2026

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Suleiman Guyo Rop
 Fund Account Manager

FUND ACCOUNT MANAGER
 NORTH HARR NATIONAL GOVERNMENT
 CONSTITUENCY DEVELOPMENT FUND
 P.O. Box 162-60500, MARSABIT